

SWT Scrutiny Committee

Thursday, 4th March, 2021,
6.15 pm



Somerset West
and Taunton

[SWT VIRTUAL MEETING WEBCAST LINK](#)

Members: Gwil Wren (Chair), Libby Lisgo (Vice-Chair), Ian Aldridge, Sue Buller, Norman Cavill, Simon Coles, Dixie Darch, Habib Farbahi, Ed Firmin, Dave Mansell, Derek Perry, Phil Stone, Ray Tully, Nick Thwaites and Keith Wheatley

Agenda

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|---|------------------------|
| <p>1. Corporate Performance Report, Quarter 3, 2020/21</p> <p>This matter is the responsibility of the Portfolio Holder for Corporate Resources Cllr Ross Henley.</p> <p>This paper provides an update on the council's performance for the first 9 months (April – December) of the 2020/21 financial year. The report includes information for a range of key performance indicators.</p> | <p>(Pages 5 - 14)</p> |
| <p>2. 2020/21 Financial Monitoring as at Quarter 3 (31 December 2020)</p> <p>This matter is the responsibility of the Portfolio Holder for Corporate Resources, Cllr Ross Henley.</p> <p>This report provides an update on the projected outturn financial position of the Council for the financial year 2020/21 (as at 31 December 2020).</p> | <p>(Pages 15 - 36)</p> |
| <p>3. Scrutiny Committee Annual Report 2020/21</p> <p>This matter is the responsibility of the Chair of the Scrutiny Committee, Councillor Gwil Wren.</p> <p>To approve the Annual report on the Scrutiny Committee 2020/21 for consideration by Full Council. Article 6 of the SWT Constitution states that "<i>The Scrutiny Committee(s) must report annually to Council on their work.</i>"</p> | <p>(Pages 37 - 48)</p> |

A handwritten signature in black ink, appearing to read "James Hasset". The signature is written in a cursive style with a large initial "J" and a long, sweeping underline.

JAMES HASSETT
CHIEF EXECUTIVE

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Somerset West and Taunton Council

Scrutiny Committee – 3rd March 2021

Corporate Performance Report, Quarter 3, 2020/21

This matter is the responsibility of Executive Councillor Member Ross Henley.

Report Author: Malcolm Riches, Business Intelligence and Performance Manager.

1. Executive Summary / Purpose of the Report

This paper provides an update on the council's performance for the first 9 months (April – December) of the 2020/21 financial year. The report includes information for a range of key performance indicators.

2. Recommendations

Councillors are asked to consider the attached performance report.

3. Risk Assessment

Failure to regularly monitor performance could lead to the council not delivering on some of its corporate priorities.

4. Background and Full details of the Report

As part of the Council's commitment to transparency and accountability this report provides an update on performance for a number of key indicators across a range of council services.

4.1 Impact of Covid-19

There has been a continued impact on the work of the Council as a direct result of the Covid-19 pandemic. The Q1 corporate performance report provided a more detailed update on the specific additional work undertaken by the council between April and July. Many of these tasks have continued and the pandemic has still had a significant impact on the council's activity and workload. In recent months the rapid moves from the second national lockdown in November 2020 through Tiers 2, 3 and 4 and into the current third national lockdown have presented significant challenges in administering things such as the business grant schemes. Further funding has also been provided by Government to support the discretionary element of the Test and Trace payments scheme. Good progress is however being made in quickly distributing grants to eligible businesses. In addition we are diverting resource to provide critical assistance to the NHS in making appointments for the Covid vaccination programme.

4.2 Key Performance Indicators

The table in Appendix 1 includes the councils Key Performance Indicators and shows how the council has performed for the first 9 months of the 2020/21 financial year. The table also includes a “direction of travel” arrow to show whether performance has improved, worsened or stayed the same, since the last corporate performance report which was for the end of September.

For the majority of indicators the target has either been met or, in many cases, has been exceeded. The direction of travel shows that performance has reduced slightly for 9 of the indicators, but the majority of them are still within target. Overall there are 3 ‘Red’ and 2 ‘Amber’ indicators, which are being monitored closely. More information is provided below regarding the red and amber indicators.

For the indicators that were marked as red as the end of Q2 (Complaint and FOI response timescales), monthly figures have been included to show how performance has improved significantly over the last 3 months.

Number of complaints responded to in 10 working days

The performance indicator remains red and below target. Realistically, as the indicator is cumulative, we are likely to remain below target for the remainder of this financial year. In view of the poor performance identified earlier in the year a significant amount of work has been put into both improving response times and identifying changes and improvements to the process. This work is beginning to pay dividends and the monthly trend over the past 3 months shows clear and sustained improvement. A more detailed update is provided in Appendix 2.

Number of FOI requests responded to in 20 working days

Again this has been an area of focus in view of the poor performance identified earlier in the year. However, this indicator also needs to be considered against the backdrop of the Covid crisis and the steer from Government that local authorities could relax their response times to FOI requests in order to focus on immediate Covid related priorities. The figures for the last three months demonstrated continued improvement and for December 2020 were within target. More detail is provided in Appendix 2.

Percentage of Licensing Requests processed within timescales

Despite falling short of the target, the Licensing service have met all statutory obligations. The majority of applications not completed within the target timeframe were made in accordance with the Licensing Act 2003 and received tacit consent; this is where a licence is treated as having been granted if the objection period passes without an objection or the Licensing Authority does not determine the application within a prescribed time period. Tacit consent is something the Licensing service is wary of as it can, in some cases such as caravan site and pavement licensing, result in the granting of a licence without conditions which are required to uphold the principals and objectives of those regimes. This is not the case with applications made in accordance with the Licensing Act 2003, where conditions do apply whether that application receives tacit consent or not.

The delay in completing these Licensing Act 2003 applications was at the end of the process; issuing the licence document following the completion of all initial steps i.e. their being logged on the Licensing back office system, circulation to responsible authorities and determination following the objection period. This was part of a deliberate prioritisation and balancing of work pressures. The backfilling of vacant roles within the team has enabled the service to catch up and clear the bulk of this backlog, with only a small amount remaining. Performance in Q4 is therefore expected to be better.

Business Rates & Council Tax Collection Rates

The cumulative collection rates for both are showing as amber for the end of Q3 because both were below target. The targets shown in Appendix 1 are for the end of year position, but we also track progress against monthly targets. For the end of Q3 the targets and actuals were as detailed below:

	Last Year 31 Dec 19	Actual 31 Dec 20	Shortfall 31 Dec 20
Business Rates	82.57%	80.47%	2.11% (686k)
Council Tax	89.14%	88.24%	0.89% (916k)

Realistically we are unlikely to hit the collection targets for either this year. We have remained surprisingly close to our end of month targets despite the economic impact of the Covid crisis. We have been unable to take any court action for unpaid debts this financial year. We have undertaken limited pre-court action, but this has been impacted by resourcing constraints resulting from the need to process business grants. In addition, we have quite consciously taken a more lenient approach to recovery activity this year in order to try and help both Business Rate and Council Tax payers experiencing difficulty (many for the first time) through the economic impact of the crisis.

The Government's response to Covid has also had a significant impact on the amount of Business Rates actually collectable. At the point of undertaking annual billing in February 2020 we raised a net collectable debit of £60.1m. In March 2020, in response to Covid, Government extended relief to 100% for all small, retail, hospitality and leisure businesses. This had the effect of reducing the collectable debit to £38m and makes a meaningful year-to-year comparison between collection rates difficult.

5. Links to Corporate Strategy

This performance report provides an update on the council's performance which is fundamental to the implementation of the Corporate Strategy.

6. Finance / Resource Implications

The detailed financial position is available in a separate report.

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

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

List of Appendices (delete if not applicable)

Appendix 1	2020/21 Month 9 Performance Indicators Report
Appendix 2	Further information on Complaints and Freedom of Information

Contact Officers

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Appendix 2 – Complaints and Freedom of Information

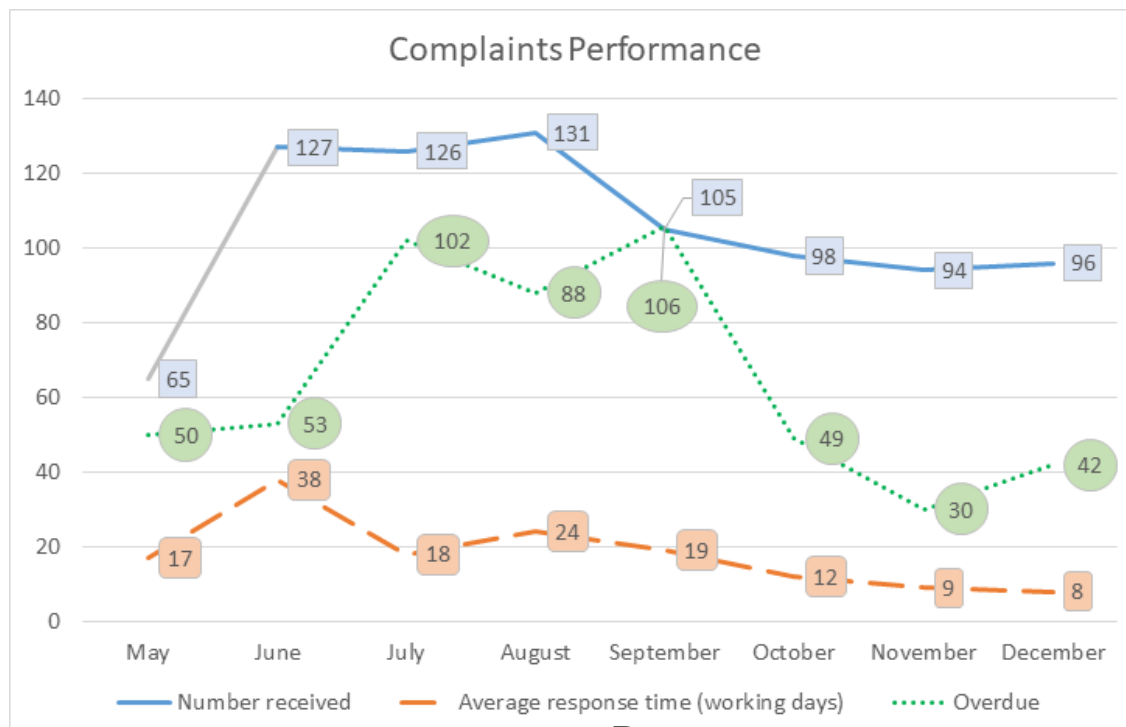
The purpose of this appendix is to provide more background information for Members in relation to the Complaints and Freedom of Information (FOI) Performance Indicators.

1. Complaints

- 1.1. The complaints KPI tracks the number of complaints responded to within the target response time of 10 working days. During quarters 1 and 2 we were significantly below target. Performance during quarter 3 has improved and average response times have dropped back under target.
- 1.2. The indicator is a cumulative measure so the performance in the first half of the year will impact on overall performance across the year as a whole. We saw a significant spike in the overall number of complaints in the first quarter. Realistically therefore this indicator is likely to remain red all year, because, even if we were to answer all complaints within standard from now on, we are unlikely to receive complaints in sufficient volume to make up the lost ground.

Progress tracked by month

- 1.3. Consequently we are tracking progress month-by-month across a wider range of indicators and measures. These measures provide a more detailed and rounded picture of progress.
- 1.4. A summary of these additional month-by-month measures is contained in the graph below:
 - The total number of complaints received;
 - The number overdue (i.e. not responded to within the 10 working day target); and
 - The average time taken to respond.



- 1.5. Analysis of these measures indicates a significant increase in the number of complaints in the period from May through to August. Our average response times increased during this period, which had a knock on detrimental effect on the numbers of overdue complaints.
- 1.6. We believe the increase in complaints is in part seasonal (e.g. garden waste collection issues). It also results from a significant number of complaints in connection with other waste issues resulting from the move to a new service provider during lockdown and delays delivering new bins. We have worked closely with the Waste Partnership and the new service provider to resolve these issues. The level of missed collections and complaints are now greatly reduced, the new contractor is performing within contractual requirements relating to complaints and at a level better than the previous contractor.
- 1.7. The good news is that the numbers of complaints we are receiving has declined sharply, our average processing times have continued to improve (down to 8 days at the end of December) and the numbers of overdue complaints has declined. This is reflective of the increased focus on complaints during the last three months. However, there is still much work to be done.

