

To: All Councillors

Our Ref DS/KK  
Contact Krystyna Kowalewska kkowalewska@westsomerset.gov.uk  
Date 11 July 2017

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

Dear Councillor

I hereby give you notice to attend the following meeting:

**COUNCIL MEETING**

**Date: Wednesday 19 July 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.

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

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

Yours sincerely



**BRUCE LANG**  
Proper Officer



**WEST SOMERSET DISTRICT COUNCIL**

**Meeting to be held on Wednesday 19 July 2017 at 4.30 pm**

**Council Chamber, Williton**

**AGENDA**

**1. Apologies for Absence**

**2. Minutes**

Minutes of the Meeting of Annual Council held on 10 May 2017 to be approved and signed as a correct record – **SEE ATTACHED.**

**3. Declarations of Interest**

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

**4. Public Participation**

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

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

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

**5. Chairman's Announcements**

**6. Corporate Plan 2017/18 Update**

To consider Report No. WSC 78/17, to be presented by Councillor A Trollope-Bellow, Leader of Council – **SEE ATTACHED.**

The purpose of the report is to introduce and finalise the draft Corporate Plan for 2017/18 as it continues through the democratic process.

**7. Proposed Changes to Business Rates Relief Policy**

To consider Report No. WSC 77/17, to be presented by Councillor M Chilcott, Lead Member for Resources and Central Support – **SEE ATTACHED.**

The purpose of this report is to provide information on the background and context for updating the Business Rates Relief Policy for 2017/18.

**8. Hinkley Point C Section 106 Development Consent Obligation – Skills and Training Contribution**

To consider Report No. WSC 75/17, to be presented by Councillor A Hadley, Lead Member for Regeneration and Economic Development – **SEE ATTACHED**.

The purpose of the report is to outline proposals relating to the Skills and Training contribution for West Somerset that forms part of the Hinkley Point C (HPC) Section 106 Development Consent Obligations (DCO) Agreement.

**9. Treasury Management Outturn Report 2016/17**

To consider Report No. WSC 76/17, to be presented by Councillor M Chilcott, Lead Member for Resources and Central Support – **SEE ATTACHED**.

The purpose of the report is to review the treasury management activity and the performance against the Prudential Indicators for the 2016/17 financial year as prescribed by the revised CIPFA Code of Practice and in accordance with the Council's Treasury Management Strategy and Annual Investment Policy.

**10. Minutes and Notes for Information**

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

- Notes of the Exmoor Area Panel meetings held on 2 March  
<https://www.westsomersetonline.gov.uk/Council---Democracy/Council-Meetings/Exmoor-Area-Panel/Exmoor-Area-Panel---2-March-2017>
- Notes of the Minehead Area Panels held on 8 March and 13 June  
<https://www.westsomersetonline.gov.uk/Council---Democracy/Council-Meetings/Minehead-Area-Panel/Minehead-Area-Panel---8-March-2017>  
<https://www.westsomersetonline.gov.uk/Council---Democracy/Council-Meetings/Minehead-Area-Panel/Minehead-Area-Panel---13-June-2017.aspx>
- Notes of the Dunster Area Panel held on 18 April  
<https://www.westsomersetonline.gov.uk/Council---Democracy/Council-Meetings/Dunster-Area-Panel/Dunster-Area-Panel---18-April-2017>
- Notes of the Watchet, Williton and Quantock Vale Area Panel held on 14 March  
<https://www.westsomersetonline.gov.uk/Council---Democracy/Council-Meetings/Watchet,-Williton-and-Quantock-Area-Panel/Watchet,-Williton---Quantocks-Area-Panel--14-March>

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

**WEST SOMERSET COUNCIL****Minutes of Annual Council held on 10 May 2017 at 2.30 pm****in the Council Chamber, Williton****Present:**

Councillor B Heywood ..... Chairman  
Councillor R Woods ..... Vice-Chairman

Councillor I Aldridge	Councillor A Behan
Councillor M J Chilcott	Councillor R Clifford
Councillor M O A Dewdney	Councillor G S Dowding
Councillor S Y Goss	Councillor A P Hadley
Councillor T Hall	Councillor I Jones
Councillor A Kingston-James	Councillor R P Lillis
Councillor B Maitland-Walker	Councillor K M Mills
Councillor C Morgan	Councillor P H Murphy
Councillor J Parbrook	Councillor P Pilkington
Councillor S J Pugsley	Councillor R Thomas
Councillor N Thwaites	Councillor A H Trollope-Bellew
Councillor K H Turner	Councillor D J Westcott

**Officers in Attendance:**

Chief Executive (P James)  
Assistant Chief Executive (B Lang)  
Assistant Director Energy Infrastructure (A Goodchild)  
Community and Client Services Manager (S Weetch)  
Finance Manager (J Nacey)  
Community and Housing Lead – Energy Infrastructure (L Redston)  
Media and Communications Officer (D Rundle)  
Meeting Administrator (K Kowalewska)

The meeting was opened with prayers led by the Reverend Andrew Thomas.

**C1      Election of Chairman**

**RESOLVED** that Councillor B Heywood be elected Chairman of the Council for the ensuing Municipal Year.

**C2      Appointment of Vice Chairman**

**RESOLVED** that Councillor R Woods be appointed Vice-Chairman of the Council for the ensuing municipal year.

Councillor B Heywood provided a warm welcome to Honorary Aldermen G Burnell, T Knight, T Taylor, E May and Mrs E Woods who were in attendance, as well as welcoming the newly elected Members, Councillors P Pilkington and A Kingston-James to the meeting.

Councillor Heywood went on to thank Councillors for re-electing him as Chairman for a second term, and was flattered by the endorsement. He also thanked the Vice-Chairman and Assistant Chief Executive for their support and guidance over the past year. The Chairman spoke highly of Councillor Pugsley who was attending his 30<sup>th</sup> Annual Council meeting since being elected in 1987 and declared him the 'father of this Council'! He concluded by advising Members of the recent engagements he had attended.

**C3      Apologies for Absence**

Apologies for absence were received from Councillors H Davies and T Venner.

**C4      Declarations of Interest**

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

<b>Name</b>	<b>Minute No.</b>	<b>Member of</b>	<b>Action Taken</b>
Cllr I Aldridge	All	Williton	Spoke and voted
Cllr M Chilcott	All	SCC	Spoke and voted
Cllr S Goss	All	Stogursey	Spoke and voted
Cllr A Kingston-James	All	Minehead	Spoke and voted
Cllr B Maitland-Walker	All	Carhampton	Spoke and voted
Cllr C Morgan	All	Stogursey	Spoke and voted
Cllr P H Murphy	All	Watchet	Spoke and voted
Cllr J Parbrook	All	Minehead	Spoke and voted
Cllr R Thomas	All	Minehead	Spoke and voted
Cllr N Thwaites	All	Dulverton	Spoke and voted
Cllr A H Trollope-Bellew	All	Crowcombe	Spoke and voted
Cllr K H Turner	All	Brompton Ralph	Spoke and voted
Cllr D J Westcott	All	Watchet	Spoke and voted

**C5      Minutes**

(Minutes of the meeting of Council held on 22 March 2017, circulated with the Agenda.)

**RESOLVED** that, subject to the following amendments, the Minutes of the meeting of Council held on 22 March 2017 be confirmed as a correct record:

- (i) C89 The last paragraph be amended to read, "The Leader requested that the supplementary questions be sent to him in writing and it was agreed the Leader would provide a written response following the meeting."

- (ii) C91 To amend the last line of the fifth bullet point to read, "...and it was reported that the Environment and Planning Committee of Watchet Town Council considered the matter and were supportive of the proposals."

Administrator's Note: Subsequent to the meeting the answers to the supplementary questions were circulated to all West Somerset Council Members.

**C6      Public Participation**

No members of the public spoke at the meeting on any items on the agenda.

**C7      Appointment of Leader**

**RESOLVED** that the appointment of Councillor A H Trollope-Bellew as Leader be confirmed for the third year of a four year term.

**C8      Cabinet**

The Leader announced the following appointments and portfolios:

<b>Name</b>	<b>Political Group</b>	<b>Lead Member</b>
Councillor A Trollope-Bellew	Conservative	<b>Leader</b> and Performance and Corporate Support
Councillor M Chilcott	Conservative	<b>Deputy Leader</b> and Resources and Central Support
Councillor M Dewdney	Conservative	Environment
Councillor A Hadley	Conservative	Regeneration and Economic Growth
Councillor C Morgan	Conservative	Energy Infrastructure
Councillor S J Pugsley	Conservative	Executive Support and Democracy
Councillor K H Turner	Conservative	Housing, Health and Wellbeing
Councillor D J Westcott	Conservative	Community and Customer

The Leader thanked Councillor K Mills for her work during her four year term as Regeneration and Economic Growth portfolio holder. He added that she had worked exceptionally hard, attending copious meetings and had achieved a great deal for West Somerset in her economic development role.

**RESOLVED** that the appointments be noted and that the Corporate Plan, Constitution and any other relevant documents be updated accordingly.

**C9      Allocation of Seats to Committees**

**RESOLVED** that the nominations for Committee seats made by the political groups be ratified and that the composition of the Committees be as detailed below.

<b>SCRUTINY COMMITTEE</b>	
<b>9 seats in total</b>	
<b>Conservative 6</b>	
<b>West Somerset Opposition 3</b>	
<b>Name</b>	<b>Political Group</b>
Councillor G S Dowding	Conservative
Councillor B Maitland-Walker	Conservative
Councillor J Parbrook	Conservative
Councillor R Clifford	Conservative
Councillor R Woods	Conservative
Councillor N Thwaites	Conservative
Councillor P Murphy	West Somerset Opposition
Councillor I Aldridge	West Somerset Opposition
Councillor P H Murphy	West Somerset Opposition

<b>LICENSING COMMITTEE</b>	
<b>11 seats in total</b>	
<b>Conservative 8</b>	
<b>West Somerset Opposition 3</b>	
<b>Name</b>	<b>Political Group</b>
Councillor S Y Goss	Conservative
Councillor R P Lillis	Conservative
Councillor J Parbrook	Conservative
Councillor R Thomas	Conservative
Councillor N Thwaites	Conservative
Councillor K H Turner	Conservative
Councillor D J Westcott	Conservative
Councillor A Kingston-James	Conservative
Councillor I Aldridge	West Somerset Opposition
Councillor T Venner	West Somerset Opposition
Councillor I Jones	West Somerset Opposition

<b>PLANNING COMMITTEE</b>	
<b>15 seats in total</b>	
<b>Conservative 11</b>	
<b>West Somerset Opposition 4</b>	
<b>Name</b>	<b>Political Group</b>
Councillor G S Dowding	Conservative
Councillor S Y Goss	Conservative
Councillor B Heywood	Conservative
Councillor B Maitland-Walker	Conservative
Councillor K Mills	Conservative
Councillor C Morgan	Conservative
Councillor A Kingston-James	Conservative
Councillor J Parbrook	Conservative
Councillor S J Pugsley	Conservative
Councillor K H Turner	Conservative
Councillor R Woods	Conservative
Councillor I Aldridge	West Somerset Opposition



Councillor I Jones	West Somerset Opposition
Councillor P H Murphy	West Somerset Opposition
Councillor T Venner	West Somerset Opposition

AUDIT COMMITTEE	
<b>7 seats in total</b>	
<b>Conservative 5</b>	
<b>West Somerset Opposition 2</b>	
Name	Political Group
Councillor R P Lillis	Conservative
Councillor K Mills	Conservative
Councillor R Thomas	Conservative
Councillor N Thwaites	Conservative
Councillor R Woods	Conservative
Councillor P Pilkington	West Somerset Opposition
Councillor T Venner	West Somerset Opposition

LOCAL DEVELOPMENT PANEL	
<b>8 seats in total</b>	
<b>Conservative 6</b>	
<b>West Somerset Opposition 2</b>	
Name	Political Group
Councillor S Y Goss	Conservative
Councillor B Heywood	Conservative
Councillor B Maitland-Walker	Conservative
Councillor J Parbrook	Conservative
Councillor K Turner	Conservative
Councillor D Westcott	Conservative
Councillor P Pilkington	West Somerset Opposition
Councillor T Venner	West Somerset Opposition

STANDARDS ADVISORY COMMITTEE	
<b>9 seats in total</b>	
<b>3 West Somerset District Councillors</b>	
<b>3 Independent Members</b>	
<b>3 Parish/Town Councillors</b>	
Councillor P H Murphy	
Councillor N Thwaites	
Councillor D J Westcott	

## C10 Appointment of Chairmen and Vice-Chairmen of Committees

The following appointments were made:

### Scrutiny Committee

Chairman

Councillor P H Murphy

Vice-Chairman

Councillor N Thwaites

### Planning Committee

Chairman

Councillor S J Pugsley

Vice-Chairman

Councillor B Maitland-Walker

**Licensing Committee**

Chairman

Councillor R P Lillis

Vice-Chairman

Councillor D J Westcott

**Audit Committee**

Chairman

Councillor R P Lillis

Vice-Chairman

Councillor K Mills

**Local Development Panel**

Chairman

Councillor K H Turner

Vice-Chairman

Councillor S Y Goss

**C11**

**Appointment of Representatives on Outside Bodies**

**RESOLVED** that the Members appointed to serve on Outside Bodies for the municipal year 2016-2017 be as follows:

<b>ORGANISATION</b>	<b>REPS 2014/2015</b>
Management Committee of Broadlands	Councillor J Parbrook
MATA Regal Theatre Co Ltd	Councillor A Kingston-James
Monitoring and Evaluation Group West Somerset Sports & Leisure Centre	Councillor T Hall
Somerset County Playing Fields Association	Councillor H J W Davies
Somerset Passenger Transport Forum	Councillor M O A Dewdney
Exmoor National Park (politically balanced)	Councillor S J Pugsley Councillor B Heywood Councillor M O A Dewdney Councillor I Jones
Somerset Building Preservation Trust	Councillor H J W Davies Deputy: Councillor G Dowding
The Parrett Drainage Board	Councillor B Maitland-Walker (Dunster Area) Councillor C Morgan (Stockland Area)
West Somerset Railway Partnership Development Group	Councillor A Hadley Deputy: Councillor K Mills
WSC Member Champion	Councillor P H Murphy
South West Audit Partnership (SWAP) Members Meeting	Chair of Audit Committee – Councillor R P Lillis
Quantock Hills Joint Advisory Committee	Councillor A Trollope-Bellew Councillor S Dowding
West Somerset Advice Bureau	Councillor J Parbrook Deputy: Councillor R Clifford

ENGAGE - West Somerset Voluntary Sector Development agency	Councillor R Lillis Deputy: Councillor N Thwaites
Hinkley Point Site Stakeholder Group	Councillor M O A Dewdney Councillor C Morgan Councillor S Goss
Minehead EYE Management Committee	Councillor D J Westcott
Somerset Armed Forces Community Covenant Partnership	Councillor S Dowding
Minehead Coastal Community Team	Councillor R Thomas Councillor A Hadley (PH) Councillor J Parbrook Deputy: Councillor B Maitland-Walker
Police and Crime Panel	Councillor S Dowding
Health and Wellbeing Board	Councillor K Turner

Administrator's Note: Following the meeting, it was advised that West Somerset Council representation was no longer required for Early Years Partnership and Wessex Water Customer Liaison Panels.

**C12**
**Appointment of Representatives on Internal Bodies**

**RESOLVED** that the Members appointed to serve on Internal Bodies for the municipal year 2016-2017 be as follows:

Joint Partnership Advisory Board (JPAG)	Councilor A H Trollope-Bellew Councillor M J Chilcott Councillor A P Hadley Councillor R P Lillis Councillor N Thwaites Councillor B Maitland-Walker Councillor P Murphy Councilor I Aldridge
Asset Project Group	Councillor K Turner Councillor A P Hadley Councillor G S Dowding Councillor P Murphy
Planning Obligations Board for Hinkley Point	Councillor M Chilcott Councillor C Morgan
Planning Obligations Group	Councillor M Chilcott Councillor P Murphy
Hinkley Housing Board	Councillor M Chilcott Councillor C Morgan Councillor K Turner Councillor P Murphy

Hinkley Leisure Fund	Councillor M Chilcott Councillor C Morgan Councillor D Westcott
Harbour Board	Councillor M Dewdney Councillor J Parbrook Councillor R Woods Councillor T Venner Non-voting members: Councillors C Morgan, M Chilcott

**C13      Replacement of Designated Public Place Orders with Public Spaces Protection Order in respect of Minehead, Watchet and Williton**

(Report No. WSC 50/17, circulated with the Agenda.)

The purpose of the report was to provide Members with an update of work in preparation for the introduction of Public Spaces Protection Orders to replace existing Designated Public Place Orders (DPPO) that address anti-social behaviour issues in Minehead, Watchet and Williton. Further to request that Members agreed to the introduction of such an order to come into effect on 1 June 2017. The replacement of the existing DPPO's was a requirement under the Anti-Social Behaviour Crime and Policing Act 2014.

The Lead Member for Community and Customer presented the report and provided background information. He went on to propose the recommendation which was duly seconded by Councillor M Dewdney.

Specific questions were raised in regard to what support would the Police provide in respect of controlling anti-social behaviour under the new legislation, as well as enquiring as to how many fixed penalty notices for Minehead, Watchet and Williton had been served per year under the DPPO process.

The Community and Client Services Manager undertook to respond to the question regarding fixed penalty notices in writing, and agreed to discuss the matter of support with the Police.

**RESOLVED** that the introduction of a Public Spaces Protection Order to address the possession and consumption of alcohol within the geographic areas shown on the appended maps to the report of Minehead, Watchet and Williton be agreed.

**C14      West Somerset Council 2017-2020 Asset Strategy**

(Report No. WSC 51/17, circulated with the Agenda.)

This item was withdrawn.

**C15      HPC Planning Obligations Board – Allocation of CIM Funding**

(Report No. WSC 52/17, circulated with the Agenda.)

The purpose of the report was to present the recommendations of the Hinkley Point C Planning Obligations Board (POB) for the allocation of monies from the Community Impact Mitigation (CIM) Fund secured through the Section 106 legal agreement for the Site Preparation Works at Hinkley Point.

The Lead Member for Resources and Central Support outlined the details of the report, providing information on the project. Members were informed that the POB felt the bid did not meet the funding criteria and the reasons for turning down the application were given. The Lead Member drew attention to the CIM Fund uncommitted balances shown in Appendix A to the report as there was ring-fenced West Somerset money still available. She advised Sedgemoor District Council had allocated all of its funding to projects, as well as stating that applicants from all of Somerset could apply to the 1<sup>st</sup> and 2<sup>nd</sup> Annual Payment and the Board looked forward to receiving more projects.

The Lead Member proposed the recommendation of the report which were seconded by Councillor C Morgan.

**RESOLVED** that the recommendation of the Hinkley C Planning Obligations Board be endorsed as follows:

- (i) That the application from Burnham on Sea Events for the Busy Burnham project for £105,000 is not approved as the application did not meet the funding criteria, especially sustainability and value for money.

The meeting closed at 3.20 pm.



WSC 78/17

## **West Somerset District Council**

**Full Council – 19<sup>th</sup> July 2017**

### **WSC Corporate Plan 2017/18**

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

**Report Author: Richard Doyle, Corporate Strategy & Performance Officer**

#### **1 Purpose of the Report**

- 1.1 The purpose of the report is to introduce and finalise the draft Corporate Plan for 2017/18 as it continues through the democratic process.

#### **2 Recommendations**

- 2.1 That the Council supports the adoption of the Corporate Plan for 2017/18.

#### **3 Background Information**

- 3.1 The Corporate Plan flows from our four year strategy which covers the period 1<sup>st</sup> April 2016 to 31<sup>st</sup> March 2020. The 2017/18 Corporate Plan will be the second year of this strategy.
- 3.2 The Plan describes the actions we will take during the year to ensure the Council's strategic objectives are achieved for the people and place of West Somerset and sets out how we will monitor and measure our progress.
- 3.3 The Corporate Plan does not cover everything that the Council does, but it focuses on a combination of those issues that matter most to local people and the unique challenges arising from the District's changing social, economic and environmental contexts.
- 3.4 The plan is a key component of our corporate planning and performance management framework. It links the strategic priorities of the Council directly to the activities of each individual employee as can be seen from the illustration below:



#### 4 Finance / Resource Implications

The Plan contains *Key Theme 4 – An efficient and Modern Council* – which includes the aims to *Make better use of our land and property assets; transferring or selling assets where it makes sense to do so and Review how services are delivered, by whom and to what standard in order to best allocate our resources.*

#### 5 Legal Implications

It is not a legal requirement to produce a Corporate plan; however, it is an essential business management tool and will provide a clear plan for officers and members to work within.

#### 6 Environmental Impact Implications

The Plan contains *Key Theme 3 – Our Place and Infrastructure* which seeks to keep West Somerset a place to be proud of and one which is well maintained and welcoming to residents, visitors and businesses alike.

#### 7 Safeguarding and/or Community Safety Implications

There are no safeguarding or community safety issues

#### 8 Equality and Diversity Implications

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

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



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

## **9 Social Value Implications**

There are no social value implications.

## **10 Partnership Implications**

There are no partnership implications.

## **11 Health and Wellbeing Implications**

The Plan contains *Key Theme 1 – Our Communities* which seeks to help our communities remain sustainable and vibrant is vital in keeping West Somerset a great place in which to live and work and includes particular focus on the wellbeing of older people as rural isolation and loneliness are particular issues.

## **12 Asset Management Implications**

The Plan contains Key Theme 4 – An efficient and Modern Council – which includes the aim to “Make better use of our land and property assets; transferring or selling assets where it makes sense to do so”.

## **13 Consultation Implications**

Early drafts of the plan have been shared with the Joint Management Team.

## **14 Scrutiny Comments/Recommendation(s)**

The Corporate Plan was presented to the Scrutiny Committee on 20<sup>th</sup> April 2017 for them to discuss. Some minor amendments have been made including highlighting any changes from the 2016/17 Corporate Plan.

**Democratic Path:**

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

**Reporting Frequency:    Annually**

**List of Appendices**

Appendix A	Draft Corporate Plan 2017/18
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**Contact Officers**

Name	Richard Doyle
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Email	r.doyle@tauntondeane.gov.uk



## **West Somerset Council**

### **Corporate Plan 2017 - 2018**

#### **Our Communities**



#### **Business & Enterprise**



#### **Our Place & Infrastructure**

#### **An Efficient & Modern Council**

**"To enable people to live, work and prosper  
and for business to thrive in West Somerset"**



## Introduction



Cllr. Anthony  
Trollope-Bellew  
Leader of the  
Council



Penny James  
Chief Executive

### Welcome to West Somerset District Council's Corporate Plan for 2017-18.

Having agreed our Corporate Strategy for the next four years (2016-20), setting out our vision, priorities, values and principles, we are committed to putting the Strategy into action and making a difference for local people and business.

We will make sure public money continues to be spent well and build upon our good relationships with partners, work positively with our towns and parishes as well as collaborating with a range of other organisations to deliver and enable services to the benefit of all who visit, live and work in West Somerset.

We are progressing plans to create a new council for the combined communities of Taunton Deane and West Somerset. Our proposal has recently been submitted to the Secretary of State for their consideration. We aim, with Government support, to have this new council in operation in 2019.

Alongside this timeline we are implementing major changes to how we do things to ensure we improve service delivery to our customers and deliver savings. Meantime we need to deliver good services to our residents and this Corporate Plan identifies the key actions we will take during the 2017/18 financial year to ensure the Council's strategic objectives are delivered.

