

SWT Executive

Wednesday, 20th July, 2022,
6.15 pm



Somerset West
and Taunton

The John Meikle Room - The Deane
House

[SWT MEETING WEBCAST LINK](#)

Members: Federica Smith-Roberts (Chair), Derek Perry (Vice-Chair), Benet Allen, Chris Booth, Dixie Darch, Caroline Ellis, Mike Rigby, Francesca Smith, Andrew Sully and Sarah Wakefield

Agenda

1. Apologies

To receive any apologies for absence.

2. Minutes of the previous meeting of the Executive

To approve the minutes of the previous meeting of the Committee.

(Pages 5 - 10)

3. Declarations of Interest

To receive and note any declarations of disclosable pecuniary or prejudicial or personal interests in respect of any matters included on the agenda for consideration at this meeting.

(The personal interests of Councillors and Clerks of Somerset County Council, Town or Parish Councils and other Local Authorities will automatically be recorded in the minutes.)

4. Public Participation

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

For those members of the public who have submitted any questions or statements, please note, a three minute time limit applies to each speaker and you will be asked to speak before Councillors debate the issue.

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- 5. Executive Forward Plan** (Pages 11 - 12)

To receive items and review the Forward Plan.
- 6. Connecting our Garden Communities - public consultation** (Pages 13 - 28)

This matter is the responsibility of the Executive Councillor Planning and Transportation, Councillor Mike Rigby.
- 7. Information Management Policies** (Pages 29 - 80)

This matter is the responsibility of the Executive Councillor for Corporate Resources, Councillor Benet Allen.
- 8. Corporate Performance Report, Outturn and Quarter 4 2021/22** (Pages 81 - 106)

This matter is the responsibility of the Executive Councillor for Corporate Resources, Councillor Benet Allen.
- 9. Housing Revenue Account Financial Monitoring - Outturn Position 2021/22** (Pages 107 - 128)

This matter is the responsibility of the Executive Councillor for Housing, Councillor Francesca Smith.
- 10. Access to Information - Exclusion of the Press and Public - Appendices Only**

During discussion of the following item (Agenda Item 11 – Appendix E and F only, Agenda Item 12 – Appendix C only, Agenda Item 13 – Appendix 3, 4 and 5 only) it may be necessary to pass the following resolution to exclude the press and public having reflected on Article 13 13.02(e) (a presumption in favour of openness) of the Constitution. This decision may be required because consideration of this matter in public may disclose information falling within one of the descriptions of exempt information in Schedule 12A to the Local Government Act 1972. Executive will need to decide whether, in all the circumstances of the case, the public interest in maintaining the exemption, outweighs the public interest in disclosing the information.

Recommend that under Section 100A(4) of the Local Government Act 1972 the public be excluded from the next item of business (Agenda Item 11 – Appendix E and F only,

Agenda Item 12 – Appendix C only, Agenda Item 13 – Appendix 3, 4 and 5 only) on the ground that it involves the likely disclosure of exempt information as defined in paragraph 3 respectively of Part 1 of Schedule 12A of the Act, namely information relating to the financial or business affairs of any particular person (including the authority holding that information).

11. General Fund Financial Monitoring - Outturn Position 2021/22

(Pages 129 - 168)

This matter is the responsibility of the Executive Councillor for Corporate Resources, Councillor Benet Allen.

12. Oake Woolaway Housing Refurbishments

(Pages 169 - 182)

This matter is the responsibility of Executive Councillor for Housing, Councillor Francesca Smith.

13. Proposed General Consent and Specific Consents process in response to Direction issued under Section 24 of the Local Government and Public Involvement in Health Act 2007

(Pages 183 - 224)

This matter is the responsibility of the Executive Councillor for Local Government Reorganisation, Councillor Sarah Wakefield.



**ANDREW PRITCHARD
CHIEF EXECUTIVE**

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Members of the public are welcome to attend the meeting and listen to the discussions. There is time set aside at the beginning of most meetings to allow the public to ask questions. Speaking under "Public Question Time" is limited to 3 minutes per person in an overall period of 15 minutes and you can only speak to the Committee once. If there are a group of people attending to speak about a particular item then a representative should be chosen to speak on behalf of the group. These arrangements do not apply to exempt (confidential) items on the agenda where any members of the press or public present will be asked to leave the Committee Room.