The Complaints Review

- 1.8. We instigated a review of the complaints process over the summer in view of the poor month 4 (quarter 1) results. This review examined all aspects of the process.
- 1.9. The review identified a number of factors, which were influencing the low performance figures including:
 - The impact of increases in volumes of complaints
 - Cultural factors & a lack of priority being given to complaints
 - Procedural problems and 'log jams'
 - Our not having a two stage process as required by the Housing Ombudsman and preferred by the Local Govt. Ombudsman
 - Software issues with the process and form used
 - A lack of clarity as to which teams do what & consequently where complaints need to be directed to in the organisation leading to delays
 - Training requirements
 - The impact of Covid upon resourcing

The Improvement Plan

- 1.10. The Complaints Review identified actions required to improve our approach to complaints and performance against target. These actions are nearing completion and include:
 - Working with services to prioritise complaints and to change the cultural attitude to complaints
 - Bringing in additional resourcing in the short term to ensure we can quickly finalise and issue responses to complaints once the data is provided by services
 - Developing a new complaints process which:
 - Enables services to respond directly to customers thereby speeding up the response time; and
 - Building in a second stage review process for customers who are unhappy with the initial response – this follows Ombudsman guidelines

- Implementing changes to the complaints software to enable and support the new process
- Providing training & guidance for the staff in services who will be responding to complaints
- These changes free-up the time of the complaints officer to focus more on analysis to identify trends and areas for improvement

1.11. We are in the process of implementing these actions in order to drive improvement. However, as outlined above, there are a significant number of issues that need to be addressed so implementing these changes will not happen overnight.

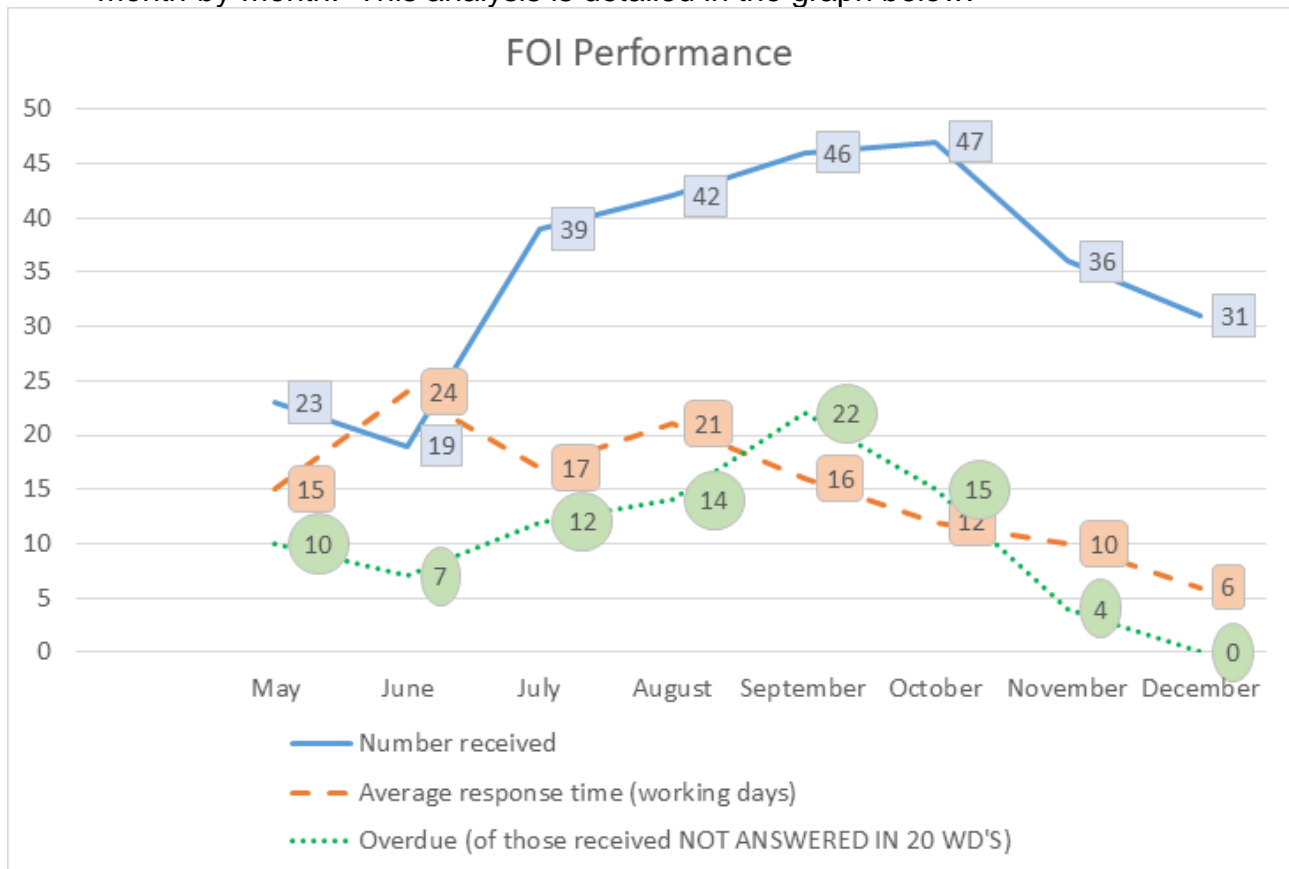
2. Freedom of Information Requests (FOIs)

2.1. We are required by law to respond to Freedom of Information Requests within 20 working days. For very detailed requests we are allowed a further 20 working days.

2.2. The Information Commissioner has relaxed their enforcement of the statutory timescales this year in response to Covid 19 and in recognition that the priority for local government is around assisting in the national response to the crisis.

Progress tracked by month

2.3. We are tracking progress against our performance in responding to FOI requests month-by-month. This analysis is detailed in the graph below:



- 2.4. This graph details the overall number of FOIs received month-by-month and maps this against the numbers overdue (i.e. outside of the 20 working day response timeline) and the average response time in days. Overall volumes per month are low in comparison to the numbers for other service requests, but individual FOIs can be complex and time consuming.
- 2.5. The data on the graph indicates that the number of requests reduced through the first national lockdown in the Spring, but picked up over the course of the Summer. Our average response times were higher throughout the Spring and Summer, which largely reflects the fact that our priorities throughout that period were on Covid response actions.
- 2.6. The numbers of cases overdue peaked in September, but have improved together with our average response times since then. Quarter 3 performance has been excellent with average response times reaching 6 days in December with no requests overdue.

Process improvements

- 2.7. We are keeping our FOI response times under close review and actions are being taken to improvement performance. Specifically we are:
 - Regularly contacting services to chase-up responses
 - Providing service managers with a weekly update of outstanding cases
 - Reviewing the computer software process to ensure that requests are being properly targeted
 - Developing training to be rolled out to staff responsible for responding to FOIs.

SWT Performance report - end of Quarter 3.

Full definition	Target	Year to date	Direction of Travel since end of Q2	Denominator	Year to date	Numerator	Year to date
Number of complaints responded to in 10 working days	90	44%	↑	Total number of complaints received each month	878	Number of complaints responded to within 10 working days	383
Monthly figure for complaints responded to in 10 working days	Oct 44%	Nov 69%	Dec 79%				
Number of FOI requests responded to in 20 working days	75	66%	↑	Total number of FOI requests received each month	322	Number of FOI responded to within 20 working days	213
Monthly figure for FOI requests responded to in 20 working days	Oct 55%	Nov 72%	Dec 83%				
% of calls to Deane Helpine answered in < 60 seconds (in the last month)	90	94%	↓	Total number of calls to Deane Helpine in the month	234481	Number of calls answered in under 60 seconds	220996
Cumulative percentage of the amount of Council Tax collected*	97	88.24	↓	Total amount of Council Tax to be collected by the 31st March		Amount of Council Tax collected in the year so far	
Cumulative percentage of the amount of Business Rates collected*	98	80.47	↓	Total amount of Business Rates to be collected by the 31st March		Amount of Business Rates collected in the year so far	
Average processing times of new Housing Benefit claims	25	17.20	↓	Number of new Housing Benefit claims received	583	Total number of days	10025
Average processing times for changes in circumstances for HB claims	10	4.84	↔	Number of new Housing Benefit Change of Circumstances received	11154	Total number of days	54016
% of reported fly tipping incidents responded to within 5 working days	80	88%	↓	Number of fly tipping incidents	735	Number of fly tipping incidents responded to within 5 days	649
% of service requests for street cleansing actioned within 5 working days	85	88%	↓	Number of service requests for street cleansing	245	Number of service requests actioned within 5 working days	216
% Licensing applications processed within timescales	95	89%	↓	Number of licensing applications processed	630	Number of licensing applications responded within timescales	559
% of major planning applications determined within 13 weeks (or within agreed extension of time)	75	78%	↓	Total number of major planning applications received	23	Total number of major planning applications completed within 13 weeks or agreed extension	18
% of minor planning applications determined within 8 weeks or agreed extension of time	65	81%	↑	Total number of minor planning applications received	243	Total number of minor planning applications completed within 8 weeks	196
% of other planning applications determined within 8 weeks or an agreed extension of time.	80	88%	↑	Total number of other planning applications received	587	Total number of other planning applications completed within 8 weeks or an agreed extension	519
% of appeals received that have been overturned	33	34%	↓	Number of appeals received	41	Number of appeals overturned	14

* The current figures appear well below target, but these are cumulative totals, and projections show that year end figure will likely be only slightly below target. At the end of Q3, Council Tax is 1% lower than the same time last year, and Business Rates are 2% lower.

The column titled Direction of Travel, shows whether performance has improved, worsened or is similar to the last report for the end of July.

- ↑ Performance has improved
- ↓ Performance has got worse
- ↔ Performance is similar

Somerset West and Taunton Council

Scrutiny – 3 March 2021

2020/21 Financial Monitoring as at Quarter 3 (31 December 2020)

This matter is the responsibility of Executive Councillor Henley, Corporate Resources

Report Author: Emily Collacott (Lead Finance Business Partner & Deputy S151 Officer)

1 Executive Summary

- 1.1 This report provides an update on the projected outturn financial position of the Council for the financial year 2020/21 (as at 31 December 2020).
- 1.2 The position this year is significantly affected by COVID – both in terms of large additional sums spent on issuing financial assistance to local businesses and council tax payers, and direct impact on the Council’s service costs and income. Additional COVID related financial pressures, through additional costs and income losses, are forecast to be £7.3m for the year. This is partly offset by projected £5.4m emergency grant funding from Government, but has also required the Council to reprioritise funds and support the annual budget from reserves. The net impact of COVID on the Council’s own resources is therefore projected to be £1.9m for the year. Despite this, the Council remains financially resilient and continues to forecast adequate reserve balances.
- 1.3 The current Revenue Budget forecast is summarised below:

General Fund Revenue	Projected £1.466m underspend (£245k overspend relating to COVID and a net underspend of £1.711m for non-COVID)
Housing Revenue Account	Projected £247k underspend

- 1.4 Although services are now projecting fairly large underspends with the General Fund, this is largely due to timing of spend. Based on the Q3 projected year end position, budget holders have indicated proposals to carry forward £1.277m of expenditure into next year’s budget, which if approved would effectively reduce the underspend to £189k. These proposals will be finalised at the year end.

2 Recommendations

- 2.1 The Scrutiny Committee reviews and notes the Council’s forecast financial performance and projected reserves position for 2020/21 financial year as at 31 December 2020.

3 Risk Assessment

- 3.1 Financial forecasts are based on known information and projections based on assumptions. As such any forecast carries an element of risk. The current forecasts included in this report are considered reasonable given the extra element of risk around COVID, and based on experience it is feasible the year end position could change. It is common for underspends to emerge during the last quarter, reflecting an optimism bias within previous forecasting.
- 3.2 Salient in year budget risks are summarised in sections 9 and 11 in this report. The Council manages financial risk in a number of ways including setting prudent budgets, carrying out appropriate monitoring and control of spend, operating robust financial procedures, and so on. The Council also holds both general and earmarked reserves which include contingencies to manage budget risk.