**"Working with our communities to keep ~West Somerset  
a great place in which to live, work, learn and enjoy"**

## Elected Members of the District Council - Portfolio Holders

**The Cabinet are responsible for decisions affecting the day-to-day running of the Council, linking the necessary action to implement the Council's policies. The Cabinet are the policy forming team for the Council.**



**Leader of the Council and Performance & Corporate Support:  
Cllr Anthony Trollope-Bellew**

Areas Covered: Press & Media, Performance Management, Scrutiny Support and Corporate Support.



**Deputy Leader and Resources & Central Support:  
Cllr Mandy Chilcott**

Areas Covered: Asset Management, Finance, Information Technology, Audit, Legal Services, Human Resources and Health & Safety (Internal).



**Energy Infrastructure: Cllr Chris Morgan**

Areas Covered: Hinkley Point Development



**Environment: Cllr Martin Dewdney**

Areas Covered: Coast Protection, Planning, Building Control, Waste Management, Street Sweeping, Climate Change, Shoreline Management, Land Drainage, Beach Cleaning, Grounds Maintenance, Street Naming and Harbours.



**Regeneration & Economic Growth: Cllr Andrew Hadley**

Areas Covered: Economic Regeneration, Markets, Tourism and Car Parks.



**Executive Support & Democracy: Cllr Steven Pugsley**

Areas Covered: Elections and Member Services.



**Housing, Health & Wellbeing: Cllr Keith Turner**

Areas Covered: Housing Private Sector, Housing Enabling, Housing Strategy, Housing Options, Food Safety, Health & Safety (External), Environmental Protection, Pest Control, Pollution Control, Licensing and Local Development Framework.



**Community & Customer: Cllr Dave Westcott**

Areas Covered: Parish Liaison, Community Safety, Art and Culture, Civil Contingencies, Concessionary Fares, Customer Access, Customer Information, Local Taxation, Benefits (incl. Fraud), Debt Recovery, Land Charges and Dog Warden.

## Joint Management Team

**West Somerset Council shares a Management Team with Taunton Deane Borough Council.**

**The Joint Management Team works closely with the Council Leaders, elected Members and with our partners to deliver the corporate priorities for both Councils**



**Penny James**, Chief Executive for West Somerset Council and Taunton Deane Borough Council

The Chief Executive leads delivery of the corporate management and operational responsibilities of the Councils, and statutory obligations as Head of Paid Service, Returning Officer and Electoral Registration Officer.



**Shirlene Adam**, Director - Operations

The Director of Operations main role during 2017/18 will be to focus on the Transformation agenda and the potential creation of a new council.



**James Barrah**, Director - Housing & Communities

The Director of Housing and Communities main role during 2017/18 will be to focus on the deliver of services to our community and all the support functions that enable this to happen.



**Brendan Cleere**, Director - Growth & Development

The Director of Growth & Development has overall responsibility for Planning, Regeneration, delivery of community infrastructure, inward investment and Economic Development. Key priorities include the Hinkley Point nuclear new build.



**Bruce Lang**, Assistant Chief Executive & Monitoring Officer

The Assistant Chief Executive & Monitoring Officer is responsible for Elections and offers support to the senior leadership team on key projects.

## The Purpose of the Corporate Plan

The Corporate Plan for 2017/18 flows from our four-year Corporate Strategy, which covers the period 1st April 2016 through to 31st March 2020. We are now in the second year of the strategy.

The Plan describes the actions we will take during the year to ensure the Council's strategic objectives are achieved for the people and place of West Somerset and sets out how we will monitor and measure our progress.

The Corporate Plan does not cover everything that the Council does, but it focuses on a combination of those issues that matter most to local people and the unique challenges arising from the District's changing social, economic and environmental contexts.

## How do we use it?

The plan is a key component of our corporate planning and performance management framework. It links the strategic priorities of the Council directly to the activities of each individual employee as can be seen from the illustration below.





## Key Theme 1

### Why is this important?

Helping our communities remain sustainable and vibrant is vital in keeping West Somerset a great place in which to live and work.

## Our Communities



### The key issues we aim to influence and improve:

#### Key Issue

Increase the availability and affordability of homes for local people - to both buy and to rent.

#### What we will do in 2017/18

- Facilitate the delivery of the affordable housing development pipeline to achieve the target of 34 new affordable homes completed during 2017/18.
- In 2017/18 we will work with local partners and the Homes and Communities agency to deliver 80 private rented bed spaces and 30 new build homes using the Hinkley Point C Housing Fund.

#### Key Issue

The retention of young people – West Somerset experiences a net migration of young people which impacts negatively on the sustainability, balance and vibrancy of some of our communities.

#### What we will do in 2017/18

- In 2017/18 using the Hinkley Point C project as a catalyst we will work with partners and seek to coordinate activity with our young people to inspire them, to provide pathways to education, good quality training and employment opportunities.

**Key Issue**

The well being of older people – West Somerset has the oldest average age of any district in England. Rural isolation and loneliness in particular, are real issues.

**What we will do in 2017/18**

- Work with partners to support vulnerable older people with a range of health initiatives such as social isolation events, Health Living Fairs, social prescribing (Living Better project), flu clinics, Archie dementia promotion etc.
  - Implement new local lottery to raise money for local voluntary and community sector organisations to offer additional support to vulnerable local residents.
  - Promote 'iChoosr', 'Wiser£Money', 'Forum 21' and other initiatives to tackle fuel poverty in West Somerset.
-

## Key Theme 2

## Business & Enterprise

### Why is this important?

Access to well-paid employment is key to retaining young people and raising living standards across West Somerset.



### The key issues we aim to influence and improve:

#### Key Issue

Encourage inward investment and the creation of new higher-paid jobs for local people.

#### What we will do in 2017/18

- In 2017/18 we will work with the Into Somerset brand to attract new business and bring new employment opportunities to the area. We will work with existing businesses to increase business resilience, support increased productivity and higher value skills requirements leading to better paid jobs.

#### Key Issue

Support and promote West Somerset's vital tourism and agricultural sectors.

#### What we will do in 2017/18

- In 2017/18 we will deliver a programme of activity to support, develop and promote the tourism sector in West Somerset, as set out in the strategies and plans of the Hinkley Tourism Action Partnership.

#### Key Issue

Work with stakeholders to improve the skills, knowledge and aspirations of young people in particular.

### **What we will do in 2017/18**

- In 2017/18 we will work with partners to deliver activity to inspire young people and drive up aspiration. We will use the developing employment hub network to increase the level of tailored support available across the district and develop practical employability programmes related to the needs of local employers.

#### **Key Issue**

Greater promotion of West Somerset as a place in which to set up business.

### **What we will do in 2017/18**

- In 2017/18 we will work in partnership with the Into Somerset Brand and our tourism partners to ensure that we fully promote the natural assets of West Somerset to encourage new business start-ups.

#### **Key Issue**

Maximise the local economic benefits from Hinkley Point C.

### **What we will do in 2017/18**

- In 2017/18 we will continue to support businesses which aspire to gain contracts within the HPC supply chain. We will provide business support workshops open to all businesses and one-to-one support for those requiring specialist assistance.

#### **Key Issue**

Push for the rollout of fibre broadband and better mobile phone signal coverage across the District.

### **What we will do in 2017/18**

- Provide financial contribution to Superfast Broadband connecting Devon and Somerset (CDS) phase 2 rollout by 30th March 2018.

## Key Theme 3

## Our Place & Infrastructure

### Why is this important?

West Somerset is a beautiful place to visit and in which to live and work. We want to keep West Somerset a place to be proud of and one which is well-maintained and welcoming to residents, visitors and businesses alike.



### The key issues we aim to influence and improve:

#### Key Issue

Support measures and proposals that protect local communities from flooding.

#### What we will do in 2017/18

- Continue to improve surface water drainage systems under WSC control.
- District Flood Board – work with our flood risk partners (The Environment Agency, SCC's Flood and Water Management Team, Highways, Wessex Water, West Somerset Flood Group and the Internal Drainage Board) to facilitate and promote local action plans and flood alleviation projects.
- Work with the Environment Agency when opportunities arise to support the community suffering from coastal erosion.
- Work with the Somerset Rivers Authority to ensure extra flood protection for West Somerset.

**Key Issue**

Influence others to improve the road network within West Somerset and the way in which it is managed and maintained.

**What we will do in 2017/18**

- In 2017/18 we will champion the needs of West Somerset communities within the development of plans and initiatives to mitigate the transport impacts of the Hinkley Point C development through our involvement in the Transport Review.

**Key Issue**

Work with others to find solutions that ensure facilities valued by local communities and visitors (such as public toilets) continue to be available.

**What we will do in 2017/18**

- Work with communities to make bids for available Section 106 monies, Community Impact Mitigation (CIM) funds, lottery bids and other grant funds to provide facilities in communities such as village halls, play areas, footpaths etc.
- Through Community Asset Transfer and other mechanisms find solutions where possible to enable public conveniences and other types of assets to remain available.

**Key Issue**

Mitigate negative impacts on the community from the construction phase of Hinkley Point C.

**What we will do in 2017/18**

- In 2017/18 we will support affected communities to develop plans for mitigating the impacts of the Hinkley Point C development and fund appropriate initiatives and projects from the Section 106 agreement contributions which we have secured.
- In 2017/18 we will continue to work with the most affected communities to understand the issues arising from the development and coordinate activity across the Council and amongst partners to ensure that measures are put in place to minimise the impacts of the Hinkley Point C project.

## Key Theme 4

## An Efficient & Modern Council

### Why is this important?

Like all Councils, we continue to be challenged by significant budget cuts and pressure on services. Many of the challenges ahead of us cannot be solved by the District Council on its own. We need to continue to collaborate with a range of organisations to deliver and enable outcomes that are important to our communities and find new ways of working that ensure we continue to get the best possible value out of the funds available to us.



### The key issues we aim to influence and improve:

#### Key Issue

Make better use of our land and property assets; transferring or selling assets where it makes sense to do so.

#### What we will do in 2017/18

- We will look at all our assets to see where we can make better use of our land and property and will continue to make revenue savings where possible through a more efficient and transformed service.
- Community Asset Transfer Policy -consider and evaluate proposals by community type groups expressing an interest in taking on current Council assets.

#### The Accommodation Programme

The Accommodation Programme is being delivered as part of the Transformation programme which will deliver new ways of working. This will include telephone systems, better IT enablement, agile and more SMART office style working. The programme will also deliver reductions in overall operating costs and have the potential to generate income through the renting of space to other organisations that will reduce overall costs and repayment periods.

**Key Issue**

Review how services are delivered by whom and to what standard in order to best allocate our resources.

**What we will do in 2017/18**The Transformation Programme

The Transformation High Level Business Case approved by both TDBC and WSC in July and Sept 2016 respectively, details the ambition for change and explains what this will mean for our staff, our customers, our systems and processes, and our councillors

The Design Principles and New Operating Model that underpin our transformation approach reflect that the customer is at the heart of everything we do, be it public, colleague, councillor, business, potential investor etc. To achieve our transformation vision, we recognise we need to completely review what we do, how we do it and who will do it.

The desired outcome for our communities, our organisation, our members and staff can only be achieved by radical changes to how we operate to deliver services.

This programme of change is significant and will take 18-24 months to complete.

The key activities (which will be included within a detailed Programme Plan) planned for the next 12 months (2017-18) include:

- Finalising the organisational design and the staffing structure required to support the transformed delivery model. Appointing staff into the new structure.
- Developing and delivering an organisational development programme to deliver the people change fundamental to the successful delivery of the transformation outcome and benefits.
- Undertake service and business process reviews to ensure that our processes reflect the corporate design principles.
- Specify, procure and implement the core technology platform that is fundamental to achieve the required transformational change.
- Deliver key supporting technology solutions to enable the new ways of working.
- Refurbishment of West Somerset House to provide fit- for-purpose offices and the opportunity to provide rental space.
- Approval of the detailed organisational design and implementation of the design commenced.
- Procuring and commencing the implementation of the software to support the delivery of our transformation objectives and Corporate Design Principles.



### **Key Issue**

Facilitate ways of giving members more time in their communities and greater, more-timely access to information.

### **What we will do in 2017/18**

- Work towards easier and 24/7 access for our members.
- Continuing to hold 'Making a Difference' workshops to support and prepare members to be actively engaged in shaping the transformation programme for the Council going forward.
- Reviewing the decision making processes (timetable of meetings, constitution etc) to provide members with additional capacity to focus on the community engagement element of their role.
- Consider the implementation of the modern.gov system for producing electronic committee minutes and agendas.
- Member working groups (New Council and IT) will explore possibilities relating to digital agenda management.
- Rollout the 'Slack' social media business tool to members to ensure a simple method of real time communication of key messages and information in a consistent way across a variety of devices.

**Key Issue**

Work more closely with the County, Town and Parish Councils to achieve mutually desired outcomes for the Community.

**What we will do in 2017/18**

- To continue to support the Area Panels as a vehicle to enhance liaison between all tiers of local government in West Somerset.
  - Explore options for Infrastructure Planning to enable the Council to determine in 2017/18 if it wishes to pursue the Community Infrastructure Levy set of charges. This could provide a mechanism to help fund essential infrastructure within West Somerset.
  - Through our adopted Community Asset Transfer policy, facilitate the transfer of assets to others where that will facilitate achievement of mutually desirable outcomes.
-

## Measuring our Progress

**Performance measures are set at a corporate, team and individual level within the Council in order that we can track progress, take remedial action where necessary and know when and whether the desired outcome has happened.**

We have established a 'basket' of corporate measures related to our strategic aims which will be reported to our Councillors and published on our website.

### Key Theme 1 - Our Communities

- Homelessness - Number of homelessness preventions (includes finding accommodation; preventing evictions; interventions; negotiations etc).
  - Homelessness - Number of households making a homeless application and percent accepted where we have a duty.
  - Disabled Facilities Grants - Average time to complete DFG process once allocated by Somerset West Private Sector Housing Partnership.
  - Disabled Facilities Grants - Average overall waiting time for high priority DFGs (once recommendation made by OT).
  - Affordable Homes - Number of units delivered within the District.
  - Community Impact Mitigation (CIM) Fund – no. of communities / organisations supported through the provision of advice.
  - Community Impact Mitigation (CIM) Fund – no. of communities / organisations receiving CIM Funding.
  - Housing – no. of bed spaces delivered using the Hinkley Housing Fund.
-

## Key Theme 2 - Business & Enterprise

- Number of workers supported through business training of 2 hours or more - target 75.
- Number of businesses on the supply chain portal assisted - target 15.
- Number of business networks supported - target 5.
- Regeneration funding secured - target £100,000.
- Number of skills initiatives delivered - target 8.
- Number of people engaged in skills initiatives - target 400.
- Number of people placed into employment - target 15.

## Key Theme 3 - Our Place & Infrastructure

- Fly-Tipping - number of reported incidents.
- Fly-Tipping - reported fly-tipping removed with 48 hrs.
- Street Cleansing - % service requests actioned within 5 working days.

## Key Theme 4 - An Efficient & Modern Council

- % MAJOR planning applications determined within 13 weeks (or within agreed extension of time) Majors is defined as residential developments of 10 or more units, or retail/commercial developments of more than 1000 square metres of additional floor space.
  - % MINOR planning applications determined within 8 weeks. Minor is defined as residential developments of less than 10 units, or retail/commercial developments of 1000 square metres or less of additional floor space.
  - % of OTHER planning applications determined within 8 weeks – other are defined as applications for advertisement consent, changes of use, listed building and conservation area consents and all householder applications.
  - Freedom of Information Requests - percentage processed within the statutory 20 working day deadline.
  - Staff Sickness Absence – average number of days per full-time equivalent members of staff.
  - Abandoned telephone call rate to main Council Switchboard number - as a % of total calls received.
  - Corporate Complaints - percentage of recorded complaints receiving a full response within 20 working days.
  - Ombudsman - number of complaints investigated by the Ombudsman requiring a remedy (excludes minor injustices).
  - Invoice payment - % of undisputed invoices for commercial goods and services paid within 30days of receipt.
  - Average processing times for new Housing Benefit claims.
  - Average processing times for change in circumstances to Housing Benefit claims.
  - % Licences issued on time.
  - % Environmental Health requests completed on time.
  - % Council Tax collected.
  - % Non-domestic Rates collected.
-

## For more information contact

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## **WSC 77/17 West Somerset Council**

### **Council 19 July 2017**

#### **Proposed changes to Business Rates Relief Policy**

**This matter is the responsibility of Councillor Mandy Chilcott**

**Report Author: Heather Tiso, Revenues & Benefits Service Manager**

#### **1 Executive Summary**

- 1.1 On 21 October 2015 after extensive work by the Council's Policy Advisory Group and the Cabinet, Full Council agreed our current policy. Since then, there has been a Business Rates Revaluation and the Government have made several announcements on introducing additional measures to assist businesses in meeting their Business Rate bills.
- 1.2 This report provides information on the background and context for updating our Rate Relief Policy for 2017/18.

#### **2 Recommendations**

- 2.1 To support the use of the Council's local discount powers from 1 April 2017 to:
  - a) grant 100% Rural Rate Relief to eligible ratepayers;
  - b) grant a local discount of £1,500 a year for Local Newspapers;
  - c) introduce the Supporting Small Businesses Relief Scheme from 1 April 2017;
  - d) introduce the Business Rate Relief Scheme for Pubs from 1 April 2017.
- 2.2 To support the proposed updates to the Council's Business Rates Relief Policy for 2017/18 shown in [Appendix 1](#):
- 2.3 To note the Government has announced funding over four years from 2017-18 for English billing authorities to provide discretionary transitional support for businesses facing significant increases in their business rates bills following the revaluation. Introduction of discretionary transitional support will require Member approval and a report will follow after the Government have provided more information and consultation between West Somerset Council and the major preceptors has taken place.

### 3 Risk Assessment (if appropriate)

**Risk Matrix**

Description	Likelihood	Impact	Overall
There is a risk any reduction in Discretionary Rate Relief could result in a number of enterprises and organisations going out of business and ceasing to exist.	2	3	6
<i>Regular monitoring of use and effectiveness of discretionary rate relief and continued emphasis on supporting those that meet the policy objectives.</i>	1	2	3
<i>Flexible policy that can be reviewed readily.</i>			
Expenditure on Discretionary Rate Relief exceeds finance available through Medium Term Plan	2	4	8
<i>Close monitoring of expenditure and review policy where appropriate</i>	1	2	3
Changes to future Government funding	3	3	9
<i>None</i>			

**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%

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



## 4 Background

- 4.1 A range of Mandatory and Discretionary Rate Reliefs reduce (in some cases to Nil) the amount of Non-Domestic Rates (commonly known as business rates) a business or organisation has to pay. The qualifying rules and levels of relief for Mandatory Reliefs are set by Government and are the same throughout the country. The rules and levels of award for Discretionary Rate reliefs are set by each Council and as such may vary from Council to Council. A full review and updating of the policy was undertaken in 2015 with the policy coming in to effect from 1 April 2016.
- 4.2 The Local Government Finance Bill 2012 introduced the Business Rates Retention Scheme. The scheme is designed to help achieve two of Government's key priorities: economic growth and localism. The scheme enables the retention of a proportion of the business rates revenue generated in a local area by the relevant local authorities. Business rates retention is intended to provide incentives for local authorities to drive economic growth, as the authorities will be able to retain a share of the growth that is generated in business rates revenue in their areas, as opposed to the previous system where all business rates revenues were held centrally. The share to be paid to central government from business rates collected is 50%, while the remaining 50% of business rates is retained locally (40% District, 9% County, 1% Fire authorities).
- 4.3 Under the former arrangements, the Government met the cost of Mandatory Relief in full on the basis that local authorities had no choice but to award it under set criteria. The costs of discretionary relief had to be met in full or in part, by the local authorities as awards were decided upon based on the Council's own criteria. Under the new rules West Somerset Council has to contribute 40% towards the cost of most relief - even those that it has no choice about awarding. Therefore it is important to recognise the financial risk of applying reliefs when considering any changes to our policy. The financing of reliefs need to be both affordable and balance the needs of the business and those of the local tax payer.
- 4.4 A Business Rates Revaluation normally takes place every five years. A revaluation was originally due to take effect from 1 April 2015 but Government delayed it by two years. Therefore the new rating List comes in to effect on 1 April 2017.
- 4.5 Each rating list has a Transitional Relief Scheme which is designed to phase in both the increases and decreases in the amount of business rates payable following revaluation. This phasing can last for between one and five years depending on the level of increase or decrease in rateable values.
- 4.6 However, Transitional Relief does not provide support in respect of changes in Business rate Reliefs. Despite the increase in the threshold for eligibility to Small Business Rate Relief some ratepayers will no longer be eligible to receive it due to an increase in their rateable value. This situation may also apply to current recipients of Rural Rate Relief.
- 4.7 The Chancellor announced in the Spring Budget a number of measures to provide support to these ratepayers, along with support for pubs and businesses facing the largest increases

## **5 Proposed Policy Changes for 2017/18**

### Autumn Statement 2016 - Mandatory Rural Rate Relief announcement

- 5.1 In his Autumn Statement the Chancellor confirmed that the Government would double Mandatory Rural Rate relief to 100% from 1 April 2017. However this requires a change to primary legislation. The Government intends to amend the relevant primary legislation to require local authorities to grant 100% mandatory rural rate relief but could not achieve this in time for the 2017/18 financial year.
- 5.2 Therefore, before the requirement to grant mandatory relief comes into force in April 2018, Government expects local authorities to use their local discount powers to grant 100% Rural Rate Relief to eligible ratepayers from 1 April 2017. Local authorities will be compensated in full for their loss of income from this change. This compensation will be paid through a section 31 grant and calculated on the basis of the Government returns that councils submit under the rates retention scheme. This relief is subject to State Aid limits.

### Budget Statement 2016 - Local Newspapers

- 5.3 The Chancellor announced at the Budget that the Government will introduce a £1,500 business rates discount for office space occupied by local newspapers, up to a maximum of one discount for each local newspaper title and for each hereditament (premises), and up to state aid limits, for 2 years from 1 April 2017. The relief will be delivered through local authority discretionary discount powers under section 47(3) of the Local Government Finance Act. The Government will reimburse billing authorities for the actual cost of this discount.
- 5.4 There are currently two local newspaper offices that would qualify for this discount.

### Budget Statement 2016 - Small Business Rate Relief announcement

- 5.5 At Budget 2016, the Government confirmed that Small Business Rate Relief (SBRR) would be permanently doubled to 100% from 1 April 2017. This means that premises with rateable values below £12,000 or that meet the eligibility criteria for SBRR will receive 100% relief and those businesses with rateable values from £12,000 up to £15,000 will receive a tapered relief.
- 5.6 Small Business Rates Relief cannot be awarded where the ratepayer is entitled to any other form of Mandatory Relief. Mandatory Relief is awarded at 80% of the rates payable, while we can award Discretionary Charity Relief up to 80% of any remaining bill after applying Mandatory Relief. Therefore, there will be cases where a rate payer receiving Mandatory and Discretionary Relief, may receive less support than rate payers not entitled to Mandatory in premises with the same rateable value.
- 5.7 A possible measure to resolve this anomaly would be to allow Discretionary Relief up to 100% of the business rate bill where the rate payer would have (apart from entitlement to Mandatory Relief) otherwise qualified for 100% Small Business Rate relief.

- 5.8 The Table below shows the types of premises receiving Mandatory Relief that would benefit from this measure.