If you would like to ask a question or speak at a meeting, you will need to submit your request to a member of the Governance Team in advance of the meeting. You can request to speak at a Council meeting by emailing your full name, the agenda item and your question to the Governance Team using governance@somersetwestandtaunton.gov.uk

Any requests need to be received by 4pm on the day that provides 1 clear working day before the meeting (excluding the day of the meeting itself). For example, if the meeting is due to take place on a Tuesday, requests need to be received by 4pm on the Friday prior to the meeting.

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The meeting rooms, including the Council Chamber at The Deane House, are on the first floor and are fully accessible. Lift access to The John Meikle Room (Council Chamber), is available from the main ground floor entrance at The Deane House. The Council Chamber at West Somerset House is on the ground floor and is fully accessible via a public entrance door. Toilet facilities, with wheelchair access, are available across both locations. An induction loop operates at both The Deane House and West Somerset House to enhance sound for anyone wearing a hearing aid or using a transmitter.

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SWT Executive - 15 June 2022

Present: Councillor Federica Smith-Roberts (Chair)

Councillors Derek Perry, Benet Allen, Chris Booth, Dixie Darch, Caroline Ellis, Mike Rigby, Francesca Smith, Andrew Sully and Sarah Wakefield

Officers: Chris Hall, Marcus Prouse, Clare Rendell, Katherine Church, Jo O'Hara, Kerry Prisco, Sue Tomlinson, Joe Wharton and Jane Windebank

Also Present: Councillors Ian Aldridge, Janet Lloyd, Dave Mansell and Loretta Whetlor

(The meeting commenced at 6.15 pm)

101. **Apologies**

No apologies were received.

102. **Minutes of the previous meeting of the Executive**

(Minutes of the meeting of the Executive held on 16 March 2022 circulated with the agenda)

Resolved that the minutes of the Executive held on 16 March 2022 be confirmed as a correct record.

103. **Declarations of Interest**

Members present at the meeting declared the following personal interests in their capacity as a Councillor or Clerk of a County, Town or Parish Council or any other Local Authority:-

Name	Minute No.	Description of Interest	Reason	Action Taken
Cllr I Aldridge	All Items	Williton	Personal	Spoke
Cllr C Booth	All Items	Wellington and Taunton Charter Trustee	Personal	Spoke and Voted
Cllr D Darch	All Items	SCC	Personal	Spoke and Voted
Cllr C Ellis	All Items	SCC & Taunton Charter Trustee	Personal	Spoke and Voted
Cllr J Lloyd	All Items	Wellington & Sampford Arundel	Personal	Spoke
Cllr D Perry	All Items	SCC & Taunton Charter Trustee	Personal	Spoke and Voted
Cllr M Rigby	All Items	SCC & Bishops	Personal	Spoke and Voted

		Lydeard		
Cllr F Smith	All Items	SCC & Taunton Charter Trustee	Personal	Spoke and Voted
Cllr F Smith-Roberts	All Items	SCC & Taunton Charter Trustee	Personal	Spoke and Voted
Cllr A Sully	All Items	SCC	Personal	Spoke and Voted
Cllr S Wakefield	All Items	SCC	Personal	Spoke and Voted
Cllr L Whetlor	All Items	Watchet	Personal	Spoke and Voted

Councillor Chris Booth further declared a personal interest on Agenda Item 9 as a committee member for Wellington Town Council.

Councillor Sarah Wakefield further declared a personal interest on Agenda Item 9 as a committee member on Wellington CIC.

104. **Public Participation**

Councillor J Lloyd registered to speak on behalf of Wellington Town Council on Agenda Item 9 and would do so when the item was debated.

105. **Executive Forward Plan**

(Copy of the Executive Forward Plan, circulated with the agenda).

Councillors were reminded that if they had an item they wanted to add to the agenda, that they should send their requests to the Governance Team.

Resolved that the Executive Forward Plan be noted.

106. **Ecological Emergency Vision and Action Plan**

During the discussion, the following points were made:-

- Councillors were very supportive of the report.
- Councillors who had been on the Joint Committee gave feedback on how well the shared working had proved.
- Councillors thanked the Portfolio Holder for Climate Change for their work on the report.
- Councillors were keen to transfer the Action Plan over to the New Council.
- Councillors highlighted that they believed the most common contradiction raised was between grass cutting and cultivation of wildlife to encourage pollinators, which they faced in a lot of their case work.
- Councillors agreed that communications were required on the subject of grass cutting and the perception shift between cost savings and cultivating local wildlife.
- Councillors were happy to see that the comments made at Community Scrutiny Committee were added to the report.