4 Background and Full details of the Report

- 4.1 This report provides the Council's forecast end of year financial position for revenue and capital expenditure as at 31 December 2020 for the Council's General Fund (GF) and Housing Revenue Account (HRA).
- 4.2 The regular monitoring of financial information is a key element in the Council's Performance Management Framework. Crucially it enables remedial action to be taken in response to significant budget variances, some of which may be unavoidable. It also provides the opportunity to assess any consequent impact on reserves and the Council's Medium Term Financial Plan.
- 4.3 Members will be aware from previous experience that the position can change between 'in-year' projections and the final outturn position, mainly due to demand-led service costs and income levels. The budget monitoring process involves a detailed review of the more volatile budgets and a proportionate review of low risk/low volatility budget areas. Budget Holders, with support and advice from their accountants, update their forecasts on a monthly basis based on currently available information and knowledge of service requirements for the remainder of the year. As with any forecast there is always a risk that some unforeseen changes could influence the position at the year-end, and a number of risks and uncertainties are highlighted within this report. However, the following forecast is considered to be reasonable based on current information.
- 4.4 Full Council approved a supplementary estimate of £657k on 15 December 2020 and delegated authority to the CEO and S151 Officer to further realign affected budgets in year. The budgets have been realigned to take into account the current predicted position in relation to COVID overspends and estimated grant income. Though a further overspend of £245k is predicted.

5 General Fund Revenue Budget – 2020/21 Forecast Outturn

- 5.1 The Council is currently forecasting an overall net underspend of £1.466m (6.9% of £21m Net Budget), as summarised below. The main reasons for this shown in table 2 below.

- 5.2 The forecast remains volatile and subject to change. It includes a significant number of assumptions about demand for services and the timing of planned spend to meet service objectives. The level of uncertainty is increased this year as the full extent of the impact of COVID is not yet known. There has been an immediate impact on service costs and income, for example a significant reduction in parking income due to lock down measures throughout the year. The Government has so far provided emergency additional funding of £2.4m. Additional new burdens funding has also been received towards the administration of grants. We are also able to claim grant to partly offset the loss of income from fees and charges and a full year estimate has been included within this report.
- 5.3 As previously reported, despite the reported pressures and uncertainties summarised in this report, the Council is in a strong position financially to withstand losses this year and remain financially resilient. This financial strength has also provided opportunity to allocate reserves to support economic recovery. The scale of flexibility is however still reliant on the receipt of emergency funding, and the sector is continuing to lobby Government to ensure local authorities are adequate funded for the impact of COVID.
- 5.4 Full Council approved a supplementary estimate of £657k on 15 December 2020 and delegated authority to the CEO and S151 Officer to further realign affected budgets in year. The budgets have been realigned to take into account the current predicted position in relation to COVID overspends and estimated grant income. The total estimated spend/loss of income due to COVID is £7.254m, income from grants is estimated to be £5.352m and the Council has approved the use of £1.657m from reserves, this leaves a further estimated overspend of £245k.

Estimated Net Impact of COVID on General Fund Resources:

	£k
Net impact of additional costs and income losses	7,254
Less: Actual and projected additional grants income from Government	-5,352
Less: Approved in-year allocations from SWTC reserves	-1,657
Further projected funding shortfall to be met from SWTC reserves	245

- 5.5 The following table presents a summary of the revenue budget and current forecast outturn for the year by directorate. The forecast variances have been presented to provide a distinction between those primarily as a consequence of COVID impact (after budgets have been realigned for in-year approvals), and those primarily related to normal operations.

Table 1 - General Fund Revenue Outturn Summary 2020/21

	Current Budget £'000	Forecast Outturn for the Year £'000	Residual Forecast Variance COVID £'000	Forecast Variance non COVID £'000	Total Forecast Variance £'000 %	
Development and Place	1,885	1,866	0	-19	-19	-1.0
External Operations and Climate Change	13,516	12,910	245	-850	-605	-4.5
Housing	2,805	2,506	0	-299	-299	-10.7
Internal Operations	10,725	10,418	0	-307	-307	-2.9

	Current Budget £'000	Forecast Outturn for the Year £'000	Residual Forecast Variance COVID £'000	Forecast Variance non COVID £'000	Total Forecast Variance £'000 %	
Senior Management Team	873	819	0	-54	-54	-6.2
Net Cost of Services	29,804	28,519	245	-1,529	-1,284	-4.3
COVID Grant Income	-5,352	-5,352	0	0	0	0
Investment Property Net Income	-947	-1,115	0	-168	-168	17.7
Interest and Investment Income	-600	-976	0	-376	-376	62.6
Net Transfers to Earmarked Reserves	1,272	1,272	0	0	0	0
Transfers to General Reserves	-1,124	-1,124	0	0	0	0.0
Capital and Other Adjustments	-1,781	-1,419	0	362	362	-20.3
Net Budget	21,272	19,805	245	-1,711	-1,466	-6.9
Funding	-21,272	-21,272	0	0	0	0.0
Variance	0	-1,466	245	-1,711	-1,466	-6.9

5.6 The table below provides more detail on the significant non-COVID variances forecast for the year.

Table 2 - Summary of non-COVID Related Forecast Variances for the Year

Budget heading	Direct-orate	Variance £'000	Comments
D&P Salaries	D&P	-19	The £19.4k D&P favourable variance is mainly due to the net effect of additional staffing costs due to having to cover 2 Planning Enforcement officer posts with agency staff, offset by savings in Major Projects due to vacant positions and unbudgeted recovery of staff costs in the Economic Development department from various local agencies (for example Somerset County Council and the Steam Coast Train) who officers perform work for.
Leisure Partnership	EO&CC	-192	Underspend on maintenance budget as work delayed due to COVID. It is proposed to ear mark reserve this to fulfil maintenance commitments during 2021-22. Please refer to table 3.
Parks and Open Spaces	EO&CC	495	Income budget not altered to reflect non-renewal of external contracts.
Building Control Partnership	EO&CC	-10	Income from gain share.
Street Cleansing Partnership	EO&CC	-10	Budget realigned to actual costs.
Parking Enforcement	EO&CC	-312	Reduction in enforcement and CCTV charges (£212k). Other budgets realigned to actual costs (£47k). Underspend on maintenance budget as work delayed due to COVID (£53k). It is proposed to ear mark reserve this to fulfil maintenance commitments during 2021-22. Please refer to table 3.
Waste Partnership	EO&CC	-34	Budget realigned with actual costs.
Park and Ride	EO&CC	-57	Budget realigned with actual costs.
Asset Management	EO&CC	-98	Income is predicted to be higher than budgeted by circa (£220k) – this may continue to alter as we realign income to investment

Budget heading	Directorate	Variance £'000	Comments
			properties. This has been part offset by an over spend on salaries.
Planning Obligations	EO&CC	37	Reconciling legacy S106 issues.
Operation Clean Sweep	EO&CC	-40	Underspend on contracted costs. It is proposed to ear mark reserve this to purchase litter bins during 2021-22. Please refer to table 3.
EO&CC Salaries	EO&CC	-220	Various salary underspends across the Directorate due to active vacancy management and service restructures. It is proposed to ear mark £50k to meet required food hygiene inspections. Please refer to table 3.
Climate Change	EO&CC	-500	The Climate Change budget is likely to have a significant underspend. There are a number of reason for this and the lack of spend should not be considered as a lack of action. There have been 28 of the CNCR immediate actions within External Operations and Climate Change directorate that have been completed to date. Much of this activity has been cost neutral to the council with some of the work on EV charge points bringing a revenue to the authority, work will continue to deliver these actions whilst providing value to the council. Please refer to table 3.
Pollution Control	EO&CC	24	Private Sector Water sampling was not included within the budget therefore the costs are higher than the budget.
Welfare Funerals	EO&CC	56	This forecast is based on a greater reliance on the service this year (compared with last year) and less recovery of costs from the deceased's estate.
Licensing	EO&CC	40	Budget realigned with actual income
Other minor underspends	EO&CC	-29	Various minor underspends across the Directorate.
Revenues and Benefits	IO	-125	Overall there are some pressure in the budget but the grant funding towards operational costs for this year is greater than anticipated.
Rent Allowances/Rebates	IO	170	This is the position at Q3. It is a high risk area and depends on the amount of debt outstanding, assumptions regarding the amount of irrecoverable debt and the amount of overpayments made. The position could change significantly by the year end
IO Salaries	IO	-235	There are various salary overspends and underspends within the Directorate which have been identified. The Deane Helpline salaries budget is not sufficient to cover the current staffing costs, whilst other services such as the Income Team, Customer Services, ICT Infrastructure Team, Internal Change, HR, Finance and the Governance Team have had various vacancies throughout the year. The staffing budget within Internal Operations overall is predicted to underspend as whole this year and any changes to the budget moving forward will be managed as part of the budget setting process.
Comms and Engagment operating	IO	-50	The majority of communications and engagement budget is for promotions and marketing (to attract residents, visitors, businesses to the area - using advertising and other communication methods) and for supporting and sponsoring

Budget heading	Directorate	Variance £'000	Comments
			local community initiatives. Many usual costed / sponsored activities have not taken place, due to the restrictions imposed by central Government (advising not to travel, stay home etc)
Business Operations	IO	43	The postage budget has been transferred from facilities and there has been a lot of work by the Business Operations team to identify predicted spend. This is an estimate of the forecast overspend and work is still being done on this
Elections	IO	114	This is the first year of the new canvas leading to an increased spend on stationery. In addition not all the claims regarding the elections last year have been finalised and £47k may be due back from Sedgemoor which would improve the position.
Learning and Development	IO	-70	The amount of training undertaken has been significantly impacted by the current COVID situation. It was agreed in month 4 that this budget would offer in year savings of £70k.
Internal/ External Audit/Shape	IO	42	Increase in contract/fees after 20/21 budget set.
Insurance	IO	-93	Effect of renegotiated contract
IT	IO	-110	Various projects and work streams operating throughout the current financial year have worked towards reducing the operational ICT revenue budget, these include rationalising BT circuits, consolidation of Public Service Network and mobile phone costs. Predicted costs for the Microsoft M365 agreement in the current financial year are also less than expected as a proportion of the initial fees were paid out of the project budget. Although the ICT budget is regularly monitored, due to the merger of TDBC and WS ICT systems and associated complex costs, clarity over the final outturn for the budget has been difficult to predict until the final periods of the financial year.
Other Minor Variances	IO	7	Various minor overspends across the Directorate.
Homelessness	Hsg & Comm	-256	The under spend has resulted from suppressed demand due to lockdown, suspension of landlord evictions and alternate provision (such as Beach Hotel and Canonsgrove) funded by additional COVID19 homeless grants. This led to a steep drop in B&B costs, alongside spend to private landlords (for rent in advance, deposits etc), as well other related spend. This is offset in part by an over spend on staffing costs due to current management arrangements to meet the service statutory requirements.
Community Safety	Hsg & Comm	-24	The Community Safety budget includes the CCTV contract with SDC which includes a contribution to a sinking fund for repairs and maintenance. The sinking fund has grown large and partners have agreed a one-off rebate. This has been offset in part by one-off repairs on CCTV in the old WS area (not part of the SDC CCTV contract).
Shopmobility	Hsg & Comm	-23	Legacy budgets held that are no longer needed to fund service.
Other Minor Variances	Hsg & Comm	4	Other Minor variances

Budget heading	Direct- orate	Variance £'000	Comments
Senior Management Team	SMT	-54	Underspend on staffing costs.
Interest payable	Gen	-376	We have not had to externally borrow for everything that was budgeted for and therefore there is a saving in interest costs. This has benefitted in part by the receipt of cash through Government funding in advance of making payments e.g. for business grants and council tax hardship and early receipt of other grant funding such as New Homes Bonus.
Minimum Revenue Provision	Gen	194	Revised calculation for the provision for repayment of debt.
Investment Property Net Income	Gen	-168	Estimated income for this year is £168k more than budgeted.
Capital Costs	Gen	168	Contribution towards capital costs of investment properties
TOTAL – over / (-)underspend		-1,711	

General Fund Proposed Carried Forwards

5.7 Whilst reviewing the predicted outturn position the following potential carry forwards of budget have been identified, totalling £1.277m. If approved at the end of the financial year this would effectively roll forward this spending approval into next financial year, leaving a net non-COVID underspend of £434k. Netting off the residual COVID pressures of £245k that are not yet funded, this would reduce the overall net underspend to £189k.