Description	Number	Description	Number
Community Amateur Sports Clubs	1	School & Premises	1
Club/Clubhouse	2	Shop	1
Hall	8	Sports ground	1
Offices	3	Store	1
Theatre	1	Warehouse	2
Other	6		

#### Transitional Relief & Supporting Small Businesses Relief

- 5.9 Many ratepayers had only a small change in their business rates bill at the revaluation. However, some properties have had more significant change - both increases and reductions. Transitional arrangements are used to phase in these changes by allowing businesses time to adjust to their new bills. Transitional relief limits how much the business rate bill can change each year as a result of revaluation. How much the business rate bill can change by from one year to the next depends on both:

- the property's rateable value
- if the bill has increased or decreased through revaluation

- 5.10 Transitional relief stops when the bill reaches the full amount set by a revaluation. The table below shows how transitional relief is applied

	Rateable Value	2017/18	2018/19	2019/20	2020/21	2021/22
<b>Upwards Cap</b>	Up to £20,000	5.0%	7.5%	10.0%	15.0%	15.0%
	£20,001 to £99,999	12.5%	17.5%	20.0%	25.0%	25.0%
	Over £100,000	42.0%	32.0%	49.0%	16.0%	6.0%
<b>Downwards Cap</b>	Up to £20,000	20.0%	30.0%	35.0%	55.0%	55.0%
	£20,001 to £99,999	10.0%	15.0%	20.0%	25.0%	25.0%
	Over £100,000	4.1%	4.6%	5.9%	5.8%	4.8%
<i>Note: these are year on year caps on increases. For example, the maximum increase for small properties over 5 years would be 64%. But a small property with an increase of 7% would reach their full bill in year 2.</i>						

- 5.11 Supporting Small Businesses Relief is designed to help ratepayers who as a result of the change in their rateable value at the revaluation are losing some or all of their Small Business or Rural Rate Relief and as a result, are facing large increases in their bills.

- 5.12 The Supporting Small Businesses Relief will ensure the increase each year in the bills of these ratepayers is limited to the greater of:
- a cash value of £600 per year (£50 a month). This cash minimum increase ensures those ratepayers currently paying nothing or very small amounts are brought into paying something, or
  - the matching cap on increases for small properties in the transitional relief scheme (the cap being 5% for 2017/18, 7.5% for 2018/19, 10% for 2019/20, 15% for 2020/21 and 15% for 2021/22).
- 5.13 The Department for Communities and Local Government (DCLG) has provided initial guidance about the operation and delivery of this measure. However it deals with simple cases in 2017/18 only but DCLG says this approach will enable local authorities to start the process of identifying ratepayers who will benefit from the measure.
- 5.14 Further formal guidance on the operation of the scheme including more complex cases and future financial years will follow. DCLG has not indicated a timeframe for this.
- 5.15 Our initial estimate is that 4 businesses will benefit from this measure.

#### Business Rate Relief Scheme for Pubs

- 5.16 The Government is introducing a new relief scheme for pubs that have a rateable value of below £100,000. Under the scheme, eligible pubs will receive a £1,000 discount on their 2017/18 bill. This is a one year relief scheme. DCLG plans to publish a consultation on the operation of the relief scheme for pubs shortly.
- 5.17 We do not yet know what the eligibility rules will be beyond the rateable value limit of £100,000. Our initial estimate is that approximately 36 pubs will benefit from this measure.

#### Discretionary Relief Scheme

- 5.18 The Government has announced the establishment of a £300m discretionary fund over four years from 2017-18 to support those businesses that face the steepest increases in their business rates bills as a result of the 2017 revaluation.
- 5.19 The intention is that every billing authority in England will be provided with a share of the £300m to support their local businesses. Billing authorities will be expected to use their share of the funding to develop their own discretionary relief schemes to deliver targeted support to the most hard-pressed ratepayers. The £300m will cover the four years from 2017/18:
- £175m in 2017/18
  - £85m in 2018/19
  - £35m in 2019/20
  - £5m in 2020/21

5.20 The DCLG published a consultation on the design of the discretionary relief on 9 March, seeking views on the allocation of the fund, arrangements for compensation for local authorities, and the operation of local schemes. This can be accessed at: <https://www.gov.uk/government/consultations/discretionary-business-rates-relief-scheme>. West Somerset Council's proposed share of the £300m is as follows:

- 2017/18 - £148k
- 2018/19 - £72k
- 2019/20 - £30k
- 2020/21 - £4k

5.21 A further report will be brought before members on this measure once the outcome of the consultation is published.

#### Other changes required to our policy

5.22 The temporary measures to discount business rate bills for retail premises no longer apply and it is proposed that this is removed from the policy as the deadline for applications has now passed;

5.23 The temporary Transitional Relief scheme came to an end on 31 March 2017 and so reference to it should now be removed from our policy as a new national Transitional Relief Scheme has been introduced alongside the new 2017 Rating List.

## **6 Links to Corporate Aims / Priorities**

6.1 This report is most closely linked with Key Theme 2 – Business & Enterprise.

## **7 Finance / Resource Implications**

7.1 The use of the Council's local discount powers to grant 100% Rural Rate Relief, and the Local Newspaper discount will be reimbursed in full by Government.

7.2 The use of the Council's local discount powers to grant 100% Rural Rate Relief to eligible ratepayers from 1 April 2017 will reduce the cost of Discretionary "top-up" Rural Rate Relief by £40,948. West Somerset Council's share of this saving will be £16,378 (i.e. 40%).

7.3 Increasing Discretionary Charity Relief for charities where the rate payer would, apart from entitlement to Mandatory Charity Relief, have otherwise qualified for 100% SBRR will increase the cost of Discretionary Rate Relief by a maximum of £5,637.25 West Somerset Council's share of this additional cost is £2,254.90 (i.e. 40%).

## **8 Legal Implications**

8.1 There are no direct legal implications associated with this report

## **9 Environmental Impact Implications**

9.1 There are no environmental implications associated with this report.

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

- 10.1 Safeguarding and community safety implications have been considered, and there are not expected to be any specific implications relating to this report.

## **11 Equality and Diversity Implications**

- 11.1 Members need to demonstrate they have consciously thought about the three aims of the Public Sector Equality Duty as part of the decision making process. The three aims the authority must have due regard for:
- Eliminate discrimination, harassment, victimisation
  - Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it
  - Foster good relations between persons who share a relevant protected characteristic and persons who do not share it
- 11.2 The public sector equality duty, as set out in section 149 of the 2010 Equality Act, requires the Council, when exercising its functions, to have “due regard” to the need to eliminate discrimination, harassment and victimisation and other conduct prohibited under the Act, and to advance equality of opportunity and foster good relations between those who have a “protected characteristic” and those who do not share that protected characteristic.
- 11.3 The “protected characteristics” are: age, disability, race (including ethnic or national origins, colour or nationality), religion or belief, sex, sexual orientation, pregnancy and maternity, and gender reassignment. Marriage and civil partnership are also a protected characteristic for the purposes of the duty to eliminate discrimination.
- 11.4 A full Equalities Impact Assessment was carried out as part of the original policy review approved by Full Council on 21 October 2015. There are no further implications associated with the proposed policy revisions.

## **12 Social Value Implications**

- 12.1 There are no social value implications associated with this report.

## **13 Partnership Implications**

- 13.1 There are no Partnership implications associated with this report.

## **14 Health and Wellbeing Implications**

- 14.1 There are no Health and Wellbeing implications associated with this report.

## **15 Asset Management Implications**

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

## **16 Consultation Implications**

- 16.1 From a financial planning perspective potential recipients of additional rate relief will require notifying of Councils decision in a timely manner.

## **17 Scrutiny Comments / Recommendation(s)**

- 17.1 Not applicable

**Democratic Path:**

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

**Reporting Frequency:** ☒ **Once only**

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

[Appendix 1](#) Updated Discretionary Rate Relief Policy (marked up for changes)

**Contact Officers**

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# DISCRETIONARY RATE RELIEF POLICY

## Contents

1. Introduction and scope
2. Discretionary Rate Relief & Rural Discretionary Scheme
3. Charitable organisations
4. Registered community amateur sports clubs
5. Not for-profit making organisations including Community Interest Companies
6. Hardship Relief
7. Section 44a Relief - partly occupied properties
8. Temporary Measures
9. Local Business Rate Discretionary Discount
10. Period of Relief
11. Applications
12. Approval
13. Appeals
14. Policy Review
15. Communications

([Appendix A](#) - Scoring Matrixes, [Appendix B](#) - Rural Settlement list, [Appendix C](#) - Funding Arrangements, [Appendix D](#) - Draft Application Form, [Appendix E](#) - Equality Impact Assessment)



## **1. Introduction and scope**

West Somerset Council recognises that both the community and voluntary sectors make an important contribution to the local economy, health and well-being of the residents who live and work in West Somerset. However, Discretionary Rate Relief granted by West Somerset Council is paid for by the Council Tax payers and the Council has a duty to ensure that public funds are spent wisely and there is due transparency and accountability.

This policy document outlines the areas of local discretion and West Somerset Council's approach when awarding Discretionary Rate Relief. This approach has regard to the impact:

- On the Council's wider financial position and how that affects Council Tax payers
- On the organisations and businesses that currently receive or may apply for Relief in the future
- On West Somerset residents if Relief is awarded and the regeneration benefits the local community
- Of funding made available by Central Government to provide full financial support for the awarding of Retail Relief, New Build Empty Property Relief and Long Term Empty Property Relief.

The principal consideration when making an award is that any Relief is in the best interests of the residents and taxpayers of West Somerset and produces a local benefit.

## **2. Discretionary Rate Relief Scheme**

Discretionary Rate Relief is granted in accordance with:

- Section 43 of the Local Government Finance Act (LGFA) 1988; and
- Section 47- 49 of the Local Government Finance Act (LGFA) 1988 as amended by the Localism Act 2011

Clause 69 of the Localism Act amended section 47 of the Local Government Finance Act (LGFA) 1988 to allow local billing authorities to fund their own local discounts entirely as it sees fit within the limits of the primary legislation and European rules on state aid. These powers can be used to encourage new business and investment, regeneration projects, as well as to support local shops or community services.

The cost of awarding Discretionary Rate Relief is split between Central Government (50%), West Somerset Council (40%) the County Council (9%) and Devon Fire (1%). However in certain circumstances Central Government fund 100% of the cost of awarding relief as detailed in [Appendix C](#).

Guidance was given to local authorities in 1990 and 2002 recommending that the authority should have readily understood policies for deciding whether or not to grant relief, and for determining the amount of relief to certain organisations which operate within specified criteria. This criteria covers:

- Charitable bodies already in receipt of Mandatory Relief at 80% the Council has further discretion to “top up” this Relief
- Registered community amateur sports clubs already in receipt of Mandatory Relief at 80% - the Council has further discretion to “top up” this Relief on a case by case basis.
- Non-profit making organisations - the Council has discretion to grant Discretionary Rate Relief in accordance with local policy on a case by case basis.

The Council will consider applications for a Discretionary Rate Relief “top up” based on a case by case basis. The principal consideration is that any Discretionary Relief is granted in the best interests of the residents and taxpayers of West Somerset and produces a local benefit as the Council must bear a percentage of the cost of any Relief granted. **However, it is Council policy that no Discretionary Relief will be awarded to National Charity Shops so they will only receive the 80% Mandatory Relief.**

### **Rural Rate Relief**

**In all three scenarios listed below 100% Rural Rate Relief should be applied.**

The Council may award Rural Rate Relief to qualifying businesses in designated rural settlements (settlements identified with a population of less than 3,000). Qualifying businesses include post offices and food shops with a rateable value of less than £8,500 or the only public house, or the only petrol filling station in the designated rural settlements with a rateable value of less than £12,500.

It is further agreed that a review is undertaken of qualifying rural settlements every five years and in line with revaluation to ensure that they do not exceed the population threshold. Further information to aid this process will have to be obtained from census records.

#### **Post Offices**

**Post Offices are an important component of many local communities, and particularly so in rural areas and qualifying Post Offices, in designated rural areas with an Rateable Value of less than £8,500 are eligible for 100% Rural Rate Relief.**

#### **Village Stores, Filling Stations, Public Houses and Village Halls**

**Village Stores with a rateable value of less than £8,500, and Filling Stations and Pubs with a rateable value of less than £12,500, are eligible for 100 % Rural Rate Relief.**

It is Council policy that all “Village Halls” will be awarded 100% Discretionary Top-Up relief after any Mandatory Relief has been applied. No applications will be required.

#### **Other Rural Businesses with Rateable Values under £16,500**

**Such businesses get no Mandatory Relief and can only be considered for Discretionary Rural Rate Relief and each case is treated on its merits by reference to the contribution and importance of the business to the local community.**

It is agreed that qualifying businesses operating within designated rural settlements the Council will consider applications for a Discretionary Rate Relief “top up” on a case by case

basis. The principal consideration is that any Discretionary Relief is granted in the best interests of the residents and taxpayers of West Somerset and produces a local benefit as the Council must bear a percentage of the cost of any Relief granted.

For a consistent approach on the % of Discretionary Rate Relief awarded the Council will assess all applications by using the scoring matrix as shown in [Appendix A](#).

### **3. Charitable Organisations**

**Mandatory Rate Relief of 80% is granted to charities in the following circumstances:**

Where the:

- Ratepayer of a property is a charity or the trustees of a charity;  
and
- The property is wholly or mainly used for charitable purposes (including charity shops, where the goods sold are mainly donated and the proceeds are used for the purpose of the charity)

Registration under the Charities Act 1993 is conclusive evidence of charitable status. Bodies which, under the 1993 Act, are exempted from registration or are exempt charities are also eligible for Mandatory Relief.

It is agreed that in cases where a charity is in receipt of Mandatory Rate Relief of 80% the Council will consider applications for a Discretionary Rate Relief “top up” on a case by case basis. If, but for an award of Mandatory Relief, a charity would qualify for 100% small business rate relief, Discretionary Rate Relief “top up” will be considered up to 100% of any remaining business rate bill.

The principal consideration is that any Discretionary Relief is granted in the best interests of the residents and taxpayers of West Somerset and produces a local benefit as the Council must bear a percentage of the cost of any Relief granted.

**However, it is Council policy that no Discretionary Rate Relief will be paid to National Charity Shops.**

For a consistent approach on the % of Discretionary Rate Relief awarded the Council will assess all applications by using the scoring matrix as shown in [Appendix A](#).

### **4. Registered Community Amateur Sports Clubs (CASC's)**

**Mandatory Rate Relief of 80% is granted to registered CASC's.**

To qualify as a CASC, the club must fulfil ALL of the following criteria. It must be:

- On the CASC register (<https://www.gov.uk/government/publications/community-amateur-sportsclubs-casc-registered-with-hmrc--2>)
- Open to the whole community
- Run as an amateur club
- A non-profit making organisation; and
- Aiming to provide facilities for, and encourage people to take part in, eligible sport

The Council will consider applications for a Discretionary Rate Relief “top up” from CASC's based on their own merits on a case by case basis. If, but for an award of Mandatory Relief, a CASC would qualify for 100% small business rate relief, Discretionary Rate Relief “top up” will be considered up to 100% of any remaining business rate bill.

The principal consideration is that any Relief is granted in the best interests of the residents and taxpayers of West Somerset and produces a local benefit as the Council must bear a percentage of the cost of any Relief granted. However, it should be noted that sports clubs and other organisations which run a bar will have this assessed along with other criteria. For

a consistent approach on the % of Discretionary Rate Relief awarded the Council will assess all applications by using the scoring matrix as shown in [Appendix A](#).

### **5. Not for-profit making organisations including Community Interest Companies**

**Such businesses get no Mandatory Relief and can only be considered for Discretionary Rural Rate Relief and each case is treated on its merits by reference to the contribution and importance of the business to the local community.**

The main objectives of the organisation must be related to:

Relief of poverty, Advancement of religion, Advancement of education, Social Welfare, Science, Literature, Fine arts and Recreation or otherwise beneficial to the community.

A community interest company ("CIC") is a type of company, designed primarily for social enterprises that want to use their profits and assets for the public good. CIC's are particularly attractive to those wishing to enjoy the benefits of limited company status and want to make it clear that they are established for the benefit of the community, but are not able, or do not wish to become charities. They vary in size from small community-based organisations to multimillion pound enterprises. CIC's are relatively easy to set up, with all the flexibility and certainty of the company form, but with some special features which ensure that they work for the benefit of the community.

However, it should be noted that sports clubs and other organisations which run a bar will have this assessed along with other criteria.

It is agreed that the Council will consider applications for a Discretionary Rate Relief "top up" for not for-profit organisations and Community interest companies based on a case by case basis. The principal consideration is that any Discretionary Relief is granted in the best interests of the residents and taxpayers of West Somerset and produces a local benefit as the Council must bear a percentage of the cost of any Relief granted.

For a consistent approach on the % of Discretionary Rate Relief awarded the Council will assess all applications by using the scoring matrix as shown in [Appendix A](#).

### **6. Hardship Relief (Section 49)**

The Council has the power to reduce or remit the Business Rates charged in certain circumstances where the Ratepayer is enduring temporary financial difficulties, this is known as Hardship Relief.

The principal purpose of an award of Hardship Relief is to provide short term assistance to businesses that are suffering "exceptional" hardship arising from circumstances beyond the control and outside of the normal risks associated with running a business of that type to the extent that the viability of the business would be threatened if an award were not made. Applicants must have and be able to demonstrate they have investigated all other avenues of financial assistance prior to making a claim for Hardship Relief.

The Council may grant Hardship Relief if it is satisfied that:

- The Ratepayer would sustain financial hardship if the Council did not do so:
- and

- It is reasonable for the Council to grant Relief, with regard to the interests of its residents and Council Tax payers

Hardship Relief will only be applied to the actual balance outstanding in the year the application was made.

No Hardship Relief can be awarded where payment has been made in part or full.

Hardship Relief is a temporary measure which can only be awarded once because it should not be used to artificially sustain a failing business. Hardship Relief may be awarded where the ratepayer is facing temporary financial difficulties and where the community would be significantly disadvantaged if the business were to close. The maximum award period is 12 months.

Application forms for Hardship Relief must be accompanied by a full set of audited accounts relating to the two years preceding the date of application. Where audited accounts are not available for the current financial year, projected figures certified as being a 'true and fair view' by the company secretary or company accountants may be used. It is recommended that applicants submit audited accounts dating back further than two years, if such information is available.

For a consistent approach on the % of Discretionary Rate Relief awarded the Council will assess all applications by using the scoring matrix as shown in [Appendix A](#)

If the applicants reserves are over 40% of the net annual rates then no Hardship Relief will be payable.

### **7. Section 44a Relief (partly occupied properties)**

The Council has discretion under section 44a of the Local Government Finance Act to award Rate Relief where part of a property is unoccupied for a temporary period. The definition of 'temporary period' is not prescribed within the law and therefore West Somerset Council has the discretion to decide the period of Relief should be awarded. The amount of Rate Relief that is awarded is determined by statute and is calculated by reference to the Rateable Value attributed to the unoccupied area by the Valuation Office Agency, part of Her Majesty's Revenue and Customs (HMRC).

Applications will only be considered in respect of unoccupied parts of a property that can be clearly defined and are reasonably segregated from the occupied part of the property.

No award shall be made where it appears to the Council that the reason that part of the property is unoccupied is wholly or mainly for the purposes of applying for Rate Relief.

Rate Relief under this section will not be awarded in respect of partly occupied property where the partial occupation of the property may arise due to the ordinary day to day nature of the business (for example the operation of a warehouse).

The period of Relief will not exceed either 3 or 6 months depending on the type of property the claim has been made for, in line with the current legislation for part-occupied properties.

Applications could be considered, for example, where the property is used for purposes which are of benefit to the wider local community but do not fall in any other categories for relief, and it would be in the interests of the Council Tax payer to make an award, as the Council

has to meet a proportion of the costs as shown at [Appendix A](#). It could also be used to support regeneration projects within West Somerset to bring empty properties back into use.

Information on reliefs available can be found on our website at:

<https://www.westsomersetonline.gov.uk/Business/Business-Rates/Business-Rate-Relief>

### **8. Temporary Measures (Fully Funded by Central Government)**

The Council has the discretion to discount business rate bills by up to £1,500 in 2017/18 and 2018/19 for office space occupied by journalists and reporters of local newspapers.

This is a temporary measure to support local newspapers adapt to technological changes within the industry. The relief is only for local newspapers and will be delivered through local authority discretionary powers (under section 47(3) of the Local Government Finance Act.

There is a maximum of one discount for each local newspaper title and premises. The discount is subject to European State Aid de minimis rules. This bars a company from receiving more than €200,000 in State Aid across a rolling three year period.

This relief does not apply to:

- Local council newspapers
- On-line publications
- Local Magazines

### **9. Local Business Rate Discretionary Discount**

Section 69 of The Localism Act 2011 amends Section 47 of the Local Government Finance Act 1988 and allows the Council to grant locally determined business rate discounts (in addition to the already available Discretionary Rate Reliefs).

The new power recognises that the current business rates scheme is broadly prescribed by central government and its aim is to provide increased flexibility to local authorities to support organisations, recognising the variations in economic conditions across and within local authority boundaries.

Any ratepayer applying for a Local Business Rate Discount who does not meet the criteria for Discretionary Rate Relief under any other part of this policy, must meet all of the following criteria and any award will be based on these factors:

- The ratepayer must not be entitled to Mandatory Rate Relief (Charity or Rural Rate Relief)
- The ratepayer must not be an organisation that could receive relief as a non-profit making organisation or as Community Amateur Sports Club.
- The ratepayer must occupy the premises – no relief will be granted for unoccupied properties. The premises and the organisation must be of significant benefit to the residents of West Somerset. The ratepayer must:
  - Provide facilities to certain priority groups such as elderly, disabled, minority or disadvantaged groups, OR
  - Provide significant employment or employment opportunities to residents of West Somerset
  - Provide residents of West Somerset with such services, opportunities or facilities that cannot be obtained locally or are not provided by another organisation
- The ratepayer must show that the organisation will comply with all legislative requirements and operate in an ethical, sustainable and environmentally friendly manner at all times

Where a ratepayer can demonstrate that all of the above criteria are met, any award must have due regard to:

- the financial status of the applicant when determining the level of relief to be granted, and the impact and best interests of the Council Tax payers of West Somerset

Relief will not be given to those organisations where a bar is the main activity. It would be expected that any bar profits would be used to offset any expenses thus negating the reliance on public funds.

Where a ratepayer is suffering hardship or severe difficulties in paying their rates liability then an application may be made for relief under Section 49 of the Local Government Finance Act 1988. There will be no requirement to grant relief in such cases under the Council's Discretionary Rate Relief policy.

**In the case of an asset transfer of public conveniences it is Council Policy to allow Discretionary Rate Relief. This will be phased over a three year period, in the first year 80% will be awarded, in the second year 50% will be awarded and in the third year 30% will be awarded. No Discretionary Relief will be awarded after the third year. However, if the applicant is registered charity part (3) of the policy will apply.**



## **10. Period of Relief**

Discretionary Rate Relief will usually be granted for a period of one financial year.

The granting of Relief will be reviewed annually and those in receipt of Discretionary Rate Relief will be asked to supply or confirm relevant information for the purpose of the review.

If a Ratepayer in receipt of Discretionary Rate Relief ceases to meet the eligibility criteria outlined in this policy, they will cease to receive Discretionary Rate Relief. The Council will give such Ratepayers twelve months written notice prior to the withdrawal of Discretionary Rate Relief. The ratepayer may request reconsideration against this decision via the appeal process detailed below.

## **11. Applications**

A Discretionary Rate Relief form must be completed this can be found on our website at: <https://www.westsomersetonline.gov.uk/getattachment/Business/Business-Rates/Business-Rate-Relief/WSC-Rate-Relief-Claim-Form-2017.pdf.aspx>

Or a paper copy of this form can be issued by telephoning Customer Services on 01643 707104.