Resolved that the Executive were invited to comment on the recommendations that would be put to Full Council:

1.3 The ecological vision and action plan were approved.

1.4 Existing governance arrangements identified in the Somerset West and Taunton/Sedgemoor District Council Joint Climate Change Delivery Partnership were maintained and used as a framework for delivery and monitoring of the action plan.

1.5 Somerset West and Taunton with Sedgemoor District Council lead the creation and delivery of ecological recovery.

1.6 Annual reporting would be undertaken in conjunction with CNCR reporting.

107. **Report of the Task and Finish Group on Council Housing Zero Carbon Retrofit**

During the discussion, the following points were raised:-

- Councillor D Mansell gave some background information on the report as the Chair of the Task and Finish Group. He highlighted that the report addressed several concerns, fuel poverty being one. He praised the cross-party approach to the work and that there had been good involvement from officers.

The Assistant Director for Development and Regeneration advised that he hoped to bring the Draft Strategy to a member briefing by the Autumn.

- Councillors agreed that the Strategy was a necessary piece of work.

Resolved that the Executive:-

2.2 Noted the report of the Task and Finish Group on Council Housing Zero Carbon Retrofit and thank Councillors on the Group for their efforts.

2.3 Requested officers to consider the recommendations in the report, in particular, during the forthcoming development of the Low Carbon Retrofit Strategy and Delivery Plan. Officers would also reflect on the report as they prepared a significant Social Housing Decarbonisation Fund Wave 2 bid to be submitted late summer 2022.

2.4 Requested that the Draft Strategy returned through the Democratic Path (via Community Scrutiny) by January 2023 for Full Council in March 2023.

108. **Access to Information - Exclusion of the Press and Public (Appendices only)**

Resolved that under Section 100A(4) of the Local Government Act 1972 the public be excluded from the next items of business (Agenda Item 9 – Appendix 1 and 4 only, Agenda Item 10 – Appendix 2 and 3 only) on the grounds that it involved the likely disclosure of exempt information as defined in paragraph 3 respectively of Part 1 of Schedule 12A of the Act, namely information relating to the financial or business affairs of any particular person (including the authority holding that information).

109. **Wellington Land Acquisition (The Green Spaces)**

During the discussion, the following points were made:-

- Councillors were happy to support the acquisition report.
- Councillors spoke as representatives from Wellington Town Council (WTC) and highlighted how pleased they were that Somerset West and Taunton Council was purchasing the piece of land, which would provide more allotments for the residents of Wellington. WTC had previously tried to purchase more land and had used some of the Community Infrastructure Levy funding to acquire some fields. The Clerk from WTC had also sent in a letter which had been circulated to the members of the Executive.
- Councillors queried why the land had been fragmented on one of the maps in the agenda pack.
The Heritage Project Manager advised the pieces of land had been split due to the water courses that ran through the area.
- Councillors queried why the ponds had not been included and whether there were any options to purchase them to protect their future use.
The Heritage Project Manager advised that the ponds belonged to Tonedale Mill and if the ownership of the Mill changed, then they could look into the options that might be available.

Resolved that the Executive sought approval for the recommendations set out the Confidential Appendix 1 to go on to Full Council.

110. **North Taunton Woolaway Project - Vacant Possession of Site**

Resolved that the Executive approved the purchase of the private dwellings as set out in Confidential Appendix 2.

(The Meeting ended at 7.05 pm)

SWT Special Executive - 5 July 2022

Present: Councillor Federica Smith-Roberts (Chair)
Councillors Chris Booth, Dixie Darch, Caroline Ellis, Francesca Smith and Sarah Wakefield

Officers: Alison North, Paul Fitzgerald, Amy Tregellas and Clare Rendell

Also Present: Councillors John Hassall and Loretta Whetlor

(The meeting commenced at 4.05 pm)

111. Apologies

Apologies were received from Councillors B Allen, D Perry and A Sully.