Table 3 – Potential Carry Forwards (To be agreed at year end)

	Direct- orate	£'000	Comments
Major Contracts - Leisure Partnership	EO&CC	203	To fulfill maintenance commitments during 2021-22, due to delays incurred in 2020-21 due COVID.
Parking Partnership	EO&CC	53	To fulfill maintenance commitments during 2021-22, due to delays incurred in 2020-21 due COVID.
Litter Bins	EO&CC	40	To purchase litters bin in 2021-22.
Climate Changes	EO&CC	500	The Climate Change budget is likely to have a significant underspend. There are a number of reason for this and the lack of spend should not be considered as a lack of action. There have been 28 of the CNCR immediate actions within External Operations and Climate Change directorate that have been completed to date. Much of this activity has been cost neutral to the council with some of the work on EV charge points bringing a revenue to the authority, work will continue to deliver these actions whilst providing value to the council.
Public Health	EO&CC	50	To employ a contractor or agency to meet required food hygiene inspections.

	Direct- orate	£'000	Comments
Council Tax Support (Benefits)	IO	43	The Revenues & Benefits system, whilst being provided by a single supplier (Civica), is running on two separate platforms. This is a legacy of the Taunton Deane and West Somerset days. This causes problems and results in a large element of double-handling particularly with things such as reporting and the year-end processes where everything needs to be duplicated. We need to implement a database consolidation exercise during the coming financial year. Doing so will also make more easy the implementation of process efficiencies. There will be supplier and resourcing costs associated with the database consolidation. The carry-forward will be used to help fund those costs.
Income Control and Sundry Debt	IO	28	We have a significant backlog of previous year arrears cases for Business Rates & Council Tax, both in terms of case numbers and value of debt outstanding. This problem has been exacerbated by the impact of the Covid crisis, which has essentially prevented us from undertaking any enforcement activity during the current financial year. Our intention during 2021/22 is to implement a project to focus on this backlog of cases. This will have an impact on resourcing and the £28k will be used to fund temporary additional resourcing.
IT	IO	110	It is requested that the current ICT underspend is carried forward in to the new financial year and for this to be repurposed for additional Microsoft Server licences (£35k) and the remaining £75k to fund a replacement to the Councils internal Intranet, which is soon to be out of support.
Homelessness	Hsg & Comm	250	COVID19 has built a backlog of unmet demand into the system and we anticipate a surge in homeless demand once landlords are able to evict again, furlough ends and the full impact of COVID19 is felt. We will also need to invest significantly in 2021/22 to meet the ambitions of the Accommodation Strategy and resolve the longer term housing needs of people accommodated through 'Everyone In.'
Total		1,277	

General Fund (GF) Reserves

- 5.8 The opening general reserves balance as at 1 April 2020 is £4.522m.
- 5.9 Following approved/proposed transfers to and from reserves, the revised overspend and prudent contingency due to COVID and underspend due to non-COVID variances the projected General Fund reserve uncommitted balance this year is £7.831m. As part of the budget proposals to Full Council on 18 February 2021, £2.4m of current reserves are planned to be used to soften the budget gap in the next two financial years. In addition, as part of the budget report a further £2.4m is recommended to be allocated to an earmarked reserve to underwrite budget risk and volatility in 2021/22, reducing the projected uncommitted balance to £5.422m.

Table 4 – GF General Reserve Balance

	Approval	£k
Balance 1 April 2020		4,522
2020/21 Original Budget Transfer to Reserve	Council - 19/2/20	300
Approved - From Earmarked Reserves review	Exec 28/10/20	1,218
Approved - From NHB reserve	Council - 15/12/20	3,949
Approved - From BR Volatility reserve	Council - 15/12/20	1,000
Approved - Town Centre Recovery	Council - 29/9/20	-500
Approved - Unitary Programme Delivery Funds	Exec - 23/9/20	-249
Approved - Climate Change Fund	Council – 26/10/20	-500
Approved - Tree Planting	Officer – 23/09/20	-18
Approved - 2020/21 COVID overspend	Council – 15/12/20	-657
Projected Balance after current commitments		9,065
Projected Outturn - COVID (Month 9 forecast)		-245
Projected Outturn - Non-COVID (Month 9 forecast – <i>before any carry forward requests</i>)		1,711
COVID Contingency (2020/21)		-300
Proposed transfer to Budget Risk and Volatility Reserve	Council – 18/02/21	-2,400
Projected Balance 31 March 2021		7,831
MTFP Planned use of reserves 2021/22		-1,159
MTFP Planned use of reserves 2022/23		-1,250
Projected uncommitted balance		5,422
Recommended Minimum Balance		2,400

- 5.10 The projected balance remains above the minimum adequate reserves requirement as assessed by the S151 Officer. It is prudent to continue to hold reserves above the minimum at this stage as risks remain higher than normal due to COVID and the Council may need additional resources to deliver service efficiency and improvement, and to implement structural change if local government unitarisation is approved by Government this year.

Earmarked Reserves

- 5.11 The General Fund Earmarked Reserves brought forward balance for 2020/21 is £20.586m. The budgeted transfers to earmarked reserves in 2020/21 are £2.249m. The following transfers from reserves have been approved: return £6.167m to General Reserves (£1m from the Business Rates Volatility Reserve, £3.949m from NHB and £1.218m identified surpluses from a range of other reserves). Under emergency powers in March the Chief Executive also approved a contribution of £1m from the NHB reserve towards funding COVID pressures, and this is included within the forecast for this year.
- 5.12 It is anticipated there will be a large Business Rates S31 Grant reserve created in 2020/21 to set aside grant from Government that will be needed to mitigate the Collection Fund Deficit in the 2021/22 budget. This will include grant towards the Business Rates Holiday in 2020/21 for retail, hospitality and leisure properties (estimated £11.1m), and the 75% tax loss compensation grant (estimated £3m). Part of the deficit, excluding the

business rates holiday element, may be spread over 3 years therefore the allocation from reserves will also include an element of spreading. Final figures will be confirmed through the outturn report at the end of the current financial year.

5.13 The following table details those reserves with balances greater than £500,000.

Table 5 – General Fund Earmarked Reserves

	Balance 1 April 2020 £'000	2020/21 Budgeted Transfers £'000	Approved Return to General Reserves £'000	Projected Transfers £'000	Projected Balance 31 March 2021 £'000	21/22 Budgeted Reserves transfer £000	Projected Balance 31 March 2022 £000
Business Rates Volatility	3,303	2,031	-1,000		4,334	1,595	5,929
Business Rates S31 Grant	0			14,114	14,114	-12,117	1,997
Budget Volatility and Risk	0			2,400	2,400		2,400
Investment Risk	3,500	0			3,500		3,500
NHB	6,860	391	-3,949		3,302		3,302
Garden Town	814	-65			749		749
Asset Management	687				687		687
Economic Development Initiatives	1,268				1,268		1,268
Community Housing*	569				569		569
Other Smaller Balances	3,585	-108	-1,218		2,259		2,259
Total	20,586	2,249	-6,167	16,514	33,182	-10,522	22,660

*ring-fenced grant

5.14 Earmarked reserves are reviewed during the year. This is in order to confirm they align to current priorities, and to identify any surplus balances that can be redirected to mitigate in-year financial risks or be returned to general reserves.

6 COVID Financial Support – Business Grants

6.1 The Government earlier this year launched a range of grant schemes to provide financial assistance to businesses with fixed property costs that have been affected by COVID. This includes grants to small businesses and to businesses in the retail, hospitality and leisure sector. The Council received grant funding of £46,626,000 on 1 April 2020 to provide us with the cash upfront to meet the costs of the scheme. In May the Government also provided additional flexibilities to introduce a local discretionary grant scheme with a total allocation of up to £2,128,250, which extended eligibility to some businesses that were outside the scope of the initial schemes such as market traders and small businesses in shared spaces that pay no business rates. These schemes closed by September 2020 and the final totals are summarised below. The cost of the local discretionary grants is covered within the initial £46m grant received.

Table 6a – Business Grants

	Number of grants issued	£	£
Grant Funding Received from Government			46,626,000
Small Business Grants of £10,000	2,635	26,350,000	
Retail Hospitality and Leisure Grants of £10,000	487	4,870,000	
Retail Hospitality and Leisure Grants of £25,000	427	10,675,000	
Local Discretionary Grants	353	2,127,500	
Total Paid Out	3,902		44,022,500
Balance To Be Returned to Government			2,603,500
Percentage of Funding Spent			94.4%

- 6.2 Following the reintroduction of national lockdown measures in November 2020 and after Christmas 2020, further grant funding has been allocated to provide additional support to local businesses. The grant totals are summarised below, and current allocations and grants paid as at 14 February 2021. For the mandatory schemes if we need to approve spending above the allocations then these will be funded by central government. Further information on the grant schemes can be found on the Councils website under the following link: <https://www.somersetwestandtaunton.gov.uk/business-rates/covid-business-support-grants/>

Table 6b – Local Restrictions Grants (LRSGs)

	Discretionary / Mandatory	Allocations £	Number of Grants Issued	Value Issued £
LRSG (Closed) Pre 1 st Dec	Mandatory	3,517,164	1,503	2,241,818
Additional Restrictions Support Grants (ARG)	Discretionary	4,480,195	882	1,354,436
Tier 2,3 & 4 Open 2 December to 4 th January	Discretionary	1,271,028	1,119	585,200
Tier 2,3 & 4 Closed 2 December to 4 th January	Mandatory	912,736	1,885	533,746
Christmas Support for wet led pubs	Mandatory	89,600	93	93,000
LRSG (Closed) 5 Jan onwards	Mandatory	5,275,746	1,402	3,126,645
One-off Support - Lockdown 5 Jan onwards	Mandatory	10,548,000	1,402	6,251,000
Total		26,094,469	8,286	14,185,845

7 COVID Financial Support – Business Rates Holiday 2020/21

- 7.1 In March 2020 the Government also announced a Business Rates Holiday for 2020/21 – expanding the previously announced 50% retail discount to 100%, and including retail, hospitality and leisure property; and adding Early Years nurseries. The Revenues team worked very quickly to apply the discounts to business rates accounts before the 1 April, so that direct debits due on 1 April would exclude eligible property. Discounts totalling £24.5m had been awarded at that stage, and this has increased subsequently to £28.317m as at 15 February 2021 – representing approximately half of the total business rates due to be collected for the year.

Table 7 – Business Rates Holiday 2020/21 Forecast

	Number of accounts	Rateable Values £	Total Discount £
Expanded Retail Discount	1,388	58,412,440	28,160,454
Nurseries	25	445,125	156,380
Totals	1,413		28,316,834

- 7.2 The discount awarded clearly affects the total amount received from ratepayers, which impacts on the amount of business rates available to distribute through the Business Rates Retention system. The Government will provide additional S31 Grant to SWTC to fully compensate its 40% share of the reduction in rates income. This does result in a skew in the accounting for business rates retention funding – with S31 grant received in 2020/21 which will be needed to offset the resulting deficit in the Collection Fund (which accounts for income from rate payers but not S31 grant) in 2021/22.

8 COVID Financial Support – Hardship Funding

- 8.1 As well as providing financial support to businesses, the Government has also provided grant funding of £1,382,002 as a Hardship Support fund to support households with council tax costs. Whilst this is discretionary funding the Government set out its expectation that the funding would be used to reduce council tax bills for those in receipt of Local Council Tax Support by £150 (or reduced to nil if the net bill after other discounts is less than £150). As at 10 February 2021 the total hardship discount awarded is £1.126m. There is no requirement to repay any grant not used for the £150 discount scheme, however it is considered likely the funding will be fully allocated by the end of this financial year as new claims for LCTS are made.

Table 8 – Hardship Funding

	Number of Accounts	£
Grant Funding Received from Government		1,382,002
Total hardship discounts awarded to 10 February 2021	8,793	1,282,002
Balance of Funding remaining		100,000
Percentage of Funding Spent to date		92.8%
Allocation to Test and Trace Payments (Table 8 below)		20,000

9 COVID Financial Support – Test and Trace

- 9.1 The Government introduced a Test and Trace scheme to support those having to isolate.