All completed application forms should be returned to the Business Rates Team at West Somerset Council, Killick Way, Williton, Taunton, Somerset TA4 4QA or emailed to [reveunes@westsomerset.gov.uk](mailto:reveunes@westsomerset.gov.uk).

**If a business is already receiving (or has applied for) other help from the Council such as a grant this may affect your Discretionary Rate Relief application this information must be included in the application form.**

**Every application for Discretionary Rate Relief must be supported by their ward Councillor via letter or email as part of the application process.**

## **12. Approvals**

Any officer or Councillor involved in the decision-making process for Discretionary Rate Relief or Hardship Relief must declare if they have an interest in or an association with any ratepayer applying.

Upon receipt of the application form the initial assessment to award or refuse Discretionary Rate Relief will be made by a Revenues Officer and their recommendations signed off by a Senior/Principal Officer.

The Chief Finance Officer or Deputy will then be sent the recommendation for approval from the Senior/Principal Officer.

Applicants will be notified in writing of any decision. A revised Business Rates bill will be sent if required.

### **13. Appeals**

There is no statutory right of appeal against a decision made by the Council in respect of Discretionary Rate Relief. However, the Chief Finance Officer or Deputy, in consultation with the Portfolio holder, will review the case where it is believed that the policy has not been applied correctly.

The applicant will be allowed to submit in writing additional or new information/evidence to support the application. The decision will be reviewed by the Chief Finance Officer or Deputy with the Portfolio holder.

If an unsuccessful applicant requests an appeal, they will still need to continue to pay their rates bill. Once the appeal has been heard, the ratepayer will be informed, in writing, of the decision.

Although the amount of relief is restricted to a maximum of 80%, in exceptional circumstances, 100% Discretionary Rate Relief could be awarded. This would be assessed on a case by case basis and approved by the Chief or Deputy Finance Officer and in consultation with the Portfolio holder.

**Every appeal for Discretionary Rate Relief must be supported by their ward Councillor via letter or email as part of the appeal process.**

The right of appeal process does not affect a ratepayer's legal right to challenge the decision by way of a judicial review.

### **14. Policy Review**

The Council reserves the right to review the policy at any time.

### **15. Communications**

The Council will publicise Discretionary Rate Relief on our website and through the issue of factsheets.

## Appendix A

One or more of the scoring matrixes, listed below, will be applied to each application:

- |  |   |
|--|---|
| <b>1</b> Reserves as a Percentage of Net Annual Rates  | - up to 30% Discretionary Relief                                      |
| <b>2</b> Licensed Bar  | - up to 30% Discretionary Relief                                      |
| <b>3</b> Net Profit  | - up to 80% Discretionary Relief                                      |
| <b>4</b> Local Community Test  | - up to 50% Discretionary Relief                                      |
| <b>5</b> Except in the case of National Charity Shops, where an organisation is receiving Mandatory Relief of 80% and would have otherwise qualified for 100% Small Business Rate Relief | - Discretionary Relief up to 100% of the remaining business rate bill |

**Failure to supply adequate records will result in no award**

**\*\* The absolute maximum award for 1 – 4 above is 80% even if the scores are greater \*\***

## Appendix B

## Rural Settlements List 2015-16

PARISH	RURAL SETTLEMENT
Bicknoller	Bicknoller
Brompton Ralph	Brompton Ralph
Brompton Regis	Brompton Regis
Brushford	Brushford
Carhampton	Carhampton
Carhampton	Blue Anchor
Clatworthy	Clatworthy
Crowcombe	Crowcombe
Cutcombe	Wheddon Cross
Cutcombe	Cutcombe
Dulverton	Dulverton
Dunster	Dunster
Dunster	Dunster Marsh
East Quantoxhead	East Quantoxhead
Elworthy	Elworthy
Exford	Exford
Exmoor	Simonsbath
Exmoor	Sandyway
Exton	Exton
Exton	Bridgetown
Holford	Holford
Huish Champflower	Huish Champflower
Kilve	Kilve
Luccombe	Luccombe
Luxborough	Luxborough
Monksilver	Monksilver
Nettlecombe	Nettlecombe
Oare	Oare
Old Cleeve	Old Cleeve
Old Cleeve	Bilbrook
Old Cleeve	Washford
Old Cleeve	Hungerford
Old Cleeve	Roadwater
Porlock	Porlock
Sampford Brett	Sampford Brett
Selworthy & Minehead Without	Bratton
Selworthy & Minehead Without	Bossington
Selworthy & Minehead Without	Allerford
Selworthy & Minehead Without	Selworthy
Selworthy & Minehead Without	Tivington
Skilgate	Skilgate
Stogumber	Stogumber
Stogursey	Shurton
Stogursey	Stogursey
Stringston	Stringston
Timberscombe	Timberscombe
Treborough	Treborough
Upton	Upton
West Quantoxhead	West Quantoxhead
Williton	Williton
Williton	Doniford
Winsford	Winsford
Withycombe	Withycombe
Withycombe	Rodhuish
Withypool	Withypool
Withypool	Hawkridge
Wootton Courtenay	Wootton Courtenay

**Funding of Reliefs**

With the introduction of the Business Rates Retention Scheme from 1st April 2013, local authorities now share in the gains and losses associated with changes in Business Rates income. The Government hopes that localising Business Rates in this way will incentivise Local Authorities to adopt strategies to promote businesses and generate additional Business Rates income. The introduction of Business Rates Retention has a major impact on the funding arrangements for all Reliefs available which are now financed as follows: 50% by Central Government

40% by West Somerset Council

10% by Somerset County Council

1% Devon Fire

**This excludes Transitional, Local Newspapers Relief, Flooding Relief, Long Term Empty Property Relief and New Build Empty Property Relief which are financed at 100% by Central Government.**

Draft Application Form  
Business Rates

# Rate Relief Claim Form



## Revenues and Benefits Service

West Somerset House  
Killick Way  
Williton  
Taunton  
TA4 4QA

Telephone 01643 703704

Date «SystemDate»

Account number «ActRef»

«AAName1»  
«Address1»  
«address2»  
«address3»  
«address4»  
«address5»  
«PostCode»

## Information and guidance notes

Information on the different ways you may be able to reduce your Business Rates bill is shown on pages 2, 3 and 4.

## How to fill in this form

Please return the claim form in full. Do not remove any pages.

After completing Part 1 you must complete other parts of the form to claim the relief you need.

You can apply for more than one type of one relief.

Fill in the form using black ink. If you make a mistake, cross it out and put the right answer next to it.

**Do not use correction fluid or tape.** Answer **Yes** or **No** questions by putting a tick in the relevant box. If you are picking an answer from a list, tick ✓ the box that applies to you.

If you find the form difficult to fill in, please telephone us on 01643 703704.

**Everyone must complete Part 1 of this form.**

You can claim more than one type of Rate Relief. You will need to complete:

- **Part 2** - for Small Business Rate Relief
- **Part 3** - for Rural Rate Relief
- **Part 4** - for Sports Club Rate Relief
- **Part 5** - for Charity Rate Relief
- **Part 6** - for Non-Profit Making Organisations Rate Relief
- **Part 7** - for Hardship Relief
- **Part 8** - for Local Business Rate Discount
- **Part 9** - for Local Newspapers

If we need supporting documents we will tell you in each section.

If there is not enough space to tell us about your circumstances, give us details on a separate sheet of paper and send it with the form.

We can arrange a **private appointment** with you to help you with your claim. Contact us if you would like to arrange an appointment.

Please return your completed form to: Revenues and Benefits Service, West Somerset House, Killick Way, Williton, Taunton TA4 4QA.

We aim to make a decision on your claim within 14 days of getting all the information we need.

If you would like this form translated into other languages or in Braille, large print, audiotape or CD, please contact us.



## Small Business Rate Relief

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If a business is not entitled to another Mandatory Relief, the business may get Small Business Rate Relief. From 1 April 2017, eligible businesses with a rateable value of up to £12,000 are entitled to 100% relief. If the rateable value is between £12,001 and £15,000, the business will be entitled to relief on a sliding scale between 100% and 0%.

Small Business Rate Relief is available at 100% for ratepayers who occupy single properties with a rateable value of up to £12,000. If eligible ratepayers have a property with a rateable value from £12,001 to £15,000, relief is available on a sliding scale from 100% to 0%, where every £30 rateable value equates to 1%. For example, if a property has a rateable value of £14,250, we could award relief of 25%, while we could discount business rates for a property with a rateable value of £12,750 by 75%.



Small Business Rate Relief is only available to:

- Rate payers with only one business property with a rateable value of less than £15,000; or
- Ratepayers occupying a main property with a rateable value of less than £15,000, but also occupying other properties each with rateable values under £1,000, and the total rateable value of them does not exceed £19,999. We can only award relief on the property with the highest rateable value.

## Rural Rate Relief

You could get Mandatory Rural Rate Relief of 100% off your Business Rates if your business is in a rural area with a population below 3,000. The property has to be a village shop and you can only get relief if your business is in an area where it is the only:

- village shop, general store, specialist food shop or Post Office with a rateable value of up to £8,500
- public house or petrol station with a rateable value of up to £10,000

We can also give Discretionary Rural Rate Relief of up to 80% of any remaining bill after applying Mandatory Relief.

If a rural business does not receive Mandatory Rural Rate Relief, we can still consider Discretionary Rural Rate Relief if the premises have a rateable value of less than £16,500. The maximum relief we can apply will be 80% of the Business Rates bill.

We will treat each business on its merits looking at the contribution and importance of the business to the local community and will decide Discretionary Rural Rate Relief on a case by case basis by considering the following:

- Any award of Discretionary Rural Rate Relief must be in the best interests of local residents and taxpayers;
- If the business supplies goods or services essential to the day-to-day needs of the local community, e.g. food, fuel, or provision of social or welfare facilities;
- The effect on the local community if the business was to close, for example significant travel for alternative supply or are there other businesses locally;
- If the business employs a significant number of employees from the local community and the alternative employment prospects;
- The percentage of the local community using the facilities and any extra services the organisation provides;
- The organisation's financial position and the extent the organisation supports other local businesses.



Village Halls will receive Mandatory Charity Rate Relief of 80% and Discretionary Rural Rate Relief of 20% meaning 100% relief from Business Rates.



## Sports Clubs and Registered Community Amateur Sports Clubs (CASCs)

We will award 80% Mandatory Relief from Business Rates to Community Amateur Sports Clubs (CASCs) meeting all the following criteria:

- On the CASC register
- Open to the whole community
- Run as an amateur club
- A non-profit making organisation; and
- Aiming to provide facilities for, and encourage people to take part in, eligible sport

For sports clubs that are either registered as a CASC or where we consider them to be a charity, we will grant Discretionary Rate Relief of up to 80% of any remaining bill after applying Mandatory Relief. For Discretionary Rate Relief a sports club is one meeting the following condition:

- A facility wholly or mainly used for purposes of recreation, and all or part of it is occupied for the purposes of a club, society or other organisation not established or conducted for personal or private profit.

Any award of Discretionary Rate Relief must be in the best interests of residents and taxpayers in West Somerset. We will consider applications from CASCs and sports clubs on their own merits and will assess relief using a scoring matrix. If a CASC fails to achieve a sufficient score against this matrix, we will only award Mandatory Relief.

## Charities

Registered charities can claim 80% Mandatory Relief from Business Rates if they meet the following conditions:

- A registered charity or trustees for a registered charity must occupy the business property
- The business property must be wholly or mainly used for charitable purposes

Some organisations are exempt from registration but we will treat them as established for charitable purposes. These organisations are:

- The Church Commissioners (or any institution administered by them);
- Units of the Boy Scouts or Girl Guides;
- Any registered society within the meaning of the Friendly Societies Act 1896-1974;
- Voluntary schools within the meaning of the Education Act 1944-1980.

Charity shops are entitled to 80% relief if they use premises:

- Wholly or mainly for the sale of goods donated to the charity; and,
- Where the net proceeds from the sale of goods are applied to the purpose of the charity.

Our interpretation of "mainly" will be on the basis of "more than half". To satisfy "mainly", this will be if the net sales income from donated goods exceeds sales income from bought in goods.

We can grant Discretionary Rate Relief of up to 80% of any remaining bill after applying Mandatory Relief. Any award of relief must be in the best interests of residents and taxpayers in West Somerset. We will award Discretionary Relief for charities on the basis of a tapering system considering the organisation's contribution to the community.

We will not give Discretionary Relief to:

- National Charity Shops
- Public (fee paying) schools; or
- Charitable bodies where there is no evidence of need or very restricted community reach





## Not-for-Profit Organisations and Social Enterprises

We can award Discretionary Rate Relief of up to 80% to an organisation or institution that is not established or conducted for personal or private profit and whose objectives are designed to deliver local community benefit and are either:

- Charitable, philanthropic, religious, educational or concerned with social welfare, science, literature or the fine arts
- An organisation we consider to be a Community Interest Company (CIC) or Social Enterprise

A Community Interest Company (CIC) is a type of company, designed primarily for social enterprises that want to use their profits and assets for the public good. CIC's are particularly attractive to those wishing to enjoy the benefits of limited company status and want to make it clear they are established for the benefit of the community, but are not able, or do not wish to become charities.

We decide applications for Discretionary Rate Relief for not for-profit organisations and CICs on a case by case basis, considering the organisation's contribution and benefit to the local community. Any Discretionary Relief awarded must be in the best interests of the local residents and taxpayers.

## Hardship Relief

We have discretion to give hardship relief but as it is subsidised by local Council Tax payers, we will only consider an award in the most exceptional of cases. The purpose of Hardship Relief is to provide short-term help to businesses suffering exceptional hardship through circumstances beyond their control and outside of the normal risks associated with running a business of that type. It is not a financial prop for a failing business.

Applicants must be able to demonstrate they have investigated all avenues of financial assistance before claiming for Hardship Relief. We will consider an award of Hardship Relief only where it is in the best interests of residents and taxpayers in West Somerset. Any award will be on the basis of a rating system and in consideration of the number of employees affected and the threat to the viability of the business. No award not be made.

We will not award Hardship Relief where either full or part payment of Business Rates has been made. We will only apply an award of Hardship Relief to the balance outstanding on the year in which we receive the application. If the business has reserves of more than 40%, no Hardship Relief will be considered.

## Local Business Rate Discount

We have the discretion to grant a Local Business Rate Discount for a fixed period to any ratepayer who does not meet the criteria for any other form of rate relief. Any relief awarded will range from 0% to 80% of the ratepayer's liability. We will consider applications on the individual merits of the case. The ratepayer must:

- Provide facilities to certain priority groups such as elderly, disabled, minority or disadvantaged groups; or
- Provide significant employment or employment opportunities to residents of West Somerset

The business must also provide West Somerset residents with such services, opportunities or facilities that cannot be obtained locally, or are not provided by another organisation. The ratepayer must show the organisation will comply with all legislative requirements and operate in an ethical, sustainable and environmentally friendly manner. We will not award relief to organisations where a bar is the main activity.

While organisations may meet all the criteria, West Somerset Council does not commit to any award of Local Business Rate Discount if it does not consider it to be reasonable to do so and in the best interest of local taxpayers. Any award we make will have due regard to the financial status of the applicant and the impact on, and best interests of West Somerset Council Tax payers.

Where public conveniences have been transferred as an asset transfer, the Council will award a Local Business Rates Discount of 80% in year 1, 50% in year 2 and 30% in year 3. No Local Business Rates Discount will be awarded after the third year.

## Rate Relief for Local Newspapers

We can discount business rate bills by up to £1,500 in 2017/18 and 2018/19 for office space occupied by local newspapers. There is a maximum of one discount for each local newspaper title and premises. The discount is likely to be subject to European State Aid de minimis rules. This bars a company from receiving more than €200,000 in State Aid across a rolling three year period.





# Rate Relief claim form

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## Part 1. About your business and your declaration

Name of ratepayer

Name of organisation

Address of business to which this claim relates

«PropAdd1»  
«PropAdd2»  
«PropPCode»

Daytime telephone number

E-mail address

State the purpose or objective of the organisation

Business rates discounts are a form of state aid and we must know if the organisation has received or is receiving state aid. You must therefore complete the State Aid De Minimis Declaration below.

I confirm the organisation named above has **not received De Minimis aid** Yes ☐ No ☐  
in the last **three** financial years (this being the current financial year and the last two financial years)

If **No** to the previous question, I confirm the organisation named above **received the following De Minimis aid** in the last **three** financial years (this being the current financial year and the last two financial years)

Organisation providing the assistance/aid	Value of assistance	Date of assistance	Nature of assistance

I am authorised to sign on behalf of the organisation named above. I understand the requirements of De Minimis (EC Regulations 1998/2006).

The organisation named above is not a business "in difficulty" as defined at 2.1 of the Community Guidelines and State Aid for Rescuing and Restructuring Firms in Difficulty (2004/C22/02) at the date of this declaration.

By signing below, I confirm I represent the organisation stated and the information set out above is accurate for the purposes of the De Minimis exemption.

Read this declaration carefully before you sign and date it. It is an offence to give false information.

- **I declare** the information I have given on this form is correct and complete.
- **I understand** if I give information that is wrong or incomplete, you may take action against me.
- **I agree** to tell the Council within 21 days of any change in my circumstances that may affect my entitlement to rate relief.

The ratepayer or a person authorised to sign for the ratepayer must sign this form.

Signature of ratepayer

Date

Full name of ratepayer

Your position

## Part 2. Small Business Rate Relief 63

We award small business relief on a sliding scale. If your business qualifies, and has a rateable value of less than £12,000, you can get a 100% reduction off your bill. If the rateable value is between £12,001 and £15,000, your reduction decreases by roughly 1% for each £30 above £12,000. We work out small business rates relief on a daily basis. Your rateable value is shown on your bill. To qualify:

- Your main occupied property must have a rateable value (RV) below £15,000 or
- Additional occupied properties must have a RV below £2,900 and the total RV of all these added together is less than £20,000

If you qualify, we will only apply the reduction against the business rates for of your main property.

You will not get small business rates relief if you already get mandatory charity, or mandatory rural rate relief. This is because you cannot receive more than one type of relief.

Do you want to claim Small Business Rate Relief? No ☐ **Go to Part 3**  
Yes ☐

If **Yes**, which financial year or years do you want to apply for Small Business Rate Relief?

Do you occupy any other business premises?

Yes ☐ No ☐

If **Yes**, please tell us the addresses of the other business premises

## Part 3. Rural Rate Relief

Do you want to claim Rural Rate Relief? No ☐ **Go to Part 4**  
Yes ☐

If **Yes**, please tell us the rural settlement the property is in

Is your business the only such business in the rural settlement?

Yes ☐ No ☐

Is the property used wholly or mainly as a general store?

Yes ☐ No ☐

Is the property used wholly or mainly as a post office?

Yes ☐ No ☐

Is the property used as a combined post office/general store only?

Yes ☐ No ☐

Is the property used as a public house?

Yes ☐ No ☐

Is the property used as a petrol filling station?

Yes ☐ No ☐

Is the property used wholly or mainly as a food shop?

Yes ☐ No ☐

If you sell food for human consumption or general household goods please write in the space provided which categories of goods you sell. Any other goods, including confectionary or fast-food, should be listed separately. Please indicate the proportion of your sales or floor space

Food for human consumption	Yes <input type="checkbox"/>	No <input type="checkbox"/>	<input type="text"/> % of sales or floor space
General household goods	Yes <input type="checkbox"/>	No <input type="checkbox"/>	<input type="text"/> % of sales or floor space
Other goods	Yes <input type="checkbox"/>	No <input type="checkbox"/>	<input type="text"/> % of sales or floor space

If you sell **other goods**, please give details of the types of other goods sold

If the property is a combined post office/general store please tell us the proportion of your business that is a post office or general store

 %

### Part 3. Rural Rate Relief (continued)

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Is the property used for any purposes other than a general store, post office, public house, petrol filling station or food shop?

Yes ☐

No ☐

If **Yes**, please give details of all other purposes for which the property is used

We can grant **Discretionary Rural Rate Relief** of up to 80% of any remaining business rates bill for premises with a rateable value of less than £16,500 in qualifying rural settlements.

**Do you want to claim Discretionary Rural Rate Relief?**

No ☐

**Go to Part 4**

Yes ☐

If Yes, how does your business benefit the local community and why do you consider your business is important to the maintenance of village life?

Use a separate sheet if required

Is there any other information you feel we should take into account when deciding on your claim?

Use a separate sheet if required

#### Documents needed to support a claim for Discretionary Rural Rate Relief

To support your claim, you must send us:

1. A letter supporting your claim from the Councillor responsible for the ward in which the organisation is located.
2. Copies of the organisation's Annual Accounts including Balance Sheet for the last 2 years.

### Part 4. Sports Club Rate Relief

Registered Community Amateur Sports Clubs (CASC) can receive 80% mandatory relief from Business Rates. To qualify for relief as a CASC, a sports club must:

- be run as an amateur club;
- be open to the whole community;
- be a non-profit making organisation;
- aim to provide facilities and encourage people to take part in sport;
- be registered with the Her Majesty's Revenues & Customs as a CASC.

If you are not registered as a CASC and would like further information, please contact the Sports Club Unit at HM Revenues & Customs.

**Do you want to claim Sports Club Rate Relief?**

No ☐

**Go to Part 5**

Yes ☐

If **Yes**, is the organisation registered with the Inland Revenue as a Community Amateur Sports Club (CASC)?

Yes ☐

No ☐

#### Documents needed to support a claim for 80% relief as a CASC

To support your claim, you must send us:

1. A copy of Her Majesty's Revenue & Customs Registration document showing CASC status.

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## Part 4. Sports Club Rate Relief (continued)

We can grant relief of up to 80% from any remaining business rates bill at our discretion

**Do you want to claim discretionary relief as a Sports Club?**

No ☐

**Go to Part 5**

Yes ☐

If **Yes**, please give the following information about the users of your service.

Number of users of the service

One-off joining fee

Annual subscription

The proportion of these members / users who live within West Somerset

If there is a club bar, is it routinely open to the public?

Are facilities advertised and made available to individuals or organisations other than club members?

Tell us how you actively encourage membership from **all** sections of the Community

Members	Non-members
<input type="text"/>	<input type="text"/>
£ <input type="text"/>	£ <input type="text"/>
£ <input type="text"/>	£ <input type="text"/>
<input type="text"/> %	<input type="text"/> %

Yes ☐

No ☐

Yes ☐

No ☐

Use separate sheet if required

Tell us if there is any qualifying criteria for membership

Use a separate sheet if required

### Documents needed to support a claim for Discretionary relief as a Sports Club

To support your claim, you must send us copies of :

1. The club constitution to show the club is open to all sections of the community and is organised on an amateur non-profit making basis.
2. Income and expenditure accounts for the club (and bar if applicable) for the last 2 years.
3. Membership pricing policy/list.
4. Current or most recent season's fixture lists or tables.
5. Any Child Protection and/or Equality policies.
6. Any codes of practice for coaches/officials, parents/carers or Junior Members.
7. Examples of lesson plans/resources the coaches use to deliver the training sessions.
8. Certificates of qualified coaches.
9. Any current affiliation letter for any recognised National Governing Body.
10. A letter supporting your claim from the Councillor responsible for the ward in which the organisation is located.
11. Public liability insurance and any individual liability insurance (e.g. coaches, officials).
12. Any School-Club Link Agreement or documented communication with at least one school.
13. Any Clubmark or equivalent accreditation.
14. Newsletters, screen shots from website and/or mailings (letter or e-mail).

## Part 5. Charity Rate Relief

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### Do you want to claim Charity Rate Relief?