112. Declarations of Interest

Members present at the meeting declared the following personal interests in their capacity as a Councillor or Clerk of a County, Town or Parish Council or any other Local Authority:-

Name	Minute No.	Description of Interest	Reason	Action Taken
Cllr C Booth	All Items	Wellington and Taunton Charter Trustee	Personal	Spoke and Voted
Cllr D Darch	All Items	SCC	Personal	Spoke and Voted
Cllr C Ellis	All Items	SCC & Taunton Charter Trustee	Personal	Spoke and Voted
Cllr F Smith	All Items	SCC & Taunton Charter Trustee	Personal	Spoke and Voted
Cllr F Smith-Roberts	All Items	SCC & Taunton Charter Trustee	Personal	Spoke and Voted
Cllr S Wakefield	All Items	SCC	Personal	Spoke and Voted
Cllr L Whetlor	All Items	Watchet	Personal	Spoke

113. Public Participation - To receive only in relation to the business for which the Extraordinary Meeting has been called any questions, statements or petitions from the public in accordance with Council Procedure Rules 14,15 and 16

No members of the public had requested to speak on any item on the agenda.

114. Establishment of an Implementation Board in Somerset for Local Government Reorganisation

During the discussion, the following points were raised:-

- The Leader of the Council advised the Executive that she would be the nominated representative from Somerset West and Taunton Council on the Implementation Board.
- Councillors supported the recommendations.
- Councillors agreed that it was important for all five councils to work together to create the New Council.
- Councillors queried who the other representatives were on the Board.
The Leader of the Council advised who had been nominated by the other councils.

Resolved that the Executive:-

1. Agreed to the establishment of a Local Government Reorganisation Implementation Board together with the other Somerset Councils constituted in accordance with, and having the functions set out in, the terms of reference attached at Appendix 1 ("Terms of Reference").
2. Confirmed the Somerset West and Taunton Council nomination to the Implementation Board.

(The Meeting ended at 4.15 pm)

EXECUTIVE

Executive Meeting	Draft Agenda Items	Lead Officer
17 August 2022	CANCELLED	
venue =		
Exec RD = 5 August		
Informal Exec RD = 5 July		
SMT RD = 22 June		
21 September 2022	GF Financial Performance 2022/23 Q1	Kerry Prisco
venue =	HRA Financial Performance 2022/23 Q1	Kerry Prisco
Exec RD = 9 September	Corporate Performance Report Q1	Malcolm Riches
Informal Exec RD = 9 August	Firepool Design Guidance and Masterplan	Graeme Thompson
SMT RD = 27 July	Proposal to increase Taxi Fares	John Rendell
	NO MORE ITEMS	
19 October 2022	Windfall HRA Phosphate Credits	Chris Brown
venue =	Low Carbon Retrofit Strategy and Action Plan	Chris Brown
Exec RD = 7 October		
Informal Exec RD = 6 September		
SMT RD = 24 August		
16 November 2022	CCTV	Sally Parry/Scott Weetch
venue =	Connecting our Garden Communities	Graeme Thompson
Exec RD = 4 November		
Informal Exec RD = 4 October		
SMT RD = 21 September		
21 December 2022	GF Financial Performance 2022/23 Q2	Kerry Prisco
venue =	HRA Financial Performance 2022/23 Q2	Kerry Prisco
Exec RD = 9 December	Corporate Performance Report Q2	Malcolm Riches
Informal Exec RD = 8 November		
SMT RD = 26 October		
18 January 2023		
venue =		
Exec RD = 6 January		
Informal Exec RD = 6 December		
SMT RD = 23 November		

15 February 2023		
venue =		
Exec RD = 3 February		
Informal Exec RD = 3 January		
SMT RD = 14 December		
15 March 2023	GF Financial Performance 2022/23 Q3	Kerry Prisco
venue =	HRA Financial Performance 2022/23 Q3	Kerry Prisco
Exec RD = 3 March	Corporate Performance Report Q3	Malcolm Riches
Informal Exec RD = 1 February		
SMT RD = 18 January		

Somerset West and Taunton Council

Executive – 20 July 2022

Connecting our Garden Communities – public consultation

This matter is the responsibility of Executive Councillor Mike Rigby (Planning and Transportation)

Report Author: Graeme Thompson, Principal Planning Policy Officer and Sophie Jones, Planning Policy Officer