As at 14 February the total amount awarded is £231,000. Information of those who are eligible to apply can be found on the Council's website under the following link:

<https://www.somersetwestandtaunton.gov.uk/benefits/test-and-trace-support-payment/>

Table 9 – Test and Trace Funding

	Standard £	Discretionary £	Total £
Grant Funding Received from Government	121,500	86,000	207,500
Grant Funding from the SCC COMF	0	75,000	75,000
Allocation from the Hardship Funding in Table 7 above	0	20,000	20,000
Total Funding	121,500	181,000	302,500
Total hardship discounts awarded to 14 February 2021	121,500	109,500	231,000
Balance of Funding remaining	0	71,500	71,500

10 General Fund - Risk and Uncertainty

10.1 Budgets and forecasts are based on known information and the best estimates of the Council's future spending and income. Income and expenditure over the 2020/21 financial year is estimated by budget holders and then reported through the budget monitoring process. During this process risks and uncertainties are identified which could impact on the financial projections, but for which the likelihood, and/or amount are uncertain. The Council carries protection against risk and uncertainty in a number of ways, such as insurances and maintaining reserves. This is a prudent approach and helps to mitigate unforeseen pressures.

10.2 The following general risks and uncertainties have been identified:

- a) **COVID 19:** Although work has been undertaken to identify as much as we can the impacts there could still be short, medium and long term impacts to both income and expenditure which have not yet been identified.
- b) **Fluctuation in demand for services:** We operate a number of demand-led services and the levels of demand do not always follow a recognisable trend. We therefore have to caveat the forecasts in these areas to account for fluctuations.
- c) **Forecasting Assumptions:** It is conceivable that, whilst budget holders are optimistic that they will spend all of their budget, experience shows we could see underspends of £250k-£500k by year-end caused by the cumulative effect of minor underspends in a number of service areas. There is also uncertainty around delivery of service which can vary from operational planning assumptions and impact on the timing of spend.
- d) **Year-end Adjustments:** Certain items are not determined or finalised until the financial year-end. For example, the final assessment of provisions required for bad

debts, and final allocations of support service recharges. These can result in potentially significant differences to current forecasts.

- e) **Business Rates:** There are inherent risks and uncertainties within the Business Rates Retention system. The Council's share of business rates funding is directly linked to the total amount of business rates due and collected in the area, which can fluctuate throughout the year and be affected by the result of Rateable Value changes e.g. as a result of Appeals.
- f) **Recruitment costs:** There is a risk of no savings within salary budgets to take into account these costs – these costs are normally covered by vacancy savings in-year.
- g) **Interest receivable:** Due to COVID the forecast have been based on the best current information that we have. Interest rates are unpredictable and there is a risk that interest rates could decrease further, and investment fund performance is susceptible to financial markets.
- h) **Asset Management:** The budgets for maintaining our assets do not hold any contingency for significant unforeseen repairs or improvement works.
- i) **Landlord Property Compliance:** A review of all compliance areas against every property for which Somerset West and Taunton Council has landlord property compliance responsibility is being undertaken. Within 2020/21 these costs are expected to be covered by earmarked reserves though if any costs above the approved budgets/earmarked reserves are identified these will be reported in future financial reports.

11 General Fund Capital Programme

11.1 The capital budget for 2020/21 is £101.2m. It is estimated that spend in 2020/21 will be £61.7m, with slippage into future years of £37.6m and a budget return of £1.9m. This mainly relates to the following 2 items:

- a) Watchet East Quay Development Loan to the Onion Collective - A loan approval for the Onion Collective as part of their development on the East Quay was approved by WSC in February 2019. They have not drawn down that loan to date and have indicated any request is not expected to exceed £0.5m, creating the £1m underspend against the approved budget. The development is due to complete in the summer 2021, and OC plan to finalise their funding without the need for a loan from SWTC if possible. If a loan is requested this will be subject to up to date full due diligence.
- b) Loan facility to Leisure Contractor of £1m is no longer required.

11.2 The detailed capital programme is set out in Appendix A. The table below summarises the programme per Directorate:

Table 10 - Summary of General Fund Capital Outturn

Capital Expenditure	2020/21 Capital Budget £	Forecast Outturn 2020/21 £	Forecast Outturn 2021/22 £	Forecast Outturn 2022/23 £	Forecast Outturn Future Years £	Variance
Development and Place	89,117,147	55,331,802	23,869,668	925,677	8,990,000	0
External Operations	5,583,141	1,259,217	2,381,039	0	0	-1,942,885
Internal Operations	1,229,500	979,778	249,722	0	0	0
Housing	5,307,525	4,107,895	1,199,630	0	0	0
Sub-Total	101,237,313	61,678,692	27,700,059	925,677	8,990,000	-1,942,885

12 Housing Revenue Account (HRA)

- 12.1 The HRA is a ring-fenced, self-financing, account used to manage the Council's housing stock of some 5,700 properties, with the Council acting as the Landlord.
- 12.2 The Council retains all rental income to meet the costs of managing and maintaining the housing stock, as well as meeting the interest payments and repayment of capital debt.
- 12.3 The current year end forecast outturn position for the Housing Revenue Account for 2020/21 is on budget a net underspend of £247k.

Table 11: HRA Outturn Summary

	Current Budget £'000	Forecast Outturn for the Year £'000	Forecast Variance COVID £'000	Forecast Variance non COVID £'000	Total Forecast Variance	
					£'000	%
Gross Income	-26,773	-26,921	0	-148	-148	-0.55%
Service Expenditure	15,026	14,756	0	-270	-270	1.80%
Other Expenditure	11,746	11,917	0	171	171	-1.46%
Total	0	-247	0	-247	-247	-0.92%

- 12.4 The table below provides more detail on the significant variances forecast for the year:

Table 12 - Summary of non-COVID Related Forecast Variances for the Year

Budget heading	Variance £'000	Comments
Income	-148	The outturn forecast is an over recovery of income of £148k. This relates in part to dwelling rents where more income is estimated to be recovered than predicted when setting the budget and providing an allowance for voids. This also relates to leaseholder service charges where the budget is set prior to the associated costs being incurred and then billed in arrears.
Salaries	-421	The estimated total under spend of £421k on staffing costs relates to the new structure for 2020/21 which has taken time to recruit suitable candidates. Therefore some vacancy savings have materialised

Budget heading	Variance £'000	Comments
		across the service, specifically in the performance and development team. This has been offset in part by the increase in costs associated with the pay award at 2.75% compared to the estimated 2% pay award that was budget and approved by Full Council in February 2020, meaning an increase in costs to the HRA of £59k.
Housing Partnership	13	The estimated over spend on SWPSHP is due to an incorrect budget split between GF and HRA during 2020/21 budget setting process.
Landlord Property Compliance	211	A review of all compliance areas against every property for which Somerset West and Taunton Council has landlord property compliance responsibility is being undertaken. The review has so far identified that approximately £211k of additional costs will need to be incurred this financial year over and above existing budgets.
Transfer Removal Grants	-22	This relates to a freeze in transfer removal grants in lettings due to COVID19. This has now recommenced but is progressing slowly due to the current climate.
Letting Expenditure	-10	This relates to a reduction in lettings expenditure with regards to paying for adverts related to house moves which have been restricted due to COVID19.
Meeting Halls	-25	There has been a significant reduction in activity seen in meetings halls due to their closure during COVID19 lockdowns.
Policy & Management	40	This relates to a range of variances in this cost centre for example additional costs incurred to increase communication to our tenants through the year which incurred additional printing and postage costs. We have also engaged independent financial modelling consultant to scenario plan and health check our business plan which supports our ambitious 10 year development programme.
Tenant Empowerment (TSG)	-17	Tenant empowerment work has been reduced this year due to Covid restrictions. Meetings are now taking place online and newsletters to our tenants have restarted but we will underspend on this budget this year by c£17k.
Tenants Action Group	-39	The Tenants Action Group have restarted their meetings online since September 2020 following Covid19 putting a stop to face to face meeting. The group are still hoping to issue youth initiative funding of £20k but other environmental improvements and training for the group has been halted due to Covid creating an underspend of c£39k. Of which a c/f request of £20k for the Youth Initiative grant as this may not be awarded in time for year end due to COVID19.
Depreciation	348	Following the closedown of the 2019/20 accounts a variance on the depreciation charge, which is transferred to the Major Repairs Reserve (MRR) to fund the capital programme and/or repay capital debt. Due to this being calculated at the end of the financial year the 2020/21 budgets were not adjusted for this and therefore there will be an overspend of c£348k. The budget for 2021/22 will be updated to reflect the latest estimates for this.
Interest Payable	-177	The current forecast estimate is an under spend of £177k. The authority have recently taken out an additional £10m loan at 1.64% reducing the amount and cost of internal borrowing. The final outturn position will depend on the final capital funding requirement funded from internal borrowings and the rate applied.

Budget heading	Variance £'000	Comments
TOTAL – over/ (-) underspend	-247	

HRA - Risk and Uncertainty

- 12.5 Budgets and forecasts are based on known information and the best estimates of the Council's future income and expenditure activity. Income and expenditure over the financial year is estimated by budget holders and then reported through the budget monitoring process. During this process any risks and uncertainties are identified which could impact financial projections, but for which the likelihood and/or amount are uncertain.
- 12.6 There are also a number of areas where the financial impact is not known until the end of the financial year such as depreciation charges and change in provision for bad debt.
- 12.7 The current areas of risk and uncertainty being reported include:
- a) **Repairs & Maintenance:** Overall this is a very demand led and reactive service based on the needs of the tenants. There are also a number of uncontrollable variables associated with this service such as the weather (e.g. cold winters causing burst pipes, roof leaks, etc), condition of properties when returned (e.g. void refurbishments), consumer demand on minor internal / external repairs (e.g. broken door or fence) and the type of repair work required.
 - b) **RTB Receipts:** The RTB scheme is a government scheme that enables tenants to purchase their homes at a discount, subject to meeting qualifying criteria. The receipts allowed to be retained by the Council can fund up to 30% of new social housing costs and must be used within three years of receipt. To date, the Council has successfully spent all of their retained 1-4-1 receipts resulting in no returns being made to the Treasury/MHCLG.

On the 31 Dec 202 the government issued a temporary relaxation of the rules in response to the COVID situation, to give authorities until 31 December 2020 to catch up with their spending plans. This has now been extended until the 31st March 2021.

Whilst projected spend and additional purchases are being sought by the service there is a risk that the quarter 4 spend requirements will not be met and may result in funds being return to MHCLD / Treasury. This is a direct result of COVID delaying progress on new build and purchasing houses on the open market.

13 HRA Capital Programme

- 13.1 The HRA approved Capital Programme is £113.8m. This consists of £15.9m of new schemes approved for 2020/21 plus £15.8m of slippage from prior years and £82.1m of approved supplementary budgets. The Capital Programme relates to schemes which

will be completed over the next five years.

13.2 The Council is supporting this investment through the use of the Major Repairs Reserve, Capital Receipts, Revenue Funding and Borrowing.

13.3 The capital programme can be split into three distinct areas:

13.4 **Major Works:** The approved budget of £9.5m is funded by the Major Repairs Reserve and relates to spend on major works on existing dwellings such as kitchens, bathrooms, heating systems, roofs, doors and windows. New schemes approved for 2020/21 total £6m with slippage from the prior year of £3.5m. It is likely that the impact of COVID will result in an underspend in this area within the year.

13.5 **Improvements:** The approved budget of £3.2m is funded by the Major Repairs Reserve and relates to spend on improvements such as disabled facilities adaptations, asbestos removal and environmental improvements. New schemes approved for 2020/21 total £2.9m with slippage from the prior year of £0.3m.

13.6 **Social Housing Development Programme:** The approved budget of £18.9m is for the provision of new housing through schemes such as Phases A-E for North Taunton Regeneration, Laxton Road and other buybacks to increase the Council's housing stock. Funding allocated for new schemes totals £6.9m with slippage from the prior year of £12m mainly being North Taunton and Laxton Road. Supplementary budgets of £82.1m have since been approved for a variety of new build affordable home schemes. In the current year £1.1m has been spent in buy backs.

14 **HRA Earmarked Reserves**

14.1 The HRA Earmarked Reserves (EMR) at the beginning of 2020/21 were £1.648m (see **Table 12** below). The Social Housing Development Fund will be used as required to fund social housing development feasibility studies and usage approved through the Housing Programme Board. The remainder of the earmarked reserves have been specifically committed to be spent within the next three financial years.

Table 13: Balance of Earmarked Reserves held at 1 April 2020

Description	Balance b/f (£'000)
HRA Employment and Skills Dev	102
HRA Asbestos Surveys	102
HRA One Teams	37
Social Housing Development Fund	1,232
HRA Contribution to Change	175
HRA Total	1,648

15 **HRA General Reserves**

15.1 The HRA reserves at the start of the year were £2.7m. This is £901k above the minimum

recommended reserve level of £1.8m.