No ☐**Go to Part 6**Yes ☐

Is the organisation a Registered Charity?

Yes ☐No ☐*A charitable body* is one set up in pursuit of a charitable purpose for public benefitIf **Yes**, please tell us your registered charity number

Is the organisation exempted from registration as a charity?

Yes ☐No ☐

Is the organisation recognised as a charity for Income Tax purposes?

Yes ☐No ☐*A charitable body* is one set up in pursuit of a charitable purpose for public benefit

Does the organisation own the property?

Yes ☐No ☐If **No**, please tell us who owns the property

Is the property currently occupied?

Yes ☐No ☐If **No**, when the property is next in use, will it be used wholly or mainly for charitable purposes?Yes ☐No ☐

For what purpose does the organisation use the premises (e.g. Offices, shop or community centre)?

If the property is a shop, are the goods sold wholly or mainly donated?

Yes ☐No ☐

If the property is a shop, give a description and source of the goods sold in the shop

Goods donated represents  % of total salesGoods purchased represents  % of total salesGoods manufactured represents  % of total salesProportion of sale proceeds used for charitable purposes 

Are the proceeds of the sale of goods used for the purposes of the charity?

Yes ☐No ☐

Does the organisation work with, support or receive support from any other organisations or agencies (local or national)?

Yes ☐No ☐If **Yes**, please give details  
Use a separate sheet if required

Does the organisation provide facilities that indirectly relieve West Somerset Council from doing so?

Yes ☐No ☐If **Yes**, please give details  
Use a separate sheet if required

### Documents needed to support a claim for Charity Rate Relief

To support your claim, you must send us:

1. Evidence of any charitable status, such as a letter from HM Revenue and Customs (HMRC).
2. A copy of the Governing Document setting out the organisation's purposes and how the organisation is administered. This can be in one of several different forms including a Trust Deed, Constitution, Memorandum and Articles of Association, Will, Conveyance, Royal Charter, Scheme of the Charity Commissioners, or the Rules of the Organisation.
3. Copies of the organisation's Annual Reports (containing a brief summary of the main activities and achievements of the organisation) for the last 2 years.
4. Copies of the organisation's Annual Accounts including Balance Sheet for the last 2 years.

## Part 5. Charity Rate Relief (continued)

We can grant relief of up to 80% of any remaining business rates bill at our discretion.

We will **not** give "top up" relief to:

- Public (fee paying) schools;
- National Charity Shops; or
- Charitable bodies where there is no evidence of need or very restricted community reach and no material contribution in **enabling people to live, work and prosper and for business to thrive in West Somerset.**

Do you want to claim Discretionary Charity Rate Relief?

No ☐

**Go to Part 6**

Yes ☐

If you want to claim "Discretionary Charity Rate Relief" you must demonstrate how the work of your organisation provides benefit to residents and taxpayers. Using the space below or on a separate sheet to accompany your application, tell us how your organisation contributes in **enabling people to live, work and prosper and for business to thrive in West Somerset.**

Use a separate sheet if required

### Documents needed to support a claim for Discretionary Rate Relief as a Charity

To support your claim, you must send us:

1. A letter supporting your claim from the Councillor responsible for the ward in which the organisation is located.

## Part 6. Non-Profit Making Organisations Rate Relief

Do HM Revenue & Customs class your organisation as a 'not-for-profit' organisation?

No ☐

Yes ☐

An organisation falling under this category is one meeting the following conditions:

- Institutions/organisations that are not established or conducted for personal or private profit and whose objectives are charitable, philanthropic, religious or concerned with education, social welfare, science, literature or the fine arts and designed to deliver local community benefit.
- A registered Community Interest Company or Social Enterprise

Do you want to claim relief as a non-Profit Making Organisation?

No ☐

**Go to Part 7**

Yes ☐

If **Yes**, you must demonstrate how the work of your organisation provides benefit to residents and taxpayers. Using the space below or on a separate sheet to accompany your application, tell us how your organisation contributes in **enabling people to live, work and prosper and for business to thrive in West Somerset.**

Use a separate sheet if required



## Part 6. Non-Profit Making Organisations Rate Relief (continued)

Are your facilities made available to schools or for casual public sessions Yes ☐ No ☐

Tell us how you actively encourage participation of your services from **all** sections of the Community

Use a separate sheet if required

Does your organisation provide training or education?

Yes ☐

No ☐

If **Yes**, please give details below

Use a separate sheet if required

Tell us the proportion of the users of your services living in West Somerset  %

Is the organisation associated to any local or national organisation? Yes ☐ No ☐

If **Yes**, please give details below

### Documents needed to support a claim for Non-Profit Making Organisations Rate Relief

To support your claim, you must send us:

1. A copy of the Governing Document setting out the organisation's purposes and how the organisation is administered.
2. Copies of the organisation's Annual Reports (containing a brief summary of the main activities and achievements of the organisation) for the last 2 years.
3. Copies of the organisation's Annual Accounts including Balance Sheet for the last 2 years.
4. A letter supporting your claim from the Councillor responsible for the ward in which the organisation is located.

## Part 7. Hardship Relief

We have discretion to give hardship relief but as it is subsidised by local Council Tax payers, we will only consider an award **in the most exceptional of cases**. Hardship relief is **temporary** help to a viable business in short term difficulties. **See page 4 for more information.**

Do you want to claim Hardship Relief?

No ☐

**Go to Part 8**

Yes ☐

If **Yes**, you will need to set out on a separate sheet

- The nature of the hardship and its cause
- The detrimental effect that paying business rates is having
- The number of employees affected

### Documents needed to support a claim for Hardship Relief

To support your claim, you must send us the following information:

1. Business forecast for the next 12 months.
2. Copies of the organisation's Annual Reports for the last 2 years.
3. Copies of the organisation's Annual Accounts including Balance Sheet for the last 2 years.
4. Details of any Court Orders, CCJ and any credit information relating to the business.
5. Current list of creditors and debtors.
6. Evidence the business or organisation provides valued local community facilities that may not be available elsewhere locally (for example: use of rooms or services).
7. A letter supporting your claim from the Councillor responsible for the ward in which the business is located.



## Part 8. Local Business Rate Discount

To claim Local Business Rate Discount your organisation must meet **all** the following criteria

- The ratepayer must not be entitled to Mandatory Rate Relief (Charity or Rural Rate Relief)
- The ratepayer must not be an organisation that could receive relief as a non-profit making organisation or as Community Amateur Sports Club.
- The ratepayer must occupy the premises - no relief will be granted for unoccupied properties
- The premises and the organisation must be of significant benefit to West Somerset residents
- The ratepayer must provide facilities to certain priority groups such as elderly, disabled, minority or disadvantaged groups or provide significant employment or employment opportunities to residents of West Somerset
- Provide residents of West Somerset with such services, opportunities or facilities that cannot be obtained locally or are not provided by another organisation
- The ratepayer must show the organisation will comply with all legislative requirements and operate in an ethical, sustainable and environmentally friendly manner at all times
- Relief will not be given to those organisations where a bar is the main activity

**Do you want to claim Local Business Rate Discount?**

Yes ☐

No ☐

If **Yes**, is the property currently occupied?

Yes ☐

No ☐

Is a bar the main activity of the organisation?

Yes ☐

No ☐

In the space below, tell us of the benefits that you bring to West Somerset residents

Use a separate sheet if required

In the space below, tell us about any facilities your organisation provides to priority groups such as elderly, disabled, minority or disadvantaged groups

Use a separate sheet if required

In the space below, tell us about any significant employment or employment opportunities your organisation gives to residents of West Somerset

Use a separate sheet if required

### Documents needed to support a claim for Local Business Rate Discount

To support your claim, you must send us the following information:

1. Business forecast for the next 12 months.
2. Copies of the organisation's Annual Reports (containing a brief summary of the main activities and achievements of the organisation) for the last 2 years.
3. Copies of the organisation's Annual Accounts including Balance Sheet for the last 2 years
4. A letter supporting your claim from the Councillor responsible for the ward in which the business is located.

## Part 9. Rate Relief for Local Business Newspapers

We can grant only one discount of £1,500 in 2017/18 and 2018/19 for each local newspaper title or premises. No relief is available for magazines.

**Do you want to claim Rate Relief as a Local Newspaper?**

Yes ☐

No ☐

If **Yes**, is the property currently occupied?

Yes ☐

No ☐

Tell us the name or title of the newspaper?

## Appendix E

### Impact Assessment form

What are you completing this impact assessment for? E.g. policy, service area

Revenues & Benefits Service

Discretionary Rate Relief Policy

### **Section One – Aims and objectives of the policy /service**

#### **Introduction**

As part of its role in the administration of National Non Domestic Rates (NNDR) (more commonly referred to as business rates and referred to as such in this document), the Council has several areas where it can exercise its discretion to provide reductions to the amounts of business rates that are due to be paid.

Changes to local government finance now mean that the income from business rates more directly impacts on the Council's financial position. As part of the central government funding process for local authorities, Councils now retain 50% of all business rates income collected. Under the previous scheme, business rates income was paid into the government's central pool and redistributed back out to local authorities based on a formula grant.

This policy document outlines the areas of local discretion and the Council's approach to the various discounts. This approach is cognisant of the impact on both the Council's wider financial position and Council tax payers, and on the organisations and businesses that may apply for discounts and their role in supporting West Somerset residents.

#### **Discretionary Rate Relief Scheme**

The Local Government Finance Act 1988 requires the Council to maintain a Discretionary Rate Relief.

Scheme to award business rates relief of up to 100% to certain organisations which operate within specified criteria.

The above includes:

- Charitable bodies (receive Mandatory 80% relief) – the Council has further discretion to “top up” this relief to 100% of the rates due.
- Registered Community Amateur Sports Clubs (CASCs) (receive Mandatory 80% relief) – the Council has further discretion to “top up” this relief to 100% of the rates due.
- Non-profit making organisations – the Council has discretion to grant ‘standard’ Discretionary Rate Relief of between 0-100% of the business rates due.

#### **Hardship Relief**

The Council is able to exercise its discretion under Section 49 of the Local Government Finance Act 1998 to reasonable to do so having due regard to the interests of Council tax payers in general.

The Council will consider applications for hardship relief from organisations based on their own merits on a case by case basis.

Applications will be considered by the 151 Officer or her nominated representative. When deciding whether to award hardship relief, as well as being confident that the organisation is experiencing hardship, the principle consideration will be that any relief is in best interests of the taxpayers of West Somerset Council, as the Council must bear the cost of any relief granted.

### **Local Business Rate Discount**

Section 69 of The Localism Act 2011 amends Section 47 of the Local Government Finance Act 1988 and allows the Council to grant locally determined business rate discounts (in addition to the already available Discretionary Rate Reliefs).

The new power recognises that the current business rates scheme is broadly prescribed by central government and its aim is to provide increased flexibility to local authorities to support organisations, recognising the variations in economic conditions across and within local authority boundaries.

The Council will consider applications from organisations for discounts under Section 69 based on their own merits on a case by case basis.

### **Applications and review process**

All applications for Discretionary discounts should be made in writing. The Council may also require evidence to support applications.

For areas of Discretionary relief the 151 Officer or her nominated representative's decision is final. However, if an applicant is dissatisfied with this outcome they can ask for a review and the decision will be reviewed, where necessary taking into account any additional or new information or evidence to support the application.

### **Award periods**

All areas of Discretionary relief will normally be granted for up to one financial year and if necessary will be subject to an annual review process

### **Section two – Groups that the policy or service is targeted at**

We have a statutory duty to provide our services regardless of the gender, sexual orientation, religion or belief or ethnicity of the customer. People of all ages will be our customers.

The granting of Discretionary relief is not an entitlement. Any relief granted will be a benefit to the organisations involved. The criteria for assessing applications are directly related to the priorities of the Council which should include giving 'Due Regard' to the Equality Duty. The overall policy and its application will be kept under review.

In the assessment of applications for Discretionary relief, the Council will have due regard to the extent to which the applicant organisation delivers benefits and outcomes for people with protected characteristics and the degree to which it reduces inequalities for all members of the community that use its facilities / services.

### **Section three – Groups that the policy or service is delivered by**

West Somerset Council's Revenues & Benefits Service.

#### **Section four – Evidence and Data used for assessment**

Information on the number of organisations accessing the current Business Rate Relief Scheme.

The number of organisations accessing the scheme is 178

The total amount of reductions given through the current Business Rate Relief Scheme.

The amount for the 2015/16 financial year is £214,874

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

The Discretionary Business Rate Relief Scheme is not targeted toward any of the seven protected equality characteristics.

Age and Disability related groups and organisations would be most affected; however not to the extent that it outweighed the impact on other groups. As many of these organisations including those whose properties were used as charity shops operate on a national level, it is anticipated that the impact will be managed at that level and the overall effect locally will therefore be minimal.

In reviewing the policy West Somerset Council has taken this opportunity to ensure Discretionary Rate Relief is focused on those organisations most in need and of most benefit to our Community. The aim is to ensure that we continue to support smaller groups, whilst maintaining focus on those groups of most benefit to the local community. This supports our on-going commitment in all areas and services to provide best value.

The criteria laid down to apply for Discretionary Rate Relief (DRR) are non-discriminatory. In terms of the groups accessibility criteria, they are positive in that they encourage the training and development of young people, and ensure that any group accessing DRR has a low barrier to access in terms of its membership fees, so as not to be disadvantageous to people on low incomes (e.g. young people or the elderly). Similarly, organisations must encourage membership from all sections of the community.

This analysis therefore concludes that the Discretionary Business Rate Relief Scheme does not demonstrate a disproportionate impact relating to race, disability, Gender, age, sexual orientation, religion and belief, marriage and civil partnership and carers. As the policy will be applied consistently regardless of the gender, sexual orientation, religion or belief or ethnicity of the customer, there should be no negative or unequal outcome on different groups.

**Signed: Manager completed by Signed: Group Manager/Director**

Report Number: WSC 75/17

## West Somerset Council

### Council – 19<sup>th</sup> July 2017

#### Hinkley Point C Section 106 Development Consent Obligation – Skills and Training Contribution

This matter is the responsibility of Executive Councillor / Cabinet Member Cllr Andrew Hadley

Report Author: Gordon Dwyer, Senior Economic Development Officer

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

- 1.1 To outline proposals relating to the Skills and Training contribution for West Somerset that forms part of the Hinkley Point C (HPC) Section 106 Development Consent Obligations (DCO) Agreement.

#### 2 Recommendations

- 2.1 To agree the proposals detailed in paragraph 4.4 and recommend to Council the drawdown of £30,000 from the HPC DCO Skills and Training contribution to support a variety of skills related activity with the intention to support and grow economic development in West Somerset and to maximise opportunities associated with the HPC project. The proposals were approved by Cabinet on 17 May 2017.

#### 3 Risk Assessment (if appropriate)

##### Risk Matrix

Description	Likelihood	Impact	Overall
That The Council fails to deliver or meet its corporate priorities and objectives	4	4	16
<i>Proposals set out in this report clearly link to the Council's corporate priority for Hinkley Point C and makes specific reference to maximising opportunities for West Somerset Economy and Business and the local community</i>	2	3	6
If WSC takes no action then individuals and businesses will be far less likely to be able to take advantage of the opportunities / mitigate impacts of the HPC development with a resultant negative effect on the local economy	4	4	16

<i>Proposals set out in this report will help maximise the opportunities to take advantage of the HPC project for businesses, the local workforce and those seeking work</i>	<b>3</b>	<b>3</b>	<b>9</b>
If no action is taken there is likely to be a lack of appropriate industry sector skills to service the District's key industry.	4	4	16
<i>Proposals detailed in this report provide opportunities to ensure that individuals are suitably skilled to mitigated potential skills gaps</i>	<b>2</b>	<b>3</b>	<b>6</b>

### 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>				

<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 Background and Full details of the Report

- 4.1 The HPC S106 DCO contains contributions to West Somerset Council to develop skills and training initiatives. The amounts are detailed in the tables below: The subject of this paper is for the second and third anniversary of the Implementation of Phase 1 amounting to £30,000.

Development Obligation	Consent	Amount	Status
Phase 1, Second Anniversary		<b>£15,000</b> (15,979.19 with indexation)	<b>Unallocated – the subject of this paper</b>
Phase 1, Third Anniversary		<b>£15,000</b> (15,979.19 with indexation)	<b>Unallocated – the subject of this paper</b>
Phase 1, Fourth Anniversary		£15,000 (15,979.19 with indexation)	Unallocated
Phase 1, Fifth Anniversary		£15,000 (15,979.19 with indexation)	Unallocated

- 4.2 The S106 DCO Schedule 10 paragraph 2 refers to the purpose for which the contribution can be utilised.

*To be applied by West Somerset Council towards 'the costs of carrying out the duties of the Community Outreach Worker' i.e. Employment and Skills Officer.*

- 4.3 Appendix A outlines the projects to date which have been supported through the additional associated funding i.e. Section 106 site prep works allocations of Community Outreach Operational budget and the Section 106 Fit to Work budget.

4.4 **Proposals for Phase 1 Second and Third Anniversary of the Skills and Training Contributions**

The total of the Skills and Training contributions for Phase 1 Second and Third Anniversary is £30,000. These funds have already been received.

The allocation of funding will support the development of a Hospitality and Tourism Academy and associated activities (Appendix B provides the full business plan for this project).

In the first instance, the Academy will take the form of a collective group of partners and employers coming together to develop a **Centre of Excellence**. This will have a coordinating function to ensure best practice and consistency of delivery, with the aim of raising skills and prospects for individuals in the Hospitality and Tourism Industry.

The following table summarises the proposed activity, associated funding allocations and key performance indicators / outcomes.

No	Project	Allocation of funding	Secured Match	Anticipated Match	Anticipated Outputs of full programme
1	<b>Future Workforce</b> This will include a Step into Industry Programme and a series of Inspiring Master Classes	<b>£10,000</b>	£9,324	-	<ul style="list-style-type: none"> <li>• A Step into Industry Programme</li> <li>• 50 students to have completed the Step into Industry Programme</li> <li>• 43 Industry visits</li> <li>• 6 Inspirational Master Classes</li> <li>• At least 1000 individuals to have engaged on the Master Classes</li> </ul>

<b>2</b>	<b>Current Workforce</b> To include the development of an Apprenticeship Plus Model and an Apprenticeship Network	<b>£15,000</b>	£22,500	-	<ul style="list-style-type: none"> <li>• An Apprenticeship Plus Programme</li> <li>• 90 apprentices to have engaged on the Apprenticeship Plus programme</li> <li>• An Apprenticeship Network</li> </ul>
<b>3</b>	<b>Business Support</b> Activity will include an Ambassador Programme, Upskilling Master Classes, Marketing and Promotion and Equipment	<b>£5,000</b>	£14,500	£19,833	<ul style="list-style-type: none"> <li>• An Ambassador Programme</li> <li>• 500 individuals to have completed the Ambassador Programme</li> <li>• 9 Bespoke Upskilling Master Classes</li> <li>• 32 Accredited Qualifications Gained</li> <li>• 76 Non Accredited Qualifications Gained</li> <li>• 5 Events across Minehead to demonstrate Service Excellence amongst local businesses</li> </ul>
	<b>Totals</b>	<b>£30,000</b>	<b>£46,324</b>	<b>£19,833</b>	<b>£96,157</b>

#### 4.5 Future Workforce: Step into Industry Programme and Inspiring Master Classes

***Aim: To inspire, motivate and start to grow the next generation of workers***

##### **Step into Industry Programme**

The core aim of the Step into Industry Programme is to raise the awareness and aspirations of school children in years 9, 10, 11, 12 and 13 to the diverse range of career and employment opportunities within the hospitality and tourism industry and to introduce pupils to the many aspects of these industries. This could include: marketing, trading and purchasing, management, financial planning, sales, service and technician, retail, tourism, food and produce, grounds maintenance, livestock, administration, farming and horticultural jobs.

The project aims to facilitate this by providing a number of half day visits for a cohort of pupils (up to 10) from each academic year at West Somerset Community College over the course of three years. All employer visits will take place on the employer premises. Evidence suggests that the most useful information and advice in relation to employment and careers comes from employer visits (City and Guides 2012).



During the visits, pupils will have the opportunity to meet staff at all levels and find out more about their roles and responsibilities and the day to day tasks that help with the running of the organisations. Pupils will learn how they gained employment with the business, the types of qualifications that they had to achieve and the skills and qualities employers look for when recruiting.

Pupils will be set work-based projects centred on English, Mathematics, Science and Computing, which they will be able to carry out during their visits. Where possible, these activities will be related to the current curriculum and will allow students to see how their learning at school can be applied to the workplace. They will also be provided with the opportunity to explore and develop a range of different employability skills.

Employer visits will include (but not restricted to): Butlin's, The Beach Hotel, Foxes Academy, Premier Inn and Brewers Fair.

A total number of 50 students will be engaged on the project, 10 from each year group. As they progress through the education system, they will continue to engage with the project. The project will enable students to experience and understand the hospitality and tourism industry whilst not interfering with Progress 8 curriculum demands, as activity will take place outside of this.

Research shows that pupils who have contact at least 4 times with employers are 5 times more likely to be in education, employment and training in later life. High levels of employer contact also gives young people earnings related advantages in early adulthood over their broadly matched peers without such engagement (City and Guides 2012).

Similar projects taking place elsewhere have proven very successful and shown significant impacts on a range of educational outputs, including pupil attendance and attainment levels. Pupils also felt that the project had helped in improving the following skills: communication, team working, leadership, decision-making, organisation, creativity and problem-solving, self-awareness, listening, research and numeracy. Pupils gained a greater understanding of the values, skills and qualifications that employers require.

The model is based on South Somerset 14-19 Partnership's Talent Programme, in particular, Tomorrow's Teacher Programme, which offers students the opportunity to gain first-hand knowledge of the teaching profession. The aim of the Programme is to start to grow the next generation of teachers and to address teacher and recruitment issues. The project to date has been very successful and there are plans to develop more of these programmes across Somerset. There are currently plans for an Energy / STEM Programme to take place. Somerset County Council, who oversee the work of the Partnership Trust, are supportive of the plans to develop a Step Into Industry Programme for the Hospitality and Tourism sector based on their model and will play an instrumental role in its development and delivery.

### **Inspiring Master Classes**

As we are only able to offer the Hospitality and Tourism Academy Programme to a maximum of 50 students we plan to offer a series of Inspiring Master Classes. This will involve bringing hospitality and tourism industry experts to schools to deliver inspirational and motivational activities. 6 workshops will be offered twice yearly over a

three year period. It is anticipated that these will be delivered to whole year groups consisting of 65 – 200 students and will be offered from year 8 upwards. This will involve engaging with the local middle schools.

## **4.6 Apprenticeship Plus Model**

**Aim: Nurture and grow the skills of our current workforce**

### **Apprenticeship Plus Model**

Apprenticeships are a great way for individuals of all ages to earn an income whilst developing a range of experience, skills and knowledge. Apprenticeships enable individuals to develop a range of skills needed for a successful career and provide an alternative to going to University or the opportunity to combine an apprenticeship with higher education.

Apprenticeships start at Level 2 and rise to Level 7. Depending on the level of the apprenticeship, training can take between 12 months and 5 years to complete. They cost nothing to the employee and the cost to an employer will be minimal as a result of the new Apprenticeship Levy. The Levy system which comes into effect April 2017.

According to recent research-carried out by Skills Training UK, there are a number of benefits to businesses who employ an apprentice. These include:

- Increased productivity (according to the National Apprenticeship Service, the average apprenticeship increases business productivity by £214 per week)
- Improved business performance
- A committed and competent workforce

Apprenticeships offer the potential for employers to diversify, adding value to their workforce and helping to provide a future talent pipeline tailored to the needs of the business. Government research shows that adult apprenticeships at Level 2 and Level 3 deliver £26 and £28 of economic benefits respectively for each pound of Government investment.