1 Executive Summary / Purpose of the Report

- 1.1 Connecting our Garden Communities is a plan for ensuring that modern, futureproofed walking and cycling infrastructure accompanies the delivery of key developments across Taunton Garden Town. The plan builds on and complements the existing Taunton Local Walking and Cycling Infrastructure Plan and other related projects being delivered via the Future High Streets Fund.
- 1.2 This report contains links to the draft plan (which forms the main detailed evidence base) and a short-form non-technical summary document (which is more accessible). These are to form the basis of the consultation materials, but an online platform is being used to better enable stakeholders to engage with the proposals spatially and leave targeted comments as well as respond to a survey.
- 1.3 This report recommends approval of the draft plan for public consultation. The final plan, taking account of feedback received during consultation, will return to Executive Committee likely in the autumn and subsequently be presented to Full Council for final approval as a material consideration in the determination of relevant planning applications likely in December 2022.

2 Recommendations

- 2.1 That Executive Committee approve the Connecting our Garden Communities draft plan for public consultation.
- 2.2 That responsibility for any minor textual and visual changes and enhancements prior to publication for consultation are delegated to the Director for Development and Place and Climate Change in consultation with the Portfolio Holder for Planning and Transportation.

3 Risk Assessment

- 3.1 There are risks associated with the Connecting our Garden Communities project. However, many of these risks are more associated with the delivery of the plan and

routes themselves, rather in the decision to approve the draft plan for public consultation.

3.2 The main risks associated with approving the plan for consultation include:

Risk	Explanation and Mitigation
Failure to consult	Whilst consultation is not a statutory requirement for a discretionary plan like this, failure to consult at this stage, and to subsequently move forward with more detailed design work and delivery without involving the public would be irresponsible, unreasonable, and risk significantly greater backlash. Walking and cycling routes need to be delivered in the places people need to go and that they will use. Deliverable project further require at least an element of stakeholder support and ownership, and the most successful schemes are built with communities and other stakeholders playing an active part. This consultation starts this process, which future, more detailed work may develop from. Public consultation further strengthens the case for developer negotiations and funding bids.
Raising expectations / over promising, under-delivering	The plan includes careful wording to ensure it is clear that it sets out our aspirations, and that each route is subject to detailed design (which may necessitate change) and that it is heavily reliant on developer negotiations and securing external funding in order to deliver.
Raising anxiety / concern in affected communities / parties	The plan identifies routes only, with some commentary about constraints and opportunities which hints at what the design solution may need to consider. It contains no specific detailed proposals. There will be parts of routes that are more sensitive to change than others and where controversy may arise as detail develops (e.g. removal of on-street parking may turn out to be necessary in places). Whilst this level of detail is not included in the plan, the identification of routes does have potential to 'set hares running' in certain locations. As such, the plan includes a commitment to work with communities to develop more detailed proposals, particularly where more transformational change may be required.
Public confusion with other more advanced active travel schemes in the town centre	The plan shows how routes that are more advanced / already referred to in the public domain (such as those funded by the Future High Streets Fund and the Wellington to Taunton route) link with and relate to the routes being proposed by this project. It makes it clear that this is about longer-term vision and aspiration and preparing the pool of projects to work towards delivery of next.
Public confusion with the Taunton LCWIP	The plan clearly states that it builds on and complements the LCWIP. It will influence future iterations of the LCWIP.
Risk of being seen to overly focus on Taunton	The plan states that it is directly related to the designation of Taunton as a Garden Town, and the capacity and capital funding related to this. It further justifies the focus on Taunton in terms of the scale of opportunity it provides for carbon reduction and health and wellbeing improvements in

	<p>comparison to other parts of the district. It identifies the aspiration to develop future external linkages to neighbouring settlements. It explains our existing commitments to deliver an LCWIP for Wellington, and within the CNCR Action Plan to further widen work on active travel across the district over time. Furthermore it references that there are wider community aspirations for other routes which are not captured within the plan and that this does not mean these linkages are not important, or that they won't be pursued – we remain open to considering further routes. However, it will be vital that we prioritise route delivery appropriately.</p>
<p>Risk of being seen to overly focus on the Garden Communities over existing communities.</p>	<p>As explained above, this plan is directly related to the designation of Taunton as a Garden Town. This designation is as much the town as a whole as it is about delivering the new communities and knitting them in with the existing. However, the Garden Town capacity funding from which the supporting evidence work has been funded is intended by Homes England for unlocking housing growth and development aspirations in particular, as such this is the primary focus. Furthermore, it is routes to support these new developments which stand greatest chance of being externally funded, and only these routes which we stand a chance of being able to negotiate developer contributions towards. The routes included within the plan do not think of the Garden Community areas in isolation. They bear in mind existing users and communities, which were the key focus of the LCWIP routes, and collectively they will deliver a fairly comprehensive network across the town. Early engagement with ward members and parish councils around the Taunton area was used to identify any local aspirations which the routes could look to respond to in part and where relevant to the Garden Communities. However, there may well be other routes felt to be necessary within and beyond the town, to serve existing communities, but which have no direct relationship with the Garden Communities themselves, in which case these are not picked up.</p>