- 15.2 **Forecast Outturn** - The current outturn position is forecast to be a net underspend of £247k. If this is the position at year end then this will be returned to general balances, increasing them to £2.948m.

Table 14: HRA Reserve Balance

	£k
Balance Brought Forward 1 April 2020	2,701
Forecast Outturn 2020/21 (as at 31 Dec 2020)	247
Forecast Balance Carried Forward 31 March 2020	2,948
Minimum Balance Per Business Plan	2,000

16 Links to Corporate Aims / Priorities

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

17 Partnership Implications

- 17.1 A wide range of Council services are provided through partnership arrangements e.g. SLM for leisure services and Somerset Waste Partnership for Waste and Recycling services. The cost of these services is reflected in the Council's financial outturn position for the year.

18 Other Implications

- 18.1 None for the purpose of this report.

19 Scrutiny Comments / Recommendations

- 19.1 To be added following the Scrutiny meeting.

Democratic Path:

- **Scrutiny – 3 March 2021**
- **Executive – 17 March 2021**
- **Full Council – no**

Reporting Frequency: Quarterly

List of Appendices

Appendix A	Capital Programme
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Capital Programme

Appendix A

Description: General Fund and HRA Capital Expenditure	Total 2020/21 Capex Budget	Total Forecast Capital Outturn 2020/21	Forecast Capital Outturn 2021/22	Forecast Capital Outturn 2022/23	Forecast Capital Outturn 2023/24	Forecast Capital Outturn 2024/25	Forecast Capital Outturn 2025/26 Onwards	Variance Minus = Favourable
Development & Place	89,117,147	55,331,802	23,869,668	925,677	4,990,000	4,000,000	0	0
External Operations	5,583,141	1,259,217	2,381,039	0	0	0	0	(1,942,885)
Internal Operations	1,229,500	979,778	249,722	0	0	0	0	0
Housing - General Fund	5,307,525	4,107,895	1,199,630	0	0	0	0	0
Hinkley Funded projects	1,285,107	100,000	1,185,107	0	0	0	0	0
S106 Funded projects	0	0	0	0	0	0	0	0
Housing - HRA	113,773,790	8,261,947	32,231,347	27,276,000	11,280,000	9,038,000	25,686,495	0
Total	216,296,210	70,040,640	61,116,513	28,201,677	16,270,000	13,038,000	25,686,495	(1,942,885)

2020/21 Capital budget and Financing

Description: General Fund and HRA Capital Expenditure	Total 2020/21 Capex Budget	Total Forecast Capital Outturn 2020/21	Forecast Capital Outturn 2021/22	Forecast Capital Outturn 2022/23	Forecast Capital Outturn 2023/24	Forecast Capital Outturn 2024/25	Forecast Capital Outturn 2025/26 Onwards	Variance Minus = Favourable
General Fund								
Development & Place: Dawn Adey								
Investment Properties	50,000,000	40,000,000	10,000,000	0				0
Taunton Bus Station	77,068	14,500	62,568	0				0
Coal Orchard Construction	10,057,527	7,686,642	2,180,207	190,677				0
Coal Orchard Devcosts	293,097	37,862	255,235	0				0
Major Transport Schemes	580,000	0	580,000	0				0
Emp Site Enabling Innova	100,000	0	100,000	0				0
Creech Castle Improvement	0	0	0	0				0
Superfast Broadband (Legacy TD)	380,000	0	380,000	0				0
Superfast Broadband (Legacy WSC)	170,000	0	170,000	0				0
Steam Coast Trail	102,186	0	102,186	0				0
Seaward Way	2,056,314	1,774,848	281,466	0				0
Firepool Development	475,895	115,895	360,000	0				0
Firepool Master Planning	2,989,245	869,135	2,120,110	0				0
Great Western Railway Development Loan	5,000,000	0	5,000,000	0				0
J25 Improvement Scheme Contribution	1,500,000	1,500,000	0	0				0
Flooding Alleviation	6,000,000	30,000	245,000	735,000	4,990,000	0		0
CIL - Cycle & Pedestrian Improvements	500,000	0	500,000	0				0
CIL - Education Provision	4,000,000	0	0	0		4,000,000		0
CIL - Public Transport Improvements	0	0						0
CIL - Town centre regeneration	500,000	0	500,000	0				0
GF C Deane House Accommodation	0	0	0	0				(0)
Toneworks Wellington	348,420	348,420	0	0				0
Heritage at Risk	80,000	0	80,000					0
GF C Taunton Tech. Park	0	0	0	(1)	0			0
GF C Firepool Land Assembly	0	(0)	0	0				0
GF C Parking & Access & Signag	0	(0)	0	0				0
Stogursey Victory Hall	637,896	0	637,896	0				0
Regeneration Projects	2,954,500	2,954,500	0	0				(0)
SCC/Wellington Station	215,000		215,000					0
Innovation centres	100,000		100,000					0
Total Development & Place	89,117,147	55,331,802	23,869,668	925,677	4,990,000	4,000,000	0	0
	0	0						(0)
External Operations: Andrew Pritchard								0
Unparished Area Grants	11,000	0	0					(11,000)
General Fund Vehicles Acquisition	152,000	33,584	118,416					0
Waste Containers	100,000	101,496	0					1,496
Grants to Parishes Play	15,000	0	15,000					0
Replacement Play Equipme	64,000	0	64,000					0
SWP Waste Vehicle Loan	497,618	0	497,618					0
SWP Waste Container Loan	377,177	0	377,177					0
General Fund Plant	23,000	0	23,000					0
Waiting Room	30,000	44,623	0					14,623
Watchet East Quay Development Loan (OC)	1,500,000	0	500,000					(1,000,000)
Cuckoo Meadow Play Area	1,103	0	0					(1,103)
Minehead Esplande	15,147	15,147	0					0
Leisure	1,000,000	0	0					(1,000,000)
Watchet Splashpoint Hole	804,096	804,096	0					0
GF C CIL Grant	0	53,099	0					53,099
Wellington Air Handling Unit	253,000	0	253,000					0
East Quay Wall	740,000	207,172	532,828					0
Onion Collective Grant	0	0	0					0
Blue Anchor Coast Defence Work	0	0	0					0
Total External Operations	5,583,141	1,259,217	2,381,039	0	0	0	0	(1,942,885)
	0	0						0

Description: General Fund and HRA Capital Expenditure	Total 2020/21 Capex Budget	Total Forecast Capital Outturn 2020/21	Forecast Capital Outturn 2021/22	Forecast Capital Outturn 2022/23	Forecast Capital Outturn 2023/24	Forecast Capital Outturn 2024/25	Forecast Capital Outturn 2025/26 Onwards	Variance Minus = Favourable
Internal Operations: Alison North								0
Members IT Equipment	4,000	0	4,000					0
Change Programme	211,360	0	211,360					0
Community Alarms	25,000	20,000	5,000					0
IT Server Refresh	20,000	0	20,000					0
Resources for Change Programme	360,000	360,000	(0)					0
Finance System	76,770	76,770	0					0
SIP	353,700	353,700	0					0
Transformation	0	6,847	(6,847)					0
PC Refresh Project	46,500	27,027	19,473					0
Microsoft 365 Migration	132,170	132,170	0					0
Open Assets Implementation		3,264	(3,264)					0
Total Internal Operations	1,229,500	979,778	249,722	0	0	0	0	0
	0							0
Housing: James Barrah								0
Grants to Registered Social Landlords	1,545,381	454,253	1,091,128					0
Gypsy Site	108,502	0	108,502					0
Disabled Facilities Grant (DFG)	2,653,642	2,653,642	0					0
North Taunton Equity Loan	1,000,000	1,000,000						0
								0
Total Housing	5,307,525	4,107,895	1,199,630	0	0	0	0	0
	0							0
General Fund Total before S106	101,237,313	61,678,692	27,700,058	925,677	4,990,000	4,000,000	0	(1,942,885)
	0	0						0
Hinkley S106 : Andrew Pritchard								0
Hinkley Total	1,285,107	100,000	1,185,107					0
	0							0
Section 106: Andrew Pritchard								0
S106 Total	0	0	0	0	0	0	0	0
	0							0
								0
General Fund Total	102,522,420	61,778,692	28,885,165	925,677	4,990,000	4,000,000	0	(1,942,885)
								0
Housing Revenue Account: James Barrah								0
Majors and Improvements	12,785,300	3,316,953	9,468,347	0	0	0	0	0
Social Housing Development Schemes	100,988,490	4,944,995	22,763,000	27,276,000	11,280,000	9,038,000	25,686,495	0
HRA Total	113,773,790	8,261,947	32,231,347	27,276,000	11,280,000	9,038,000	25,686,495	0
								0
								0
Grand Total	216,296,210	70,040,640	61,116,513	28,201,677	16,270,000	13,038,000	25,686,495	(1,942,885)

Full Council Meeting – 30 March 2021

Scrutiny Committee Annual Report 2020/2021

1 Foreword

- 1.1 It was a great honour to have been re-appointed as Chair of the Somerset West and Taunton Scrutiny Committee by my Councillor peers at the Annual General Meeting of Council in May last year.
- 1.2 I had hoped that the 'transition' we had embarked on in 2019/20 would continue but as we all know the Covid pandemic severely disrupted normal life including this Council. As a result we had to move to virtual meetings on Zoom and this took some adjusting to. However once we had established a remote working pattern things bedded down quickly and the Committee was able to get to grips with business without too much difficulty.
- 1.3 In 2019 the Government had published new Guidance for Scrutiny Committees which aimed to clarify and broaden their role and influence. Both I and the Vice-Chair have always been keen to ensure that Scrutiny Councillors gained a greater oversight of their work programme than was done previously. This was to give us a stronger voice over the Executive reports we wished to look at in detail and enable maximum influence to be exerted. We also wanted to be more proactive and investigate external matters which had a bearing on the residents of our area.
- 1.4 The Leader of the Council continued to encourage transparency and the involvement of members and the programme of Briefings to provide information and background on Council business was able to continue successfully online. This allowed these matters to be aired and questioned without impinging on the committee process where time is limited.
- 1.5 As a Scrutiny Committee formulating our programme of work and getting updates on our suggestions and recommendations is a key way that this Council can demonstrate the transparency and accountability that the residents of Somerset West and Taunton expect from their decision-makers. Scrutiny's role as critical friend of the Executive is vital in ensuring that the voice of the community is heard and should result in more inclusive decision-making.

2. Professional Development

2.1 Before the Covid Pandemic we had planned to have a facilitated Committee 'Away Day' meeting to help us better understand the role and power of the Committee and deliver enhanced scrutiny of the Council and its business. We were very grateful to have the services of Ann Reeder as Facilitator for a full morning session in October.

2.2 We considered what was going well and these tended to centre on the Committee and its commitments.

2.3 Matters for improvement however related to how the Committee felt it was perceived and responded to in terms of being aware of issues, the timing of these coming forward and to an extent a sense that we were seen as part of a process to be gone through rather than a constructive contributor to Council business.

2.4 We concluded that we needed to:

- Improve the involvement of outsiders and third parties to help deliver better outcomes.
- Be made aware of issues early enough to be able to make a positive contribution particularly in policy development.
- Improve the way that questions and issues raised in Committee were tracked and followed up.
- Have better communication with Executive members.

2.5 We concluded by listing our Top 5 Tasks as a Committee;

- 1) Financial Monitoring
- 2) Policy Making
- 3) Holding Exec to Account/Critical Friend – check and balance
- 4) Evidence gathering
- 5) Policy Review – looking back

3. 2020/21 Programme

3.1 Overall the last year has been an extremely busy one for the Committee. We have discussed many and varied issues of community interest and concern such as:

- Taunton Bus Station.
- Distribution of Community Infrastructure Levy monies.
- The Commercial Investment Strategy,
- Town Centre Recovery.
- The establishment of a Community Chest Fund.
- Delivering Regeneration (including Firepool).
- Social Housing developments in Taunton and Minehead.
- The Climate Emergency Strategy and Climate Resilience Action Plan.
- The Electric Vehicle Charging Strategy.
- Rough Sleeper and Homelessness Accommodation.
- Coastal Defence works.
- Phosphate in Watercourses and the impact on developments.
- Taunton Pedestrianisation.