These factors could help to explain why over 130,000 business across the UK offer apprenticeship places. The hospitality industry in particular, is one of the biggest recruiters of apprentices.

Over the past few years, there-have been a number of radical changes to the way in which apprenticeships are delivered. The old system is being replaced and employers are being tasked with taking the lead in developing standards and assessments for the new apprenticeships. 'Trailblazers' are working to design these new standards. A trailblazer is made up of a group of employers who work with training providers and other industry experts to design new apprenticeship standards for occupations within their sectors. To date, a number of apprenticeship trailblazers have taken place, including in the areas of Hospitality and Tourism.

This project will involve local employers coming together to form a Task and Finish group, which will look at the new standards of apprenticeships which are due to come into place in April 2017 in relation to the hospitality and tourism industry. The group does not intend to duplicate what has already been achieved, but, using their expertise and knowledge, aims to identify where value could be added to these existing standards. This will help to drive up quality and ensure the apprenticeship is 'fit for

purpose'. This could include adding extra accredited qualifications, non-accredited qualifications or even incorporating elements of other relevant apprenticeship standards. The outcome of the group would be to create an 'Apprenticeship Plus' Model, which would be responsive to the needs of the area of Minehead. This model could then be used by local employers in the industry.

Elements of additionality which could be added to the standards include:

- Personal and team development courses, which focus on building self-confidence, communication skills, leadership, empathy and a broad range of social and emotional skills
- Specific qualifications courses, including, First Aid, Water Safety, Food Safety etc
- 'Look at Life' Days, providing opportunities for apprentices from other areas to spend time shadowing their peers to explore the wider hospitality and tourism sector and to gain-valuable insights into the whole visitor and customer experience

The model will help to ensure that the apprentices develop a range of transferable skills which they could use in a similar role for any employer of any size both locally and further afield. Once developed, the model will need to be reviewed on a regular basis to ensure that it continues to drive up quality to the highest level.

It will also be the group's responsibility to identify gaps in funding in relation to the new standards. For example, we know that the direct training, education and assessment required to attain the set standards are covered, however, there are certain elements which are not.

We already have a number of local employers who are committed to working together to develop a unique model and to see this through to delivery. These include: The Beach Hotel, Channel Training, Foxes Academy, Somerset Larder and Butlin's.

For all new standards which come into place, 20% needs to be off-the-job training, which is carried out away from an apprentice's day-to-day training. There could, therefore, be the potential for the Academy to support an employer with meeting this requirement. Part of the Task and Finish Group will be to identify ways of doing this and to identify whether this could present an opportunity for the project's future sustainability.

Once an apprenticeship model has been developed, the Academy will promote this to the relevant industries in the area to help to generate interest and encourage take up.

### **Apprenticeship Network**

Part of the process of designing a new apprenticeship model will involve identifying where we should be supporting both future and current apprentices. We understand from various conversations which have taken place, both with employers and training providers, that lack of appropriate and relevant pastoral support often contributes to some apprentices failing to complete their apprenticeship. As more and more training providers move away from face to face delivery to a digital platform to deliver apprenticeships training, there is an increasing need to ensure that those studying have appropriate support mechanisms in place. It is widely acknowledged that when individuals feel supported they are far more likely to engage with education, resulting in increased attainment and aspiration levels.

Our aim, therefore, will be to create an Apprenticeship Network. This will act as a 'one stop shop', facilitating interactions between apprentices. Part of the responsibility of the Apprenticeship Network will also be to promote apprenticeships as a first-choice career option and to provide accurate apprenticeship information to employers, youth and job seekers and promote the Apprenticeship Plus Model.

#### **4.7 Business Support: West Somerset Ambassador Programme, Upskills Master Classes and Marketing and Promotion**

***Aim: Drive up current skill levels and improve business productivity***

##### **West Somerset Ambassador Programme**

The programme will be for anyone who works in the hospitality and tourism industry and will benefit the current workforce and local businesses. So although this activity is classed under Business Support, it has direct links to both the current workforce and the future workforce.

Based on similar models in the Country, this project will create a bespoke product knowledge Ambassador Programme that could be used by anyone working in the industry, or as a stepping stone towards gaining relevant skills and knowledge so as to successfully gain employment within the industry. Individuals will be able to learn at their own time at a pace that suits them.

Lack of area/resort knowledge amongst local staff seems to be a key issue. An Ambassador Programme would help to address this need, as well as provide practical advice on customer service. Research has shown that 88% of businesses see customer service as the most important skill needed in their business over the next 5 years. We know that good customer service has a positive impact on visitor satisfaction and we also know that customers spend more when they are satisfied. They are also more likely to return and make positive recommendations to others potentially leading to higher profits for local businesses.

As with the Apprenticeship Model, the Ambassador Programme is about providing a set service standard across Minehead to ensure that customers receive the same high level of service no matter who they come into contact with. The programme will be designed by industry experts who work in the local area, such as local employers.

Modules will include: customer care, what you need to know about Minehead, including basic history, activities and support, visitor attractions, why it is popular with customers and travelling around Minehead.

The Ambassador Programme will be completed online. Once completed, individuals will be awarded a certificate which can be displayed in the workplace or added to a CV.

##### **Upskilling Master Classes**

To complement the Ambassador Programme, individuals will also have access to a range of Master Classes providing excellent opportunities for staff training, upskilling, development and retention. Evidence suggests that if staff feel valued, listened to and involved, they will have a more rewarding career, progress faster and generate greater financial gain to the business. We also know that other skills gaps exist, particularly in relation to: employability skills, literacy, numeracy, chefs, IT skills.

Activity (could include but not restricted to):

- Motivational Speakers, talks from other professionals working in the industry
- Customer Service Courses, Worldhost Training
- English, Maths, IT Courses
- Bespoke Industry Training
- Specialist Industry Training

In order to offer a range of Master Classes, we will need to carry out further research into the skill needs of the current workforce and the local businesses. We already have access to a 'hospitality workers group' with over 150 members, who would be happy to participate in some market research.

Over the 3 years of the project, the aim will be to deliver, 3 Master Classes a year to a minimum of 12 individuals per Master Class. This equates to 9 master classes over the 3 year period with at least 108 receiving support.

Some of these master classes will be available for those not currently in the industry but who are considering a career in the industry.

### **Marketing, Promotion, Events and Awards**

To help promote Minehead as a Centre of Excellence, support local businesses and celebrate success, we plan to develop a range of promotional activity. This will include a local chef's competition, and special menus and deals at local restaurants and other establishments to bring the reach of the Academy to public attention in the town.

## **4.8 Rational for Allocation and Proposed Activity**

### **4.8.1 Minehead Economic Plan 2016**

The recent Minehead Economic Plan 2016 highlighted the need to develop a Hospitality and Tourism Academy which would nurture the talent and skills of our people and develop local businesses to preserve the future sustainability of Minehead's economy.

### **4.8.2 Profile of the current workforce**

West Somerset as a district is predominantly characterised by lower than average wages, low employment rates in comparison to other neighbouring districts, such as Sedgemoor and Taunton Deane, insecure and seasonal employment and geographical barriers to accessing services, such as limited public transport.

Within West Somerset there is a high proportion of adults with no or very few skills and the number of adults with higher levels skills is also low. We know that poor performance in both of these areas has huge implications for economic growth.

West Somerset has the highest percentage of economically active residents in Somerset with no qualifications and the lowest percentage (29.3%) of economically active residents with a qualification at level 4 and above.

### **4.8.3 Social Mobility**

The recent social mobility report carried out, placed West Somerset at the bottom of the social mobility index, i.e. 324 out of 324. The index compares the chances that a child from a disadvantaged background has of doing well at school and getting a job.

Indicators include: good pre-schools, primary schools, secondary schools and higher education; average house price and average wage. West Somerset falls into Performance Zone 4. Areas which fall into this zone provide little opportunity for young people to acquire the skills they need to achieve good outcomes as an adult.

Poverty, of a number of different forms, is a key issue for the district, in terms of income and wages levels (in-work poverty) as well as high property prices. West Somerset is ranked as having the lowest median average salary in the country and the highest percentage of jobs that pay below the national living wage. People in West Somerset are amongst the lowest earners in the South-West, West Somerset has also been cited as the worse place in England to escape poverty.

Although the number of people claiming job seekers allowance is lower than the national average, the number of individuals claiming Employment Support Allowance and Incapacity Benefit is above the national average at 7.1%.

#### **4.8.4 Nature of the industry**

The local economy largely consists of micro, small and medium sized enterprises. Although two major operations include Hinkley Point nuclear power station and Butlin's in Minehead. The Visitor Economy is vital to prosperity. Annual tourism volume and value data suggests that West Somerset receives more staying visitors than other districts in the County.

The Hospitality and Tourism sectors account for 2.9 million jobs, representing 8.8% of the total UK workforce. It is the fourth biggest UK industry and is also one of the fastest growing. Customer Service and Management Skills are in high demand and nationally there is a lack of well-skilled Chefs. The industry provides a broad range of opportunities in a range of areas as well rapid progression and clear routes to management.

In West Somerset about 30% of the local workforce are employed in tourism and hospitality related jobs. This figure rises to 55% in Minehead, Butlin's alone supports over 1,000 jobs in the area, one of the highest ratios in the country. By comparison the average for Somerset is 10%.

It is well cited that more work needs to be done to improve the perception of the hospitality and tourism industry within the area. More effort is needed to promote the diverse and progressive range of worthwhile career opportunities on offer nationally and address negative and unrealistic perceptions. The Minehead Economic Plan highlights the need to encourage activities which will inspire a new generation of workers to pursue a career in hospitality and tourism. This is of great importance to the area in order to help safeguard the industry's existing value.

We also know that there is a distinct lack of appropriate careers, education, information and guidance to advise individuals on suitable career paths.

#### **4.8.5 Applicants are not ready for work and lack key soft skills**

During consultation with local employers and other agencies, we have identified that many young people leaving school / college lack essential 'employability' skills. These include: customer service skills, communication skills, leadership qualities, social skills, self-presentation skills, vision, accountability, motivation, team work, research skills, planning skills, attendance and punctuality, application and interview skills. This is also

true for those furthest away from the job market. Businesses such as Butlin's are forced to recruit from Eastern European countries in order to fill staffing gaps.

Research has shown that there is a mis-match between employers' expectations of young people and young people's understanding of what is expected of them. This could only be addressed through business and education working more closely together.

In addition, we also know that nationally there is a shortage of suitably qualified chefs and those with management level skills.

#### **4.8.6 An Ageing Population**

The development of hospitality and tourism skills is further highlighted by the district's rapidly ageing population. As skilled workers reach retirement, there is a need to ensure sufficient replacement labour supply from younger generations. This is vital to ensuring future economic prosperity. Findings from a recent report carried out in West Somerset identified that the declining working age population, the additional demands associated with Hinkley Point C and the implications of Brexit, may put increasing pressure on the demand for labour, especially in sectors such as hospitality and tourism.

#### **4.8.7 Retention of young people**

West Somerset exhibits an acute out-migration from the ages of 15-19 onwards and retaining young people in the town is a challenge, especially with no University and limited vocational provision. Work needs to be undertaken to ensure that young people want and are able to stay in the area and contribute to the local economy. In order to achieve this, we need to ensure that attractive employment and skills training opportunities are available which provide career development and progression. Young people will only want to stay in the area if they are aware of and can benefit from the opportunities available to them.

#### **4.8.8 Hinkley Point C**

Hinkley Point C and its supply chain, is of significant relevance to this project due to the additional job and careers opportunities it will bring to the area. There is a need to ensure that we work to maximise these opportunities and help to provide a pipeline of talent, whilst at the same time ensuring that suitable measures are in place to mitigate some of the challenges, particularly in relation to displacement within the current workforce.

#### **4.8.9 Skills Provision**

West Somerset has the lowest levels of skills provision within Somerset. Following recent cuts to local college finances, many individuals in the area face considerable challenges in accessing training.

The average bus journey times for the 25 mile distances from Minehead to Bridgwater takes nearly 2 hours and to Taunton takes 1 hour 22 minutes. Travelling to these areas is not always an option as a result of inadequate transport and travel links.

## **5 Links to Corporate Aims / Priorities**

- 5.1 The proposals set out in the report will have a direct impact on key themes and issues set out in the West Somerset Council Corporate Strategy (2016-20). In particular, the proposal will have a direct impact upon:

- Key Theme 1 Our Communities ‘Helping our communities remain sustainable and vibrant is vital in keeping West Somerset a great place in which to live and work’. The projects will help address the following area:
  - b. The retention of young people – West Somerset experiences a net migration of young people which impacts negatively on the sustainability, balance and vibrancy of some of our communities
- Key Theme 2 Business and Enterprise which recognises that ‘access to well-paid employment is key to retaining young people and raising living standards across West Somerset’. The proposals help tackle the following key issues;
  - a. Encourage Inward Investment and the creation of new higher-paid jobs for local people
  - b. Support and promote West Somerset’s vital tourism and agricultural sectors
  - c. Work with stakeholders to improve the skills, knowledge and aspirations of young people in particular
  - d. Greater promotion of West Somerset as a place in which to set up business
  - e. Maximise the local economic benefits of Hinkley Point C

5.2 The proposals also contribute to both the Minehead Economic Plan (Jan 2016) and Watchet Economic Plan (Jan 2016) most notably in:

- Establishing a Tourism & Hospitality Training Academy in Minehead
- Developing welcoming activity to drive up quality customer service throughout the District.

## **6 Finance / Resource Implications**

- 6.1 This proposal if approved will have no impact on West Somerset Council General Fund. It is funded entirely from the S106 Hinkley Point C agreement.
- 6.2 As the accountable body for the S106 funding, the total expenditure of £30,000 will be recorded in the Council’s accounts. It is important to note that the S106 funding is one-off monies and it is advisable to use this to support one-off spending in order to prevent an ongoing budgetary commitment for the Council. It is not expected that there will be any associated costs, other than staff time (from the existing team) and minimal administration, in respect of this item.
- 6.3 To aid monitoring and reporting against financial approvals, it is recommended that the sum of £30,000 is added to the Revenue Budget creating an agreed budget for the expenditure, with a matching income budget of £30,000 and be funded from S106 contributions received. This will not impact on Council’s Net Budget position.
- 6.4 The activity within each area, where specific work packages are commissioned will be subject to normal procurement and contractual regulations to ensure best value for money as well as the delivery of contractual obligations.
- 6.5 It is proposed that majority of delivery will take place during financial years 2017-2018 and 2018-2019.

## **7 Legal Implications**

- 7.1 The S106 DCO Schedule 10 paragraph 2 refers to the purpose for which the contribution can be utilised.



*To be applied by West Somerset Council towards 'the costs of carrying out the duties of the Community Outreach Worker' i.e. Employment and Skills Officer.*

## **8 Environmental Impact Implications**

Not applicable

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

Not applicable

## **10 Equality and Diversity Implications**

- 10.1 All service level agreements put in place as part of this allocation will emphasise the need to operate good equality, diversity and bullying at work policies.

## **11 Social Value Implications**

- 11.1 The project aims to increase skills and wider economic opportunity for the local area. This will have associated benefits in terms of increase skill and qualifications levels.

## **12 Partnership Implications**

- 12.1 The work involves close partnership to deliver and achieve tasks and outputs. Any service level agreements set out with partners will detail how each partner will work with the other in order to achieve shared goals, as well as how to deal with issues and risks. This includes the paying back of funds allocated if tasks and outputs are not achieved to the satisfaction of West Somerset Council officers.

## **13 Health and Wellbeing Implications**

- 13.1 The proposals support thriving communities through the associated benefits that income stability and skills development have on the health and well-being of the individual.

## **14 Asset Management Implications**

Not applicable

## **15 Consultation Implications**

- 15.1 In developing these proposals we have been mindful of local issues concerning inspiring young people into employment and increasing chances of success within what is the largest employment sector in the District. We have consulted with key partners, including, local employers, statutory and voluntary organisations and community groups, many of which will be engaged in the further development and delivery of these proposals. We have also taken into account the recent Minehead Economic Development Strategy, the wider West Somerset Economic Development Strategy and the Council's Corporate Priorities as well as Council's vision to 'Enable people to live, work and prosper and for business to thrive'.

## 16 Scrutiny Comments / Recommendation(s)

16.1 None. However, the projects were broadly supported by the Planning Obligations Group on Thursday 13<sup>th</sup> April 2017 in their role to oversee appropriate spend of S106 funding.

### Democratic Path:

- Scrutiny / Corporate Governance or Audit Committees – No
- Cabinet/Executive – Yes
- Full Council – Yes

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

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

Appendix A	Summary of projects through previous Site Preparations Allocations
Appendix B	Minehead Hospitality and Tourism Business Plan
Appendix C	

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**Appendix A: Summary of activity delivered/supported between 2013 to 2017 using the Section 106 Hinkley Point C  
Allocations for Employment and Skills**

<b>Project / Initiative Name</b>	<b>Lead Partner(s)</b>	<b>Other Partner(s)</b>	<b>Target Audience</b>	<b>Output / Outcome</b>	<b>Project Status</b>	<b>Source of Funding from S106 HPC Allocation</b>
2013 Jobs and Career Fair	West Somerset Council and Job Centre Plus		Those seeking employment / to learn new skills	90 attendees	Completed	Community Outreach Operational Budget
Access to Employment Fund	West Somerset Council	West Somerset College and Somerset Skills & Learning	Those seeking employment / to learn new skills	39 assisted to access accredited skills training	Completed	Community Outreach Operational Budget
Currach Project	Minehead Development Trust	West Somerset Council	Those seeking employment / to learn new skills	15 long term unemployed engaged	Completed	Community Outreach Operational Budget
Minehead Sea Angling Community Project	Minehead Development Trust	West Somerset Council	Those seeking employment / to learn new skills	15 engaged	Completed	Community Outreach Operational Budget
Community Employment Hubs (Outcome of the Our Place Project)	West Somerset Council	Multiple	Those with barriers to obtaining work / seeking employment	4 Employment Hubs developed to date, over 300 engagements	Current and Ongoing	Community Outreach Operational Budget
Skills Swap Brokerage (Outcome of the Our Place Project)	West Somerset Council and Onion Collective	Multiple	Engaging those furthest away from the job market into learning activities	60 engagements	Current and Ongoing	Community Outreach Operational Budget
My Futures Programme Careers, Education,	West Somerset Council and	West Somerset College, Dansfield Middle School and	School / College students (future workforce)	9 career focused assemblies, 1110	Current and Ongoing	Community Outreach Operational Budget

Information, Advice and Guidance Sessions	Somerset County Council	Minehead Middle School		engagements to date		
Phoenix Project	West Somerset Council and	Devon and Somerset Fire and Rescue Service, JCP	Those seeking employment / to learn new skills	12 long term unemployed engaged	Completed	Fit to Work
Community Learning Project	West Somerset Children's Centre	West Somerset Council	Engaging those furthest away from the job market into learning activities	12 engaged	Completed	Fit to Work
Access to Training Fund Children Centre	West Somerset Children's Centre	WSC	Engaging those furthest away from the job market into learning activities	3 assisted to access skills training	Completed	Fit to Work
Community Learning / Taster Sessions	West Somerset College	West Somerset Council	Engaging those furthest away from the job market into learning activities	3 roadshows 16 attendees	Completed	Fit to Work
Construction Industry Event	West Somerset Council	HPC, West Somerset College	HPC Jobs Service Engagement	37 attendees	Completed	Fit to Work
Intensive supported training project	West Somerset College	West Somerset Council	Those seeking employment / to learn new skills	14 engaged	Completed	Fit to Work
Upskilling – flexible funding pot	West Somerset Council	West Somerset College	Training for employability	14 assisted to access skills training	Completed	Fit to Work
Digital Skills Project	Somerset Skills & Learning	West Somerset Council	Those seeking employment / to learn new skills	4 engaged	Completed	Fit to Work

HPC Information Sessions	West Somerset Council, Sedgemoor District Council	HPC	HPC Jobs Service Engagement	98 attendees across 2 sessions	Completed	Fit to Work
2015 Pathways to Employment Event	West Somerset Council	Job Centre Plus	Those seeking employment / to learn new skills	375 attendees	Completed	Fit to Work
2017 Recruit West Somerset and	West Somerset Council, Job Centre Plus	Opportunity Plus	Those seeking employment / to learn new skills	205 attendees	Completed	Fit to Work
Transitional Skills Workshops	West Somerset Council, Job Centre Plus	Opportunity Plus	Engaging those furthest away from the job market into learning activities	51 engaged	Completed	Fit to Work



## **Background to the project**

### **Minehead Economic Plan 2016**

The recent Minehead Economic Plan 2016 highlighted the need to develop a Hospitality and Tourism Academy which would nurture the talent and skills of our people and develop local businesses to preserve the future sustainability of Minehead's economy.

### **Profile of the current workforce**

West Somerset as a district is predominantly characterised by lower than average wages, low employment rates in comparison to other neighbouring districts, such as Sedgemoor and Taunton Deane, insecure and seasonal employment and geographical barriers to accessing services, such as limited public transport.

Within West Somerset there is a high proportion of adults with no or very few skills and the number of adults with higher levels skills is also low. We know that poor performance in both of these areas has huge implications for economic growth.

West Somerset has the highest percentage of economically active residents in Somerset with no qualifications and the lowest percentage (29.3%) of economically active residents with a qualification at level 4 and above.

### **Social Mobility**

The recent social mobility report carried out, placed West Somerset at the bottom of the social mobility index, i.e. 324 out of 324. The index compares the chances that a child from a disadvantaged background has of doing well at school and getting a job. Indicators include: good pre-schools, primary schools, secondary schools and higher education; average house price and average wage. West Somerset falls into Performance Zone 4. Areas which fall into this zone provide little opportunity for young people to acquire the skills they need to achieve good outcomes as an adult.

Poverty, of a number of different forms, is a key issue for the district, in terms of income and wages levels (in-work poverty) as well as high property prices. West Somerset is ranked as having the lowest median average salary in the country and the highest percentage of jobs that pay below the national living wage. People in West Somerset are amongst the lowest earners in the South-West, West Somerset has also been cited as the worse place in England to escape poverty.

Although the number of people claiming job seekers allowance is lower than the national average, the number of individuals claiming Employment Support Allowance and Incapacity Benefit is above the national average at 7.1%.

### **Nature of the industry**

The local economy largely consists of micro, small and medium sized enterprises. Although two major operations include Hinkley Point nuclear power station and Butlin's in Minehead. The Visitor Economy is vital to prosperity. Annual tourism volume and value data suggests that West Somerset receives more staying visitors than other districts in the County.

The Hospitality and Tourism sectors account for 2.9 million jobs, representing 8.8% of the total UK workforce. It is the fourth biggest UK industry and is also one of the fastest growing. Customer Service and Management Skills are in high demand and nationally there is a lack of well-skilled Chefs. The industry provides a broad range of opportunities in a range of areas as well rapid progression and clear routes to management.

In West Somerset about 30% of the local workforce are employed in tourism and hospitality related jobs. This figure rises to 55% in Minehead, Butlin's alone supports over 1,000 jobs in the area, one of the highest ratios in the country. By comparison the average for Somerset is 10%.

### **Context and Key Issues**

#### **Applicants are not ready for work and lack key soft skills**

During consultation with local employers and other agencies, we have identified that many young people leaving school / college lack essential 'employability' skills. These include: customer service skills, communication skills, leadership qualities, social skills, self-presentation skills, vision, accountability, motivation, team work, research skills, planning skills, attendance and punctuality, application and interview skills. This is also true for those furthest away from the job market. Businesses such as Butlin's are forced to recruit from Eastern European countries in order to fill staffing gaps.