3.3 The following risks are relevant, but more in relation to final approval of the final plan and delivery of routes.

Risk	Explanation and Mitigation
<p>Not achieving carbon neutrality by 2030 / failure to address climate change</p>	<p>Developing the plan will contribute towards tackling climate change and the transport sector which is the source of most emissions locally. Delivery of new routes against an evidence based plan increases the effectiveness of this action.</p>
<p>Failure to deliver sufficient housing or demonstrate sufficient</p>	<p>The plan identifies infrastructure related to the Garden Community developments around Taunton. All developments generate finite values and therefore have</p>

land supply for housing	finite viability. Over-burdening costs on new development may risk making development unviable and stymie the delivery of housing. The plan essentially sets out a starting point for developer negotiations at the planning application stage. Planning obligations must be necessary to make a development acceptable in planning terms, relevant to the development and fairly related in scale and kind. Planning must balance a wide range of policy requirements and material considerations in order to consider whether development proposals constitute sustainable development. As such, the plan itself does not result in failure to deliver housing / land supply.
Risk of slowing, stalling or pausing of major capital programmes and project delivery	The Firepool development is a key part of the Council's corporate plan (and local planning policy), capital programme and project delivery. As a Garden Community, the plan covers connections associated with the Firepool development which the emerging Masterplan and future planning applications will need to respond to. The same terms referred to in the risk above apply to Firepool as any other development.
Risk of stymying wider Council aspirations in relation to Council assets	The Council owns significant land holdings within Taunton as part of its general fund, housing and open spaces functions. The use of any of this land for delivery of walking and cycling routes could, in theory stymie wider aspirations that the Council may have for those assets (e.g. disposal, regeneration, tree planting etc.). The starting principle for the design of any of the emerging routes will be to accommodate the route in line with the following hierarchy: 1) Highways land; 2) Other SCC or SWT land; 3) Third party land. Following this hierarchy increases the likelihood and ability to deliver routes, potentially reduces costs, and avoids being overly and unnecessarily constrained solely by existing highway widths. The use of any SWT land will of course need to be subject to appropriate discussion and negotiation with the relevant asset holder within the Council so as to understand long term aspirations for that land and ensure that these would not be compromised. Early engagement has taken place with Housing, Assets and Open Spaces teams to raise awareness of the routes.
Failure to allocate and spend Section 106 funds	The plan provides an evidence based approach against which to secure future planning obligations, making it easier to allocate and spend the funds and increasing the transparency of doing so.
Failure to act on low physical activity levels	Developing the plan will contribute towards tackling low levels of physical activity. The focus on enabling key journeys to be undertaken by active means increases the effectiveness of this action, and focusing on schools in particular drives potential for greater long-term health gains.
Failure to deliver modal shift –	Continuation of the business as usual approach to addressing transport needs of new developments drives