3.2 We also considered the emerging Unitary proposals and received regular reports on Corporate Performance and Budgeting. (More details are in Appendix 1)

3.3 We have also instituted regular slots to question Executive Councillors. Not only does this offer Committee members a greater opportunity for extended questioning

than is possible in normal meetings of the Full Council but it also offers Executive Members the chance to expand on their roles and responsibilities.

3.4 However, while I believe we were able to add value to many of these topics, it was also clear that being adequately sighted on emerging issues was not always straightforward. Although improved, there have also been occasional issues around timeliness and the process for differentiating between topics for Briefing and one's going to Scrutiny. There have also been times when questions asked or information requested had to be chased up. As a result we have made some adjustments to the process of flagging and reviewing topics and reports for Scrutiny. The involvement of Committee members in agenda setting has really helped in that.

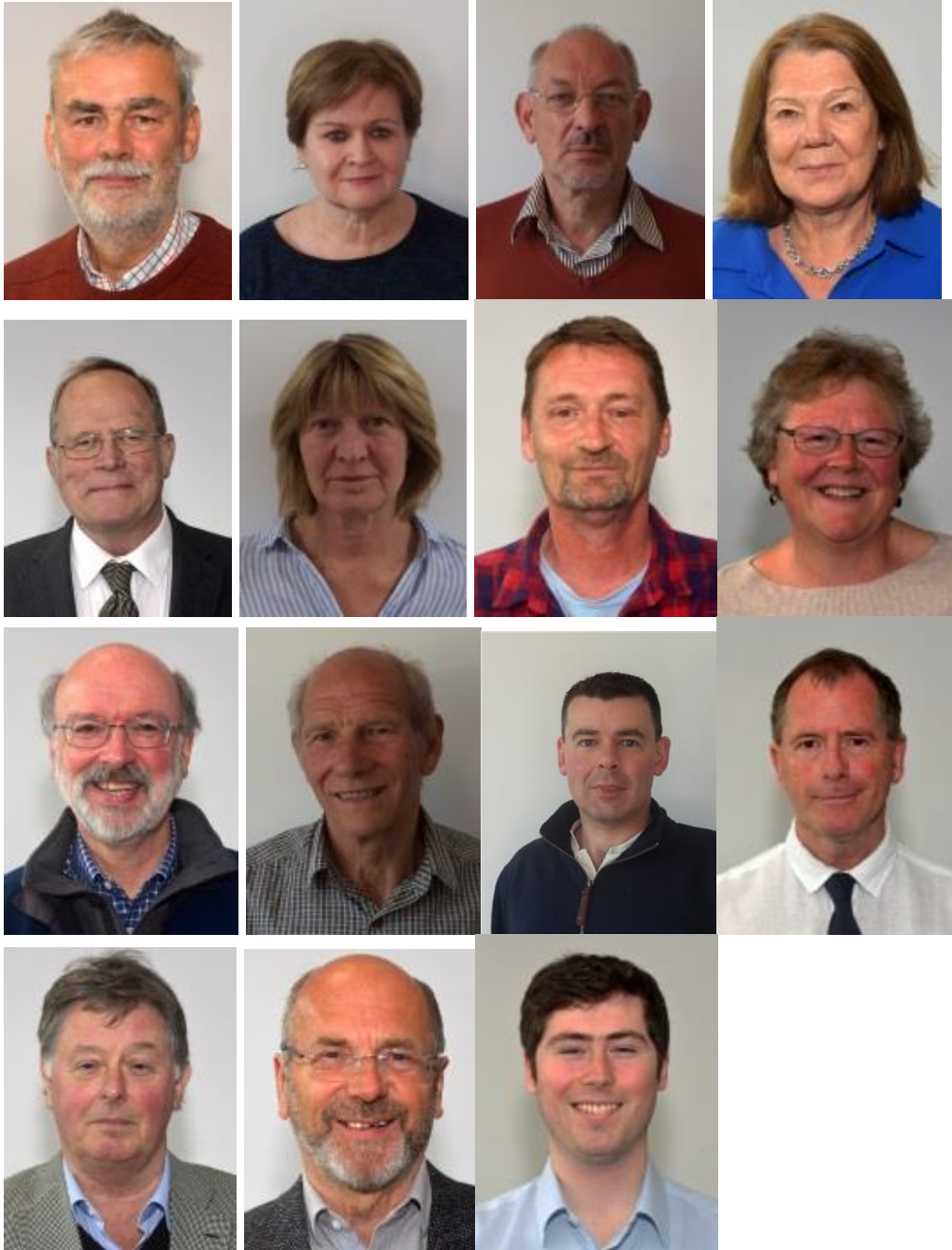
3.5 As the current Municipal Year ends I am optimistic that 2021/22 will allow the return to some sort of normality. In particular I hope we will be able to meet face to face as a Committee again as Zoom meetings are no substitute for personal contact and interaction.

3.6 In conclusion I believe the Committee has made significant progress this year despite the unusual circumstances and that we have a strong foundation going forward.

This Report is the responsibility of Councillor Gwilym Wren – Chair of the Scrutiny Committee and has been compiled in collaboration with the Vice Chair Councillor Libby Lisgo.

Somerset West and Taunton Scrutiny Committee 2020/2021*

*As constituted at Annual Council on 26th May 2020



- 1 Councillor Gwilym Wren (Chair)
- 2 Councillor Libby Lisgo (Vice-Chair)
- 3 Councillor Ian Aldridge
- 4 Councillor Sue Buller (replaced in year by Cllr Simon Coles)
- 5 Councillor Norman Cavill
- 6 Councillor Dixie Darch
- 7 Councillor Ed Firmin
- 8 Councillor John Hunt (replaced in year by Cllr Sue Buller).
- 9 Councillor Dave Mansell
- 10 Councillor Derek Perry
- 11 Councillor Hazel Prior-Sankey (replaced in year by Cllr Habib Farbahi)
- 12 Councillor Phil Stone
- 13 Councillor Nick Thwaites
- 14 Councillor Danny Wedderkopp (replaced in year by Councillor Ray Tully)
- 15 Councillor Keith Wheatley

APPENDIX 1

Topics considered By SWT Scrutiny Committee this year:

June 2020

- **Taunton Bus Station and Bus Services in Somerset West and Taunton.**
- **Resolved:-** *The Committee resolved to establish a task and finish group to examine the current provision in relation to public transport in the district and what is required to increase provision and improved modal links including consideration of carbon neutrality*
- **Call-in, by Councillors Norman Cavill, Anthony Trollope-Bellew, Vivienne Stock-Williams and Libby Lisgo of the decision made by Executive Councillor Mike Rigby to approve an allocation of £91,518.06 of Community Infrastructure Levy (CIL) funds to provide enhanced materials for the repaving of the forecourt at Taunton Railway Station**
- **Resolved:-** *that The Scrutiny Committee did not support Call-in.*
- **Commercial Investment Update**
The Chief Executive Officer set out to the Committee that due to delays with the Covid-19 pandemic, progress had been stalled in respect of the Commercial Investment Update. Commitment was given to provide further details of projects in the pipeline to the committee. The committee voiced their unease about commercial investments outside of the public and community interest, details impacts of Covid-19 on potential decisions were also requested.

July 2020

- **Signing of the Charter for Compassion**
- **Resolved:-** The Scrutiny Committee recommend that the Council does not sign the Charter of compassion at Full Council
- **Hinkley Point C Housing Fund Strategy**
- **Resolved that:-** the Scrutiny Committee considered the proposed Hinkley Point C Housing Fund Strategy and supporting project activity, and noted the report.
- **SWT Corporate Performance Report 19/20**
- **Resolved that:-** The Scrutiny Committee noted the report.

September 2020 (3 meetings!)

- **Emergency Town Centre Recovery and back-fill of Economic Growth and Prosperity Fund**
- **The Scrutiny Committee:-** 1. Noted that £535,000 has been repurposed for Emergency Town Centre Recovery following Covid-19 Lockdown utilising the Council's Economic Growth and Prosperity Fund held in earmarked reserves. 2. Recommended that Full Council approves a budget allocation of £500,000, funded from General Reserves, to back-fill the Economic Growth and Prosperity fund. 3. Recommended that Full Council delegated authority to approve expenditure of both funds to the Director of Development and Place in consultation with the Economic Development Portfolio Holder. 4. Requested that the Director of Development and Place and Economic Development Portfolio Holder, in consultation with Taunton Councillors, consider including Visit Taunton in addition to the Taunton Chamber of Commerce as the grant distributing bodies for Taunton.

- **The Creation of a Community Chest Fund**
- The Scrutiny Committee:- 1. Recommended to approve a supplementary budget of £250,000 for the Community Chest, to be funded from Business Rates Retention Pilot surplus income due to be received in 2020/21. 2. Delegate authority to the Communities Portfolio holder to make decisions relating to the spend of this fund. 3. The Communities Portfolio holder will engage with ward members on proposed spending within their wards.
- **Delivering Regeneration – Setting up a Special Purpose Vehicle**
- The Scrutiny Committee recommended to the Executive to:- 1. Approve the creation of (name to be confirmed) as a company limited by shares and wholly-owned by the Council in accordance with the principles of future business cases set out in this report; subject to the provision of the tax and compliance advice from the SWT Scrutiny Committee, 2 09 2020 PricewaterhouseCoopers (PWC) report and construction industry scheme information. 2. Delegate authority to the Director of Place (in consultation with the Executive) to register the name of (the SPV) and complete all practical, financial and legal matters to enable (the group SPV) to be established including approval of the final form of all necessary legal documentation and thereafter oversee operations of the Council. 3. That Projects and services are added to the Group on a business case by business case basis as approved by Full Council and performance monitored through the Shareholder Agreement.
- **Tangier**
- The Scrutiny Committee Recommended:- 1. The principle of purchasing the current site. 2. An additional budget to be identified to progress detailed design will be tested with sub-contractors on a construction management SWT Scrutiny Committee, 2 09 2020 approach. 3. That funding is sought from Homes England and if a viable solution is not identified then the site should be opened up as a green space with car parking for the benefit of the area. 4. Delegated authority to the Executive Portfolio Holder for Asset Management and Economic Development and the Chief Executive, in consultation with the S151 Officer, to agree the final terms and complete the transaction, subject to satisfactory due diligence and satisfactory professional advice is received in relation to Finance, Procurement, Title, SPV, Tax and VAT and Legal and Ground Conditions specifically. Specifically a detailed business case will be presented to Executive for the final decision to proceed. 5. The acquisition to be subject to an independent valuation confirming the purchase represents value for money and the scheme is valued as outlined in the report. 6. That the development will achieve zero carbon and if possible contribute affordable housing
- **Stronger Somerset Business Case**
- Scrutiny Committee Recommended to: a. Endorse the Business Case for the reform of local government including the creation of two unitary Councils within Somerset, and recommend its approval to Full Council, at the next meeting on 10th September 2020. b. Delegate authority to the Leader of the Council and the Chief Executive, in consultation with the other Somerset District Leaders and Chief Executives, to make minor amendments to the Business Case as necessary and / or appropriate, ahead of its submission to the Secretary of State. c. Support the continuing consultation with local stakeholders, above and beyond any programme of consultation that may be required by the Government in due course. d. Note that in the best interests of

the communities and residents of Somerset West and Taunton, the Council will continue to work with colleagues across all tiers of local government and public service in Somerset.

- **Financial Strategy 2020/21 to 2022/23 – Review and Update**

- The Scrutiny Committee supported the report and the following proposed recommendations to the Executive and Full Council:

- 1.1 The Executive approves the updated Financial Strategy for 2020/21 to 2022/23, including agreement of the principle of using general reserves to reduce the Budget Gap in 2021/22 and 2022/23.

- 1.2 The Executive recommends that Full Council approves the amended CIL Allocation Principles as set out in paragraph 21.15 of this report.

- 1.3 The Executive recommends that Full Council approves the reallocation of reserves to provide increased resilience and flexibility to mitigate COVID related financial pressures, and to support the Revenue Budget in the medium term, as follows:

- (a) To transfer £3.949m of New Homes Bonus reserve to General Reserves, noting alternative financing for relevant capital schemes through Community Infrastructure Levy and borrowing as set out in para 21.7.

- (b) To transfer £1.0m from the Business Rates Volatility Reserve to General Reserves as set out in para 14.6.

- The Committee voted in favour of the recommendations with one abstention.