Research has shown that there is a mis-match between employers' expectations of young people and young people's understanding of what is expected of them. This could only be addressed through business and education working more closely together.

In addition, we also know that nationally there is a shortage of suitably qualified chefs and those with management level skills.

#### **Negative Perceptions of the Industry**

It is well cited that more work needs to be done to improve the perception of the hospitality and tourism industry within the area. More effort is needed to promote the diverse and progressive range of worthwhile career opportunities on offer nationally and address negative and unrealistic perceptions. The Minehead Economic Plan highlights the need to encourage activities which will inspire a new generation of workers to pursue a career in hospitality and tourism. This is of great importance to the area in order to help safeguard the industry's existing value.

We also know that there is a distinct lack of appropriate careers, education, information and guidance to advise individuals on suitable career paths.

#### **An Ageing Population**

The development of hospitality and tourism skills is further highlighted by the district's rapidly ageing population. As skilled workers reach retirement, there is a need to ensure sufficient replacement labour supply from younger generations. This is vital to ensuring future economic prosperity. Findings from a recent report carried out in West Somerset identified that the declining working age population, the additional demands associated with Hinkley Point C and the implications of Brexit, may put increasing pressure on the demand for labour, especially in sectors such as hospitality and tourism.

#### **Retention of young people**

West Somerset exhibits an acute out-migration from the ages of 15-19 onwards and retaining young people in the town is a challenge, especially with no University and limited vocational provision.



Work needs to be undertaken to ensure that young people want and are able to stay in the area and contribute to the local economy. In order to achieve this, we need to ensure that attractive employment and skills training opportunities are available which provide career development and progression. Young people will only want to stay in the area if they are aware of and can benefit from the opportunities available to them.

### **Hinkley Point C**

Hinkley Point C and its supply chain, is of significant relevance to this project due to the additional job and careers opportunities it will bring to the area. There is a need to ensure that we work to maximise these opportunities and help to provide a pipeline of talent, whilst at the same time ensuring that suitable measures are in place to mitigate some of the challenges, particularly in relation to displacement within the current workforce.

### **Hinkley Supply Chain**

We have spoken to two key Hinkley Point C collaborative business groups, Somerset Larder and Host Somerset Limited, both of which are supportive of the project and keen to be involved as the project progresses.

### **Hinkley Point C Jobs Service**

The HPC Jobs Service is aware of our project and has also been involved in some of the initial meetings which have taken place in relation to the development of the Academy.

This project is timely in its set up to take advantage of the forthcoming opportunities at the Hinkley Point C development. This includes opportunities associated with the expected displacement within the local employment market as a consequence of the HPC build. We envisage the project playing an essential role in helping to develop a 'pipeline' of talent. Part of the implementation project stage will involve development of a two way referral system. This will see suitably trained Academy applicants being signed up to the Jobs Service and where appropriate, those which require training being referred to the Academy for support by the Jobs Service.

### **Inspire Education Programme**

The Hinkley Point C's Inspire Education Programme is helping to prepare the young people of Somerset to access the wide range of opportunities that will be on offer through the project. At present they provide a range of different activities to inspire and encourage interest around STEM activity (Science, Technology, Engineering and Mathematics). This project will not seek to duplicate the work already being done through the Inspire Programme, but add value by focusing on the areas of activity that the project does not currently cover, such as hospitality and tourism.

### **Employment Hubs**

The remit of the Employment Hubs provides an additional resource for the project to help support suitably skilled individuals into work through the various strands of help offered. Our current links with the Employment Hub through the Community Employment Hub Coordinator, will help to ensure that appropriate support can be accessed. The Employment Hubs will also be able to refer individuals onto the provision offered by the Academy.

### **Union Learn**

Union Learn are supportive of the project and keen to add value where required. However, due to the current remit of their project and funding limitations, the exact details of their involvement has yet to be decided.

### **Skills Provision**

West Somerset has the lowest levels of skills provision within Somerset. Following recent cuts to local college finances, many individuals in the area face considerable challenges in accessing training.

The average bus journey times for the 25 mile distances from Minehead to Bridgwater takes nearly 2 hours and to Taunton takes 1 hour 22 minutes. Travelling to these areas is not always an option as a result of inadequate transport and travel links.

### **West Somerset Employment and Skills Group**

This project links to the wider work taking place within West Somerset, including the West Somerset Employment and Skills Group and the Community Employment Hubs, both of which focus on innovative ways of helping communities to engage in training, skills and employment opportunities.

### **Somerset County Council**

Somerset's strategy for Employment and Skills: Young People aged 14 to 24 (2016 - 2019) has a clear commitment and focus on improving the employability of young people and on meeting the skills needs of the local economy. The work of this project is aligned to this strategy as well as the County's Employment and Skills Strategy. Somerset County Council are a partner in this project.

### **West Somerset 'Responding to Change' 2011**

The project aligns with WSC's Economic Development Strategy 'Responding to Change' and countywide employment and skills priorities, as well as the aspirations of the West Somerset Social Mobility Working Group.

***These issues demonstrate why there is a need to act now to ensure that interventions are in place, to drive up skills, raise attainment levels and qualifications and improve the chances of individuals securing a better paid job in the future.***

### **Project Proposal**

#### **Minehead Hospitality and Tourism Academy**

The idea is to develop a Hospitality and Tourism Academy to:

- Overcome negative perceptions in relation to careers and employment opportunities in the areas of Hospitality and Tourism
- Nurture the talent and skills of the local community
- Provide opportunities for local people to work in Minehead
- Develop local businesses
- Raise quality standards and service excellence in tourism
- Maximise the opportunities associated with HPC, whilst mitigating some of the perceived challenges

In the first instance, the Academy will take the form of a collective group of partners and employers coming together to develop a **Centre of Excellence**. This will have a coordinating function to ensure best practice and consistency of delivery, with the aim of raising skills and prospects for individuals in the Hospitality and Tourism Industry. The aim of the Academy will be to develop and promote Minehead as an Area of Excellence for Hospitality and Tourism related skills development.

**Intended impacts**

- Growth in quality of the service offer and tourism offer leading to increased return visits and economic sustainability
- Mitigate impacts of HPC and maximise associated benefits
- Improved provision of vocational skills training
- Develop improved links between local business and education
- Improve sustainability of employment
- Improved levels of Social Mobility
- Increase educational attainment levels
- Improved employment rates
- Increase in the number of people in permanent roles
- Improvements in average earnings and reduced in-work poverty
- Decrease in the migration of young people leaving the area
- Improved basic skills and higher skill levels
- Increase in the number of individuals who are economically active
- Reduced worklessness figures and out-of-work benefit claimants

The Minehead Hospitality and Tourism Academy will deliver a range of activities in three distinct areas: Future Workforce, Current Workforce and Business Support. To begin with, the project will focus on three projects, one in each of the areas.

**Future Workforce**

***Aim: To inspire, motivate and start to grow the next generation of workers***

**Step into Industry Programme**

The core aim of the Step into Industry Programme is to raise the awareness and aspirations of school children in years 9, 10, 11,12 and 13 to the diverse range of career and employment opportunities within the hospitality and tourism industry and to introduce pupils to the many aspects of these industries. This could include: marketing, trading and purchasing, management, financial planning, sales, service and technician, retail, tourism, food and produce, grounds maintenance, livestock, administration, farming and horticultural jobs.

The project aims to facilitate this by providing a number of half day visits for a cohort of pupils (up to 10) from each academic year at West Somerset Community College over the course of three years. All employer visits will take place on the employer premises. Evidence suggests that the most useful information and advice in relation to employment and careers comes from employer visits (City and Guides 2012).

During the visits, pupils will have the opportunity to meet staff at all levels and find out more about their roles and responsibilities and the day to day tasks that help with the running of the organisations. Pupils will learn how they gained employment with the business, the types of qualifications that they had to achieve and the skills and qualities employers look for when recruiting.

Pupils will be set work-based projects centred on English, Mathematics, Science and Computing, which they will be able to carry out during their visits. Where possible, these activities will be related to the current curriculum and will allow students to see how their learning at school can be applied

to the workplace. They will also be provided with the opportunity to explore and develop a range of different employability skills.

Employer visits will include (but not restricted to): Butlin's, The Beach Hotel, Foxes Academy, Premier Inn and Brewers Fair.

Project Year	Year Group					
	Year 9 (10 students)	Year 10 (10 students)	Year 11 (10 students)	Year 12 (10 students)	Year 13 (10 students)	
Year 1	2	4	3	4	4	
Year 2	4	3	4	4		
Year 3	3	4	4			
Total Employer Visits	9	11	11	8	4	43

A total number of 50 students will be engaged on the project, 10 from each year group. As they progress through the education system, they will continue to engage with the project. The table above illustrates how many contacts with employers each cohort of young people will have during the course of the 3 year project. The number of employer visits has been determined by the academic year that pupils are in and other commitments they may have. The project will enable students to experience and understand the hospitality and tourism industry whilst not interfering with Progress 8 curriculum demands, as activity will take place outside of this.

West Somerset College is fully supportive of the project and the participation of their students.

Research shows that pupils who have contact at least 4 times with employers are 5 times more likely to be in education, employment and training in later life. High levels of employer contact also gives young people earnings related advantages in early adulthood over their broadly matched peers without such engagement (City and Guides 2012).

Similar projects taking place elsewhere have proven very successful and shown significant impacts on a range of educational outputs, including pupil attendance and attainment levels. Pupils also felt that the project had helped in improving the following skills: communication, team working, leadership, decision-making, organisation, creativity and problem-solving, self-awareness, listening, research and numeracy. Pupils gained a greater understanding of the values, skills and qualifications that employers require.

The model is based on South Somerset 14-19 Partnership's Talent Programme, in particular, Tomorrow's Teacher Programme, which offers students the opportunity to gain first-hand knowledge of the teaching profession. The aim of the Programme is to start to grow the next generation of teachers and to address teacher and recruitment issues. The project to date has been very successful and there are plans to develop more of these programmes across Somerset. There are currently plans for an Energy / STEM Programme to take place. Somerset County Council, who oversee the work of the Partnership Trust, are supportive of the plans to develop a Step Into Industry Programme for the Hospitality and Tourism sector based on their model and will play an instrumental role in its development and delivery.

### **Inspiring Master Classes**

As we are only able to offer the Hospitality and Tourism Academy Programme to a maximum of 50 students we plan to offer a series of Inspiring Master Classes. This will involve bringing hospitality and tourism industry experts to schools to deliver inspirational and motivational activities. 6 workshops will be offered twice yearly over a three year period. It is anticipated that these will be delivered to whole year groups consisting of 65 – 200 students and will be offered from year 8 upwards. This will involve engaging with the local middle schools.

Activity of this nature is likely to be sustained in the future through the proposed development of an Education and Business Partnership (EBP) for Somerset. At present we do not have this facility within Somerset.

### **Current Workforce**

**Aim: Nurture and grow the skills of our current workforce**

#### ***'Apprenticeship Plus' Model***

Apprenticeships are a great way for individuals of all ages to earn an income whilst developing a range of experience, skills and knowledge. Apprenticeships enable individuals to develop a range of skills needed for a successful career and provide an alternative to going to University or the opportunity to combine an apprenticeship with higher education.

Apprenticeships start at Level 2 and rise to Level 7. Depending on the level of the apprenticeship, training can take between 12 months and 5 years to complete. They cost nothing to the employee and the cost to an employer will be minimal as a result of the new Apprenticeship Levy. The Levy system which comes into effect April 2017.

According to recent research-carried out by Skills Training UK, there are a number of benefits to businesses who employ an apprentice. These include:

- Increased productivity (according to the National Apprenticeship Service, the average apprenticeship increases business productivity by £214 per week)
- Improved business performance
- A committed and competent workforce

Apprenticeships offer the potential for employers to diversify, adding value to their workforce and helping to provide a future talent pipeline tailored to the needs of the business. Government research shows that adult apprenticeships at Level 2 and Level 3 deliver £26 and £28 of economic benefits respectively for each pound of Government investment.

These factors could help to explain why over 130,000 business across the UK offer apprenticeship places. The hospitality industry in particular, is one of the biggest recruiters of apprentices.

Over the past few years, there have been a number of radical changes to the way in which apprenticeships are delivered. The old system is being replaced and employers are being tasked with taking the lead in developing standards and assessments for the new apprenticeships. 'Trailblazers' are working to design these new standards. A trailblazer is made up of a group of employers who work with training providers and other industry experts to design new apprenticeship standards for

occupations within their sectors. To date, a number of apprenticeship trailblazers have taken place, including in the areas of Hospitality and Tourism.

This project will involve local employers coming together to form a Task and Finish group, which will look at the new standards of apprenticeships which are due to come into place in April 2017 in relation to the hospitality and tourism industry. The group does not intend to duplicate what has already been achieved, but, using their expertise and knowledge, aims to identify where value could be added to these existing standards. This will help to drive up quality and ensure the apprenticeship is 'fit for purpose'. This could include adding extra accredited qualifications, non-accredited qualifications or even incorporating elements of other relevant apprenticeship standards. The outcome of the group would be to create an 'Apprenticeship Plus' Model, which would be responsive to the needs of the area of Minehead. This model could then be used by local employers in the industry.

Elements of additionality which could be added to the standards include:

- Personal and team development courses, which focus on building self-confidence, communication skills, leadership, empathy and a broad range of social and emotional skills
- Specific qualifications courses, including, First Aid, Water Safety, Food Safety etc
- 'Look at Life' Days, providing opportunities for apprentices from other areas to spend time shadowing their peers to explore the wider hospitality and tourism sector and to gain-valuable insights into the whole visitor and customer experience

The model will help to ensure that the apprentices develop a range of transferable skills which they could use in a similar role for any employer of any size both locally and further afield. Once developed, the model will need to be reviewed on a regular basis to ensure that it continues to drive up quality to the highest level.

It will also be the group's responsibility to identify gaps in funding in relation to the new standards. For example, we know that the direct training, education and assessment required to attain the set standards are covered, however, there are certain elements which are not.

We already have a number of local employers who are committed to working together to develop a unique model and to see this through to delivery. These include: The Beach Hotel, Channel Training, Foxes Academy, Somerset Larder, Butlin's, Premier Inn and Brewers Fair.

For all new standards which come into place, 20% needs to be off-the-job training, which is carried out away from an apprentice's day-to-day training. There could, therefore, be the potential for the Academy to support an employer with meeting this requirement. Part of the Task and Finish Group will be to identify ways of doing this and to identify whether this could present an opportunity for the projects future sustainability.

Once an apprenticeship model has been developed, the Academy will promote this to the relevant industries in the area to help to generate interest and encourage take up.

Part of the process of designing a new apprenticeship model will involve identifying where we should be supporting both future and current apprentices. We understand from various conversations which have taken place, both with employers and training providers, that lack of appropriate and relevant pastoral support often contributes to some apprentices failing to complete their apprenticeship. As more and more training providers move away from face to face delivery to a digital platform to deliver apprenticeships training, there is an increasing need to ensure that those studying have appropriate support mechanisms in place. It is widely acknowledged that when

individuals feel supported they are far more likely to engage with education, resulting in increased attainment and aspiration levels.

Our aim, therefore, will be to create an Apprenticeship Network. This will act as a 'one stop shop', facilitating interactions between apprentices. Part of the responsibility of the Apprenticeship Network will also be to promote apprenticeships as a first-choice career option and to provide accurate apprenticeship information to employers, youth and job seekers and promote the Apprenticeship Plus Model.

### **Business Support**

***Aim: Drive up current skill levels and improve business productivity***

#### **West Somerset Ambassador Programme**

The programme will be for anyone who works in the hospitality and tourism industry and will benefit the current workforce and local businesses. So although this activity is classed under Business Support, it has direct links to both the current workforce and the future workforce.

Based on similar models in the Country, this project will create a bespoke product knowledge Ambassador Programme that could be used by anyone working in the industry, or as a stepping stone towards gaining relevant skills and knowledge so as to successfully gain employment within the industry. Individuals will be able to learn at their own time at a pace that suits them.

Lack of area/resort knowledge amongst local staff seems to be a key issue. An Ambassador Programme would help to address this need, as well as provide practical advice on customer service. Research has shown that 88% of businesses see customer service as the most important skill needed in their business over the next 5 years. We know that good customer service has a positive impact on visitor satisfaction and we also know that customers spend more when they are satisfied. They are also more likely to return and make positive recommendations to others potentially leading to higher profits for local businesses.

As with the Apprenticeship Model, the Ambassador Programme is about providing a set service standard across Minehead to ensure that customers receive the same high level of service no matter who they come into contact with. The programme will be designed by industry experts who work in the local area, such as local employers.

Modules will include: customer care, what you need to know about Minehead, including basic history, activities and support, visitor attractions, why it is popular with customers and travelling around Minehead.

The Ambassador Programme will be completed online. Once completed, individuals will be awarded a certificate which can be displayed in the workplace or added to a CV.

To complement the Ambassador Programme, individuals will also have access to a range of Master Classes providing excellent opportunities for staff training, upskilling, development and retention. Evidence suggests that if staff feel valued, listened to and involved, they will have a more rewarding career, progress faster and generate greater financial gain to the business. We also know that other skills gaps exist, particularly in relation to: employability skills, literacy, numeracy, chefs, IT skills.



Activity (could include but not restricted to):

- Motivational Speakers, talks from other professionals working in the industry
- Customer Service Courses, Worldhost Training
- English, Maths, IT Courses
- Bespoke Industry Training
- Specialist Industry Training

In order to offer a range of Master Classes, we will need to carry out further research into the skill needs of the current workforce and the local businesses. We already have access to a 'hospitality workers group' with over 150 members, who would be happy to participate in some market research.

Over the 3 years of the project, the aim will be to deliver, 3 Master Classes a year to a minimum of 12 individuals per Master Class. This equates to 9 master classes over the 3 year period with at least 108 receiving support.

Some of these master classes will be available for those not currently in the industry but who are considering a career in the industry.

### **Marketing, Promotion, Events and Awards**

To help promote Minehead as a Centre of Excellence, support local businesses and celebrate success, we plan to develop a range of promotional activity. This will include a local chef's competition, a market on the sea front and special menus and deals at local restaurants and other establishments to bring the reach of the Academy to public attention in the town.

### **Key Partners**

Butlins  
Channel Training  
Community Employment Hubs  
Foxes Academy  
Hinkley Point C Jobs Service  
Host Somerset Limited

Jobcentre Plus  
Somerset County Council  
Somerset Larder  
The Beach Hotel  
West Somerset College

### **Project Implementation**

- **Future Workforce:**  
Step into Industry Programme: September 2017  
Inspiring Master Classes: September 2017
- **Current Workforce**  
Apprenticeship Plus Programme: September 2017  
Apprenticeship Network: September 2017
- **Business Support**  
Ambassador Programme: May 2017  
Upskilling Master Classes: May 2017  
A series of Marketing, Promotions, Events and Awards: October 2017

## **Monitoring and Outcomes**

Monitoring of both direct and indirect outcomes will be an important element of this project to ensure it has a positive impact and demonstrates value for money. To do this, the Hospitality and Tourism Academy will therefore report against the following outcomes:

### **Key Outcomes**

#### **Hospitality and Tourism Academy**

- A new Hospitality and Tourism Academy. At present this will take the form of several key agencies and employers collectively planning & delivering bespoke activity

#### **Future Workforce**

- A Step into Industry Programme
- 50 students to have completed the Step into Industry Programme
- 43 Industry visits
- 6 Inspirational Master Classes
- At least 1000 individuals to have engaged on the Master Classes

#### **Current Workforce**

##### **Bespoke Apprenticeship Package**

- An Apprenticeship Plus Programme
- 90 apprentices to have engaged on the Apprenticeship Plus programme
- An Apprenticeship Network

#### **Business Support**

- An Ambassador Programme
- 500 individuals to have completed the Ambassador Programme
- 9 Bespoke Upskilling Master Classes
- 32 Accredited Qualifications Gained
- 76 Non Accredited Qualifications Gained
- 5 Events across Minehead to demonstrate Service Excellence amongst local businesses

## **Income and Expenditure**

The table below sets out the income and expenditure for each of the projects.

<b>INCOME</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>TOTAL</b>
<b>WSC Funds</b> - HPC S106 Business Support and Emp & Skills, and 'Our Place' budgets (£)	19,836	24,945	28,043	<b>72,824</b>
<b>Equipment</b>	3500			<b>3,500</b>

<b>CIM Request</b>	15,153	4,180	500	<b>19,833</b>
<b>TOTAL</b>	<b>38,489</b>	<b>29,125</b>	<b>28,543</b>	<b>96,157</b>
<b>EXPENDITURE (£)</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	
Equipment	3,500			
Step into Industry Programme, includes: transport, supply cover, evaluation and materials	6,336	5,445	4,543	
6 Inspiring Master Classes	1,000	1,000	1,000	
Apprenticeship Plus Programme	8,000	12,000	16,000	
Apprenticeship Online Network, includes: development of online resource	1,000	250	250	
West Somerset Ambassador Programme, includes; domain name, technical build, development costs and annual maintenance and support for 3 years	11,653	3,680	0	
9 Bespoke Upskilling Master Classes	3,500	6,250	6,250	
Marketing, Promotions; including events and Awards	3,500	500	500	
<b>Total Expenditure</b>	<b>38,489</b>	<b>29,125</b>	<b>28,543</b>	<b>96,157</b>

**NB: Items highlighted in yellow indicate the specific items where a CIM fund contribution has been requested to add value to the project**

## **Sustainability of the Hospitality and Tourism Academy**

### **Future Workforce**

*Step Into Industry Programme* – Further activity after the initial funded programme would largely rely on alternative sources of outside funding. We are already talking to Julie Young, Children's Commissioning Post 16 Adviser at Somerset County Council in relation to submitting an application of funding to National Collaboration Outreach Project (NCOP) to potentially support the future sustainability of the programme. We also understand from other areas where similar programmes have run and proved their worth that schools have been willing to cover some elements of the cost of the programme.

*Inspiring Masterclasses* – This will be provided through local employer goodwill that will come through improved relationships built by the project between business and education.

### **Current Workforce**

*Apprenticeship Plus Model* – This is about additionality to main apprenticeship programmes (approx. £400 per apprentice). Current guidance on the apprenticeship levy indicates that, in time, 20% of the levy raised could be allocated to delivering training outside the framework of an apprentice's day to day role, so by 2020 we would expect funds from the levy to assist in covering this element with any shortfall expected from employer contributions.

### **Business Support**

*Ambassador programme* – After the initial build and content development in 2017 and 18 there is minimal costs in keeping the programme running – It is likely that a business partner/tourism network would hold a networking event annually to promote the training facility and content would be refreshed through existing tourism networks.

*Inspiring Masterclasses* - Post 2020 Masterclasses – After the initial pump prime activity, these would be run only in line with demand. For local businesses we would expect some masterclasses to be run on a voluntary basis by our locally trained experts and other classes supplemented with alternative sources of outside funding. We also expect to offer the classes on a paid for basis to employers from a wider area.

**Marketing, Events and Awards** – This element would be funded by project sponsors

The development of the Hospitality and Tourism Academy is in its infancy and as such further work is needed to secure its role within the community and ensure long term sustainability. The aim is to develop a legacy which will continue to meet the needs of our future and current workforce and support local businesses. It is important that delivery is consistent, meaningful and more that ‘just business as usual’.

With this in mind, the next three years will allow us to develop a plan moving forward and to consider potential models that the Academy may choose to-adopt.