- **2020/21 Financial Monitoring as at Month 4, ended 31 July 2020, and In Year COVID Budget Changes**

- Scrutiny Committee reviewed the report and supported the following proposed recommendations to the Executive and Full Council:

- 1.1 The Executive reviews the Council's forecast financial performance and projected reserves position for 2020/21 financial year as at 31 July 2020.

- 1.2 The Executive recommends that Full Council approve a supplementary estimate of £657k from General Reserves to fund the estimated overspend related to COVID.

- 1.3 The Executive recommends that Full Council approves the realignment of budgets for COVID related income and expenditure to offset the reported variances that net off to zero when including the £657k in 2.2 above.

- 1.4 The Executive recommends that Full Council approve changes to the General Fund Capital Programme by a total of -£1.370m for the following headings as referred in para 11.3:

- a) £295,000 reduction to Major Transport Schemes budget
- b) £375,000 reduction to remove budget for Creech Castle Road Improvements contribution

- c) £200,000 reduction to Employment Site Enabling schemes budget
- d) £1,000,000 reduction to Public Transport Improvements budget as Housing Infrastructure Fund bid not successful
- e) £500,000 increase to Education Provision budget funded by Community Infrastructure Levy.

- 1.5 The Executive recommends that Full Council approve the revised Budget Total for the Growth Programme of £3.56m to be funded by New Homes Bonus as set out in para 11.7 Table 8, and CIL-funded Infrastructure Capital Programme totalling £16.262m as set out in para 11.10 Table 9.

- 1.6 In the light of the recent adoption by Council of policy on an Affordable Employment Land Local Development Order, the Scrutiny Committee recommend to the Executive a new fund of £575,000 is allocated towards Employment Site enabling schemes to support that policy.

- **Financial Monitoring - Outturn Position 2019/20**
- The Scrutiny Committee reviewed and supported the following proposed recommendations to the Executive:
 - • Note the reported General Fund Revenue Budget underspend of £1.836m in 2019/20 and the General Reserves Balance of £4.522m as at 31 March 2020 which provided financial resilience and flexibility to meet increased financial pressures in 2020/21 and subsequent years.
 - • Note the reported Housing Revenue Account Budget underspend of £8k in 2019/20 and the HRA General Reserves Balance of £2.701m as at 31 March 2020.
 - • Approve the transfer of £1.2m of General Fund Earmarked Reserves back into General Fund General Reserves, as set out in Appendix B.
 - • Note the Capital Outturn position and approve the proposed carry forward of £29.996m approved budget to 2020/21 General Fund Capital Programme (as per Appendix C) and £15.822m to the 2020/21 Housing Revenue Account Capital Programme (as per Appendix D).
- **Corporate Performance Report, Month 4, 2020/21**
- The Scrutiny Committee noted the Corporate Performance Report

October 2020

- **Regeneration of Firepool: Business case for Phase 1 delivery (Infrastructure and Block 1)**
- **Resolved** that Scrutiny Committee recommended to Executive and Full Council the recommendations numbered 2.1 to 2.8 within the confidential report and added an additional recommendation:
- 2.9 The committee request that a risk assessment be put in place recognising the recent Natural England advice around phosphates and potential impacts on the projects.”
- All but one of the committee members agreed the recommendations with one abstention.

- **Somerset Climate Emergency Strategy and SWT Carbon Neutrality and Climate Resilience Action Plan**
- The Scrutiny Committee recommend to the Executive that:-
- 2.1 The Somerset Climate Emergency Strategy progresses to Council for adoption.
- 2.2 The Carbon Neutrality and Climate Resilience Action Plan is approved.
- 2.3 A local, multi-agency Climate Emergency Task Force is established to aid delivery and implementation of the Carbon Neutrality and Climate Resilience Action Plan.
- 2.4 A recommendation is made to Full Council that a supplementary “Climate Change Fund” budget of £500,000 is approved within the General Fund 2020/21 Revenue Budget, funded from General Reserves, for the delivery of Somerset West and Taunton priority actions with delegated authority to the Director External Operations and Climate Change / Assistant Director Climate Change, Regulatory Services and Asset Management to agree those priority actions in consultation with the Portfolio Holder for Climate Change. Council also be asked to approve the principle that any unspent balance of this Fund at the end of 2020/21 be carried forward to 2021/22 financial year.
- 2.5 The Committee request that the report to full council gives more details for proposals on the groups to take forward the strategy and action plan, including on member involvement, or that these details are brought back to a future Scrutiny meeting before they are finalised.
- 2.6 £50k of £500k Climate Change fund (referred to in 2.4) to be allocated for tree planting.
- The committee voted by majority in favour of recommendation 2.6 with three abstentions.
- **Coastal Protection Works Associated with the B3191**
- The committee wished to support moves to protect the coastline and coastal communities, there were significant concerns expressed in relation to the potential for responsibility and long term liability and recommend Executive and Full Council fully understand and request details on the long term liabilities going forward to ensure a full understanding of the longevity of the scheme and mitigate long term liability and risk.

November 2020

- **A proposal for delivering future single rough sleeper and homelessness accommodation in SWT**
- The Scrutiny Committee **RECOMMENDED:**
- 1. That the Scrutiny Committee noted the proposed steps and timeline outlined in 4.16 including the resource requirements to undertake the options appraisal proposed to bring back a recommended solution.
- 2. The Scrutiny Committee expected the Executive to take full regard of the comments and concerns raised at Scrutiny and to take these into account when making a full decision on this matter. In particular, any options appraisal must be open, transparent and a forward looking review of all potential sites. Any appraisals involving Canonsgrove should be communicated with both Trull and Comeytrowe Parish Councils as well as local residents.
- **Interim Policy Statement on planning for the Climate Emergency - Draft for public consultation**

- The Scrutiny Committee **RECOMMENDED**:
- 1. That the Executive approve the Draft Interim Policy Statement on planning for the Climate Emergency for public consultation.
- 2. That the Executive approve responsibility for any minor textual and visual changes and enhancements prior to publication for consultation be delegated to the Director for Development and Place in consultation with the Portfolio Holder for Planning and Transportation.
- **Somerset Electric Vehicle Charging Strategy**
- The Scrutiny Committee **RECOMMENDED** to the Executive to;
- 1. That Executive recommend to Full Council that the Somerset Electric Vehicle Charging Strategy is adopted and brought forward into the Council's Carbon Neutrality and Climate Resilience Action Plan.
- 2. Requested that the Report to Full Council contains more detail on how the Strategy will be delivered in the SWT area.
- **Confidential Report - Commercial Investment Review**
- The Scrutiny Committee **RECOMMENDED** to the Executive to;
- 1. Receive Part 1 of the report which is the review of the Commercial Property Investment activity and performance since the last report of the 07/07/20 as set out in Section 10.4 of the original strategy.
- 2. Receive Part 2 of the report which is the first annual portfolio review of the Commercial Property Investment Strategy (CPIS) as set out in Section 11.1 of the original strategy.
- 3. Agree the amendments set out in the review of the strategy as shown in Appendices 3 and 4.
- **Verbal Update on Section 106 Spend**
- The Committee noted the update.
- **North Taunton Woolaway Project**
- The Scrutiny Committee supported the following recommendations to Full Council:-
- 1. To allocate a total scheme budget and borrowing requirement for Phases B-E and the conclusion of the regeneration scheme as set out in confidential Appendix A.
- 2. Delegate authority to the Section 151 Officer to determine the final funding profile for each future phase once the finalised designs have been received for Phases B-E and any relevant planning approval and contract costs have been received.
- 3. To approval the decant of tenants within Phases B which will allow Gold band status in the Homefinder Somerset allocations system for tenants in this Phase and allow those who wish to move outside the regeneration area sufficient priority to move home.
- 4. Delegate authority to the Director of Housing and Communities in consultation with the Portfolio Holder for Housing authority to approve future decanting and demolition for future phases.
- 5. All new build properties (Phase A-D) will be set at affordable rents in line with the 2020 Rent Setting Policy. The affordable rents will be set to ensure scheme viability at between 60% and 80% of market rates. However, all NTWP SWT secure tenants who lived within the NTWP (Phases A-D) at February 2019, when the Council made its decision to regenerate the neighbourhood, will have their rents capped at the equivalent social rent if

being rehoused in the new NTWP development. These rents will remain with the tenant as long as they retain their tenancy. No current NTWP SWT tenant will be required to pay above the equivalent social rent and service charge for their home in line with the Council Shadow Full Council approval to allow existing SWT tenants to remain on a social rent level.

- **Seaward Way – New Build HRA Low Carbon Homes**

- The Scrutiny Committee recommended:-
- (a) Approval of the development of Affordable Homes built to very low carbon standards, subject to planning approval.
- (b) To approve the supplementary budget as stated in confidential appendix A.
- (c) To approve the transfer of land from the general fund to the housing revenue account for the use of social housing development and to delegate authority to the Section 151 officer to approve the final land transfer amount.
- (d) Delegate authority to the Section 151 Officer to determine the final funding profile for this scheme once the finalised design has received planning approval and tenders have been received.
- (e) Note the use of affordable rents for these new build HRA homes in line with the 2020 Rent Setting Policy. The affordable rents would be set to ensure scheme viability at a percentage of market rates.

- **Oxford Inn New Build HRA Zero Carbon Homes, Taunton**

- The Scrutiny Committee recommended:-
- (a) Support of the use of the vacant SWT public house for new zero carbon affordable homes.
- (b) Approve the demolition of the Oxford Inn.
- (c) Approve the development of affordable homes built to standards emerging from the Zero Carbon Affordable Homes Pilot, subject to planning approval.
- (d) Allocate a total budget and borrowing requirement in line with confidential Appendix A.
- (e) Delegate authority to the Section 151 officer to determine the final funding profile for this scheme once the finalised design has received planning approval and tenders have been received.
- (f) Note the use of affordable rents for these new build HRA homes in line with the 2020 Rent Setting Policy. The affordable rents will be set to ensure scheme viability at a percentage of market rates.

December 2020

- **Update on addressing Phosphate Levels**

- The Scrutiny Committee requested that the Executive consider the huge impact on our SME's and request they expedite, whilst working with officers and the consultants, the short term solutions for treatment requirement and mitigation measures to provide certainty to our local construction industries.
- The Scrutiny Committee noted the update.

- **Corporate Performance Report – Qtr. 2, 2020/21**

- Resolved: - The Scrutiny Committee noted the report.

- **2020/21 Financial Monitoring as at Quarter 2 (30 September 2020)**

- The Scrutiny Committee noted the Council's forecast financial performance and projected reserves position for 2020/21 financial year as at 30 September 2020.

- **Review of Voluntary and Community Sector Grants**

- The Scrutiny Committee Recommended: - 1. To maintain or increase current levels of funding for the final year of the current agreement to end in March 2022. 2. To recommend to Executive that a cross party Members Working Group is established to work with officers to ensure that clear funding criteria are in place for future work with the Voluntary and Community Sector beyond March 2022. 3. As part of the review of the Voluntary and Community Sector Grants, the increased workload for the two Citizens Advice Bureaus that cover the SWT area must be recognised accordingly with a grant increase in line with their objectives to meet increased demands due to Covid, and that this support is equalized across population areas that they cover, but not to the detriment of other organisations being funded by SWT.
- **Extension of Public Space at Belvedere Road**
- The Scrutiny Committee recommended to the Executive:- The Committee consider that the historic importance of the building to Taunton in the long term requires that its future needs to be secured and the decision of its future needs to be taken at Full Council.

January 2021

- **To consider reports from Executive Councillors – Cllrs Pilkington and Rigby**
- **Heritage Project Update**
- The committee expressed concerns around the risk of the project and the liabilities if the project was undertaken. The Scrutiny Committee noted the update.
- **HRA Revenue and Capital budget setting 21/22, including Dwelling Rent setting 21/22 and 30 year Business Plan Review**
- **Draft General Fund Revenue Budget and Capital Programme 2021/22**

February 2021

- **Scrutiny Requests and Recommendation Tracker**
- **East Street/St. James Street Taunton Pedestrianisation**
- **To consider reports from Executive Councillors – Cllr Kravis**

March 2021

- **Options appraisal for delivering future single rough sleeper and homelessness accommodation in SWT**
- **Capital Loan to Third Party**
- **20/21 Budget Monitoring Q3**
- **Q3 Performance Report**
- **Scrutiny Chair Annual Report**

April 2021

- **To consider reports from Executive Councillors – Cllr F Smith and 1 other**