Report Number: WSC 76/17

## West Somerset District Council

### Full Council – 19 July 2017

#### Treasury Management Outturn Report 2016/17

This is the responsibility of Cabinet Member Councillor Mandy Chilcott

Report Author: Steve Plenty, Senior Corporate Accountant

#### 1 Purpose of the Report

- 1.1 To review the treasury management activity and the performance against the Prudential Indicators for the 2016/17 financial year as prescribed by the revised CIPFA Code of Practice and in accordance with the Council's Treasury Management Strategy and Annual Investment Policy.

#### 2 Recommendations

- 2.1 To approve the Treasury Management Outturn Report for the 2016/17 financial year (Appendix A and B).

#### 3 Risk Assessment (if appropriate)

##### Risk Matrix

Description	Likelihood	Impact	Overall
The Council fails to maintain an adequate system of internal control	2	4	8
The Council has in place suitable arrangements	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 Background and Full details of the Report**

- 4.1 On 24 February 2016 the Council approved the Treasury Management Strategy Statement, Minimum Revenue Provision Policy and Annual Investment Strategy for 2016/17 in line with the CLG's Guidance on Local Government Investments ("the Guidance") and the 2011 revised CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes ("the CIPFA TM Code").
- 4.2 The Council is required to receive and approve, as a minimum, three main reports each year, these being the Treasury Management Strategy Statement, a Half Year Update and an Outturn Report (this report), which incorporate a variety of policies, estimates and actuals.
- 4.3 These reports are required to be adequately scrutinised by committee before being recommended to Full Council. This role is undertaken by the Audit Committee and this outturn report was presented to the committee at their meeting on 20<sup>th</sup> June 2017.
- 4.4 Treasury management in this context is defined as:
- "The management of the local authority's cash flows, its borrowings and its investments, the management of the associated risks, and the pursuit of the optimum performance or return consistent with those risks".
- 4.5 Overall responsibility for treasury management remains with the Council. No treasury management activity is without risk; the effective identification and management of risk are integral to the Council's treasury management objectives.

#### **5 Links to Corporate Aims / Priorities**

- 5.1 None for the purpose of this report.



## **6 Finance / Resource Implications**

- 6.1 The Treasury Management function has been well-managed during the year in compliance with the Treasury Management Strategy Statement. As interest rates remain low the opportunities to generate significant income through investments has been limited.
- 6.2 Appendix A provides full details of the Treasury Management activity during the year and a summary of the key points are as follows:
- As at 31 March 2017, West Somerset's underlying need to borrow for capital purposes as measured by the Capital Financing Requirement (CFR) was £5.347m, while usable reserves and working capital which were the underlying resources available for investment were £10.825m.
  - As at 31 March 2017, West Somerset had no external borrowing and £16.885m of investments, of which £10.874m are in respect of Hinkley S106 funds managed by the Council.
  - The Council's strategy during 2016/17 was to maintain borrowing and investments below their underlying levels, referred to as internal borrowing.
- 6.3 The Council currently has no external loans, however, finance officers will continue to monitor the need to borrow closely.

## **7 Legal Implications**

- 7.1 None for the purpose of this report.

## **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 None for the purpose of 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/Recommendation(s)**

16.1 None for the purpose of this report.

**Democratic Path:**

- **Audit Committee – Yes 20 June 2017**
- **Cabinet/Executive – No**
- **Full Council – Yes 19 July 2017**

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

**List of Appendices**

Appendix A	Treasury Management Outturn 2016-17
Appendix B	Prudential Indicators Outturn 2016-17

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## Appendix A

### Treasury Management Outturn Report 2016/17

#### **Introduction**

The Chartered Institute of Public Finance and Accountancy's *Treasury Management in the Public Services: Code of Practice 2011 Edition* (the CIPFA Code) requires the Council to approve a treasury management annual report after the end of each financial year.

This report fulfils the Council's legal obligation to have regard to the CIPFA Code.

The Council's treasury management strategy for 2016/17 was approved at Full Council on 24 February 2016 and can be found on the website at the following address: <http://www.westsomersetonline.gov.uk/Council---Democracy/Council-Meetings/Full-Council/Full-Council---24-February-2016>

The Council has invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of risk are therefore central to the Council's treasury management strategy.

#### **External Context – Commentary by Arlingclose**

**Economic background:** Politically, 2016/17 was an extraordinary twelve month period which defied expectations when the UK voted to leave the European Union and Donald Trump was elected the 45<sup>th</sup> President of the USA. Uncertainty over the outcome of the US presidential election, the UK's future relationship with the EU and the slowdown witnessed in the Chinese economy in early 2016 all resulted in significant market volatility during the year. Article 50 of the Lisbon Treaty, which sets in motion the 2-year exit period from the EU, was triggered on 29<sup>th</sup> March 2017.

UK inflation had been subdued in the first half of 2016 as a consequence of weak global price pressures, past movements in sterling and restrained domestic price growth. However the sharp fall in the Sterling exchange rate following the referendum had an impact on import prices which, together with rising energy prices, resulted in CPI rising from 0.3% year/year in April 2016 to 2.3% year/year in March 2017.

In addition to the political fallout, the referendum's outcome also prompted a decline in household, business and investor sentiment. The repercussions on economic growth were judged by the Bank of England to be sufficiently severe to prompt its Monetary Policy Committee (MPC) to cut the Bank Rate to 0.25% in August and embark on further gilt and corporate bond purchases as well as to provide cheap funding for banks via the Term Funding Scheme to maintain the supply of credit to the economy.

Despite growth forecasts being downgraded, economic activity was fairly buoyant and GDP grew 0.6%, 0.5% and 0.7% in the second, third and fourth calendar quarters of 2016. The labour market also proved resilient, with the ILO unemployment rate dropping to 4.7% in February, its lowest level in 11 years.

Following a strengthening labour market, in moves that were largely anticipated, the US Federal Reserve increased rates at its meetings in December 2016 and March 2017, taking the target range for official interest rates to between 0.75% and 1.00%.

**Financial markets:** Following the referendum result, gilt yields fell sharply across the maturity spectrum based on the view that Bank Rate would remain extremely low for the foreseeable future. After September there was a reversal in longer-dated gilt yields which moved higher, largely due to the MPC revising its earlier forecast that Bank Rate would be dropping to near 0% by the end of 2016. The yield on the 10-year gilt rose from 0.75% at the end of September to 1.24% at the end of December, almost back at pre-referendum levels of 1.37% on 23<sup>rd</sup> June. 20- and 50-year gilt yields also rose in Q3 2017 to 1.76% and 1.70% respectively, however, in Q4 yields remained flat at around 1.62% and 1.58% respectively.

After recovering from an initial sharp drop in Q2, equity markets rallied, although displaying some volatility at the beginning of November following the US presidential election result. The FTSE-100 and FTSE All Share indices closed at 7,342 and 3,996 respectively on 31<sup>st</sup> March, both up 18% over the year. Commercial property values fell around 5% after the referendum, but had mostly recovered by the end of March.

Money market rates for overnight and one week periods remained low since Bank Rate was cut in August. 1- and 3-month LIBID rates averaged 0.36% and 0.47% respectively during 2016-17. Rates for 6- and 12-months increased between August and November, only to gradually fall back to August levels in March, they averaged 0.6% and 0.79% respectively during 2016-17.

**Credit background:** Various indicators of credit risk reacted negatively to the result of the referendum on the UK's membership of the European Union. UK bank credit default swaps saw a modest rise but bank share prices fell sharply, on average by 20%, with UK-focused banks experiencing the largest falls. Non-UK bank share prices were not immune, although the fall in their share prices was less pronounced.

Fitch and Standard & Poor's downgraded the UK's sovereign rating to AA. Fitch, S&P and Moody's have a negative outlook on the UK. Moody's has a negative outlook on those banks and building societies that it perceives to be exposed to a more challenging operating environment arising from the 'leave' outcome.

None of the banks on the Council's lending list failed the stress tests conducted by the European Banking Authority in July and by the Bank of England in November, the latter being designed with more challenging stress scenarios, although Royal Bank of

Scotland was one of the weaker banks in both tests. The tests were based on banks' financials as at 31st December 2015, 11 months out of date for most. As part of its creditworthiness research and advice, the Council's treasury advisor Arlingclose regularly undertakes analysis of relevant ratios - "total loss absorbing capacity" (TLAC) or "minimum requirement for eligible liabilities" (MREL) - to determine whether there would be a bail-in of senior investors, such as local authority unsecured investments, in a stressed scenario.

## **Local Context**

As at 31<sup>st</sup> March 2017, the Council had no external borrowing and £16.885m (£10.874m S106 Hinkley Funds) of investments. This is an increase on 2016 of £0.527m.

The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while usable reserves and working capital are the underlying resources available for investment.

These factors and the year-on-year change are summarised in table 1 below.

**Table 1: Balance Sheet Summary**

	<b>31/03/16 Actual £m</b>	<b>2016/17 Movement £m</b>	<b>31/03/17 Actual £m</b>
General Fund CFR	5,490	(143)	5,347
Less: Usable reserves	(8,130)	1,290	(6,840)
Add: Working capital	2,198	1,787	3,985
<b>Net Investments</b>	<b>(442)</b>	<b>2,934</b>	<b>2,492</b>

Over the year the Council has reduced its CFR. However, this may increase going forward as a result of the need to borrow externally to provide a loan to the Somerset Waste Partnership (SWP) as approved in the 2017/18 Budget Setting Report and Treasury Management Strategy Statement. Appropriate advice will be sought from Arlingclose should this become necessary. The timing of the loan to Waste Partnership has not yet been finalised. We will therefore assess the need to borrow externally when we have actual dates.

The Council's current strategy is to maintain borrowing and investments below their underlying levels, sometimes known as internal borrowing, in order to reduce risk and keep interest costs low. The treasury management position as at 31 March 2017 and the year-on-year change is shown in table 2 below.

Table 2: Treasury Management Summary

	<b>31/03/16 Balance £m</b>	<b>2016/17 Movement £m</b>	<b>31/03/17 Balance £m</b>
Long-term borrowing	0.000	0.000	0.000
Short-term borrowing	0.000	0.000	0.000
<b>Total borrowing</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>
Long-term investments	2.997	(2.498)	0.499
Short-term investments	6.014	6.378	12.392
Cash and cash equivalents	3.482	0.615	4.097
<b>Total investments</b>	<b>12.493</b>	<b>4.495</b>	<b>16.988</b>
<b>Net Investments</b>	<b>12.493</b>	<b>4.495</b>	<b>16.988</b>

Note: the figures in the table are from the balance sheet in the Council's Statement of Accounts.

## **Borrowing Activity**

As at 31 March 2017, the Council had no external borrowing, no change from the position as at 31 March 2016.

The Council's chief objective when borrowing has been to strike an appropriately low risk balance between securing low interest costs and achieving cost certainty over the period for which funds are required with flexibility to renegotiate loans should the Council's long-term plans change being a secondary objective.

In furtherance of these objectives, no new borrowing was undertaken in 2016/17. This strategy enabled the Council to reduce net borrowing costs (despite foregone investment income) and reduce overall treasury risk.

The "cost of carry" analysis performed by the Council's treasury management advisor Arlingclose did not indicate any value in borrowing in advance for future years' planned expenditure and therefore none was taken.

## **Investment Activity**

The Council holds significant invested funds, representing income received in advance of expenditure plus balances and reserves held. During 2016/17, the Council's investment balance ranged between £14.07m (£10.16m S106 Hinkley Funds) and £24.43m (£12.26m S106 Hinkley Funds).

The year-end investment position and the year-on-year change is shown in table 3 below.

**Table 3: Investment Position As At 31 March 2017**

	<b>31/03/16 Balance £m</b>	<b>2016/17 Movement £m</b>	<b>31/03/17 Balance £m</b>	<b>31/03/17 Rate %</b>
Banks & building societies (unsecured)	0.197	0.179	0.376	0.23%
Covered bonds (secured)	3.000	0.000	3.000	
Government (incl. local authorities)	6.000	3.874	9.874	
Money Market Funds	3.597	0.038	3.635	
<b>Total investments</b>	<b>12.794</b>	<b>4.091</b>	<b>16.885</b>	<b>0.23%</b>

The above table cannot be directly compared with Table 2 early in Appendix A, as it does not take account of cash in transit or uncleared credits netted down against unrepresented cheques.

Both the CIPFA Code and government guidance require the Council to invest its funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. The Council's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income.

Security of capital has remained the Council's main investment objective. This has been maintained by following the Council's counterparty policy as set out in its Treasury Management Strategy Statement for 2016/17.

## **Performance Report**

The average cash balances were £19.593m during the year including S106 Hinkley funds. The UK Bank Rate was reduced to 0.25% in August 2016. Short-term money market rates have remained at relatively low levels (see Table 1 in Appendix 2). New deposits were made at an average rate of 0.30%. Investments in Money Market Funds generated an average rate of 0.31%.

The Council's General Fund budgeted investment income for the year was £0.015m. The Council's investment outturn for the year was £0.028m. NB additionally £0.030m of investment income has been achieved during the year and allocated to the Hinkley S106 funds.



## **Compliance Report**

The Section 151 Officer is pleased to report that all treasury management activities undertaken during 2016/17 complied fully with the CIPFA Code of Practice and the Council's approved Treasury Management Strategy. Compliance with specific investment limits is demonstrated in table 4 below.

**Table 4: Investment Limits**

	<b>2016/17 Maximum</b>	<b>31/03/17 Actual</b>	<b>2016/17 Limit</b>	<b>Complied</b>
Any single organisation, except UK Government	£2m	£0m	£2m	✓
Any group of funds under the same management	£2m per Manager	£0m	£2m per Manager	✓
Investments held in a broker's nominee account	£5m per Broker	£0m	£5m per Broker	✓
Foreign countries	£2m per Country	£0m	£2m per Country	✓
Registered Providers	£5m in Total	£0m	£5m in Total	✓
Loans to unrated corporates	£2m in Total	£0m	£2m in Total	✓
Money Market Funds	£10m in Total	£3.6m	£10m in Total	✓
Non-specified investments	£14m	£0m	£14m	✓

Compliance with the authorised limit and the operational boundary for external debt is demonstrated in table 5 below.

**Table 5: Debt Limits**

	<b>2016/17 Maximum</b>	<b>31/03/17 Actual</b>	<b>2016/17 Operational Boundary</b>	<b>2016/17 Authorised Limit</b>	<b>Complied</b>
Borrowing	0	0	£7.7m	£10.0m	✓
<b>Total debt</b>	<b>0</b>	<b>0</b>	<b>£7.7m</b>	<b>£10.0m</b>	✓

Since the operational boundary is a management tool for in-year monitoring it is not significant if the operational boundary is breached on occasions due to variations in

cash flow, and this is not counted as a compliance failure. Total debt was never above the operational boundary during 2016/17.

Included as part of the 2017/18 Treasury Management Strategy Statement approved by Full Council in February 2017, it was agreed to increase both the operational boundary and authorised limit for external debt to £12m and £24m respectively. These increases reflect the potential borrowing requirement of up to £3.5m to support a loan to SWP, and also incorporate scope to consider further schemes (not currently developed) where capital investment may deliver income generation and/or revenue savings to the Council. These would be assessed following strong business case principles.

## **Treasury Management Indicators**

The Council measures and manages its exposures to treasury management risks using the following indicators.

**Security:** The Council has adopted a voluntary measure of its exposure to credit risk by monitoring the value-weighted average of its investment portfolio. This is calculated by applying a score to each investment (AAA=1, AA+=2, etc.) and taking the arithmetic average, weighted by the size of each investment.

	<b>31/03/17 Actual</b>	<b>2016/17 Target</b>	<b>Complied</b>
Portfolio average credit rating	AA	A-	✓

The above target of A- was recommended by the Council's Treasury Management advisors, Arlingclose, as the minimum rating West Somerset should achieve in relation to its investments placed during the year. On a quarterly basis the Council submits details of its current investments and Arlingclose produce an investment benchmarking document, which as at 31 March 2017, reported that West Somerset had an average credit rating of AA, which is above the recommendation suggested by Arlingclose. This therefore means that the Council's investments are exposed to less credit risk than is recommended by our advisors.

**Liquidity:** The Council has adopted a voluntary measure of its exposure to liquidity risk by monitoring the amount of cash available to meet unexpected payments within a rolling three month period.

	<b>31/03/17 Actual</b>	<b>2016/17 Target</b>	<b>Complied</b>
Total cash available within 3 months	£14.00m	£3.50m	✓

During 2016/17 a decision was taken to move investments to shorter durations and therefore this is reflected in the table above showing £14.0m was available within 3 months as at 31 March 2017.

**Interest Rate Exposures:** This indicator is set to control the Council's exposure to interest rate risk. The upper limits on fixed and variable rate interest rate exposures, expressed as the proportion of net principal borrowed was:

	31/03/17 Actual	2016/17 Limit	Complied
Upper limit on fixed interest rate exposure	58.00%	100.00%	✓
Upper limit on variable interest rate exposure	42.00%	100.00%	✓

Fixed rate investments and borrowings are those where the rate of interest is fixed for at least 12 months, measured from the start of the financial year or the transaction date if later. All other instruments are classed as variable rate.

As at 31 March 2017 investment returns ranged between 0.10% (investments held in the Debt Management Office and Call Accounts held with National Westminster Bank) and 0.68% (Covered Bond – Floating Rate Note).

**Maturity Structure of Borrowing:** This indicator is set to control the Council's exposure to refinancing risk. The upper and lower limits on the maturity structure of fixed rate borrowing were:

	31/03/17 Actual	Upper Limit	Lower Limit	Complied
Under 12 months	0%	100%	0%	✓
12 months and within 24 months	0%	100%	0%	✓
24 months and within 5 years	0%	100%	0%	✓
5 years and within 10 years	0%	100%	0%	✓

Time periods start on the first day of each financial year. The maturity date of borrowing is the earliest date on which the lender can demand repayment.

**Principal Sums Invested for Periods Longer than 364 days:** The purpose of this indicator is to control the Council's exposure to the risk of incurring losses by seeking early repayment of its investments. The limits on the long-term principal sum invested to final maturities beyond the period end amounted to £0.500m. This is in relation to a Covered Bond (Floating Rate Note) with a maturity date of 16<sup>th</sup> April 2018.

	2016/17
Actual principal invested beyond year end	£0.5m
Limit on principal invested beyond year end	£6m
Complied	✓

## Appendix B

### Prudential Indicator Outturn Report 2016/17

**Introduction:** The Local Government Act 2003 requires the Council to have regard to the Chartered Institute of Public Finance and Accountancy's *Prudential Code for Capital Finance in Local Authorities* (the Prudential Code) when determining how much money it can afford to borrow. The objectives of the Prudential Code are to ensure, within a clear framework, that the capital investment plans of local authorities are affordable, prudent and sustainable, and that treasury management decisions are taken in accordance with good professional practice. To demonstrate that the Council has fulfilled these objectives, the Prudential Code sets out the following indicators that must be set and monitored each year.

This report compares the approved indicators with the outturn position for 2016/17. Actual figures have been taken from, or prepared on a basis consistent with, the Council's Statement of Accounts 2016/17. Therefore, these figures will be subject to the findings of the external audit by Grant Thornton.

**Capital Expenditure:** The Council's capital expenditure and financing may be summarised as follows.

<b>Capital Expenditure and Financing</b>	<b>2016/17 Estimate £m</b>	<b>2016/17 Actual £m</b>	<b>Difference £m</b>
General Fund	0.376	3.911	3.535
<b>Total Expenditure</b>	<b>0.376</b>	<b>3.911</b>	<b>3.535</b>
Capital Receipts	(0.018)	(1.007)	(0.989)
Government Grants	(0.358)	(0.496)	(0.138)
Reserves	0.000	(0.036)	(0.036)
Revenue	0.000	(0.086)	(0.086)
Planning Obligation Grants	0.000	(2.286)	(2.286)
<b>Total Financing</b>	<b>(0.376)</b>	<b>(3.911)</b>	<b>(3.535)</b>

The 'Actual' figures above includes all schemes approved by Members during 2016/17 and therefore also includes any carry forwards put forward as part of the Revenue and Capital Outturn Report 2016/17 reported to Scrutiny Committee at its meeting on 15 June 2017.

This also includes expenditure of £2.286m which is being financed by Planning Obligation Grants received, either as Hinkley-Funded Schemes (£2.123m) or General-Funded Schemes (£0.163m).

**Capital Financing Requirement:** The Capital Financing Requirement (CFR) measures the Council's underlying need to borrow for a capital purpose.

Capital Financing Requirement	31/03/17 Estimate £m	31/03/17 Actual £m	Difference £m
General Fund	5.347	5.347	0.000
<b>Total CFR</b>	<b>5.347</b>	<b>5.347</b>	<b>0.000</b>

The CFR fell in line with what was estimated in the Treasury Management Strategy Statement approved in February 2016, as capital expenditure financed by debt was outweighed by resources put aside for debt repayment.

**Actual Debt:** The Council had no external debt as at 31<sup>st</sup> March 2017.

**Gross Debt and the Capital Financing Requirement:** In order to ensure that over the medium term debt will only be for a capital purpose, the Council should ensure that debt does not, except in the short term, exceed the total of capital financing requirement in the preceding year plus the estimates of any additional capital financing requirement for the current and next two financial years. This is a key indicator of prudence.

Debt and CFR	31/03/17 Estimate £m	31/03/17 Actual £m	Difference £m
Total debt	0	0	0
Capital financing requirement	5.347	5.347	0
<b>Headroom</b>	<b>5.347</b>	<b>5.347</b>	<b>0</b>

Total debt remained below the CFR during the forecast period.

**Operational Boundary for External Debt:** The Operational Boundary is based on the Council's estimate of most likely (i.e. prudent but not worst case) scenario for external debt. It links directly to the Council's estimates of capital expenditure, the capital financing requirement and cash flow requirements, and is a key management tool for in-year monitoring.

Operational Boundary and Total Debt	31/03/17 Boundary £m	31/03/17 Actual Debt £m	Complied
Borrowing	7.700	0.000	✓
<b>Total Debt</b>	<b>7.700</b>	<b>0.000</b>	✓

**Authorised Limit for External Debt:** The Authorised Limit is the affordable borrowing limit determined in compliance with the Local Government Act 2003. It is the maximum amount of debt that the Council can legally owe. The authorised limit provides headroom over and above the operational boundary for unusual cash movements.

Authorised Limit and Total Debt	31/03/17 Boundary £m	31/03/17 Actual Debt £m	Complied
Borrowing	10.000	0.000	✓
<b>Total Debt</b>	<b>10.000</b>	<b>0.000</b>	✓

**Ratio of Financing Costs to Net Revenue Stream:** This is an indicator of affordability and highlights the revenue implications of existing and proposed capital expenditure by identifying the proportion of the revenue budget required to meet financing costs, net of investment income.

Ratio of Financing Costs to Net Revenue Stream	31/03/17 Estimate %	31/03/17 Actual %	Difference %
General Fund	0.00	-0.83	-0.83

The actual percentage is -0.83%. The reason for this negative percentage is due to the fact that at the current point in time the Council does not have any external borrowing and therefore no borrowing costs are charged to the Revenue Account against investment income returns received. The Council does however have 'internal borrowing' for which it makes a Minimum Revenue Provision (MRP) charge, however in 2016/17 it was approved that this charge would be funded from Capital Receipts set aside and therefore does not fall as a charge on the Revenue Account.

**Adoption of the CIPFA Treasury Management Code:** The Council adopted the Chartered Institute of Public Finance and Accountancy's *Treasury Management in the Public Services: Code of Practice 2011 Edition* in March 2012.