congestion, air quality, road capacity improvements – vicious cycle	demand for roads. It is well established that freeing up road capacity encourages people to drive. Developing the plan will contribute pro-actively towards tackling these issues, though needs to be accompanied by wider action (e.g. around behavioural change) to have most impact. Delivery of some routes will likely require the reduction of road/junction capacity in places and as such there may be some shorter-term negative impacts in this regard, to be understood at the detailed design stage for routes. The focus on enabling key journeys to be undertaken by active means increases the effectiveness of this action.
Legal issues could arise in detailed design	The plan includes careful wording to ensure that it is clear that the exact routing of routes may change and the detail of provision is not set, to be determined through detailed design. The plan is at a high enough level to avoid triggering any legal issues at this stage. The plan includes text to clarify that routes will wherever possible look to avoid third party land and utilise SCC/SWT land (and in the main highways land).
Potential for equalities impacts on protected groups	An Equalities Impact Assessment (EqIA) has been undertaken which accompanies this report and which should be read for further information (see Appendix D to this report). There are no equalities impacts associated with the production of the plan itself or approving of the draft plan for public consultation. However, as set out in the EqIA there is potential for delivery and implementation to have negative impacts on protected groups depending on the way the plans are executed and the detailed design of routes. Detailed design is beyond the scope of the plan and this consultation. The EqIA and plan itself include text to state the relevance and importance of route designs taking an inclusive approach, and the value of following the Government’s Local Transport Note (LTN) 1/20 guidance on cycle infrastructure design as a means to ensuring access for all. Further, detailed EqIA’s will need to be undertaken at the project stage as routes progress through the design process.

4 Background and Full details of the Report

4.1 Connecting our Garden Communities is a plan for ensuring that modern, futureproofed walking and cycling infrastructure accompanies the delivery of key developments across Taunton Garden Town. The intention is to ensure that the Garden Communities of Comeytrove, Staplegrove, Monkton Heathfield, Firepool, Nexus25, Nerrols and Ford Farm:

- link in to the strategic routes identified in the Taunton Local Cycling and Walking Infrastructure Plan (LCWIP),
- connect to key services and facilities beyond their site boundaries, and
- ensure routes address associated links which may have been missed by the LCWIP, whilst delivering against strategic green infrastructure opportunities.

- 4.2 The plan includes an evidenced network plan which builds on the LCWIP and shows our ambition for connecting the garden communities across the town. Appendix A to this report identifies the draft network plan which will form the basis of the public consultation. This plan is not intended to show every single piece of existing cycling infrastructure across the town, but to show specific routes which will be important to meeting the needs of the Garden Communities.
- 4.3 The draft Connecting our Garden Communities plan (see Appendix B to this report) provides the written evidence base and explanation behind the routes. This detailed plan is likely of most interest to site developers/promoters and more technical stakeholders.
- 4.4 A short-form non-technical summary plan (see Appendix C to this report) has been produced to distil key information for the general public, making it more accessible.
- 4.5 The plan focuses on Taunton and explicitly the Garden Communities because:
- Taunton has an already reasonably high modal share base for cycling and walking, and due to its size, range of services and facilities and reasonably flat topography, presents the greatest opportunity in the district for shifting modal choice to sustainable, zero carbon active travel.
 - The Garden Town Vision is closely linked with increasing active travel and delivery of associated infrastructure. The Garden Town designation provides access to funding opportunities which are not available in other parts of the district.
 - The CNCR Action Plan includes a number of actions associated with the delivery of active travel routes, with a particular focus on Taunton, which this builds on.
 - The Garden Communities present opportunities to negotiate and secure funding and delivery of routes. Taunton is the greatest focus for development in the district, and ensuring these new communities knit into and integrate with existing communities is key.
- 4.6 The plan responds directly to:
- The Vision for our Garden Town
 - Our declarations of Climate and Ecological Emergencies
 - The Taunton Local Cycling and Walking Infrastructure Plan (LCWIP)
 - The Government's more recent positive policy shift in relation to walking and cycling infrastructure
 - Local community aspirations
- 4.7 The plan builds on and complements the existing Taunton LCWIP. The LCWIP did take account of the locations of the Garden Communities, but was built primarily on data relating to existing/historic movements and travel demand, serving existing and new communities generally. Key connections associated with the Garden Communities were missed. The routes which emerged from the LCWIP are primarily radial, in that they connect from the more peripheral parts of the town into the town centre.
- 4.8 The Council's Climate Emergency Declaration, Corporate Strategy, Somerset Climate Emergency Strategy and the CNCR Action Plan set the authority for developing projects and proposals in line with the actions of the CNCR Action Plan. A significant number of actions within the CNCR Action Plan relate to the delivery of walking and cycling infrastructure, particularly in Taunton, or otherwise enabling the shift to more sustainable and healthy active modes of travel.

- 4.9 The Vision for our Garden Town is closely aligned to our aspirations of working towards carbon neutrality by 2030. This manifests itself in many ways within the Vision, but in particular in relation to the promotion of walking and cycling, removal of barriers to modal shift and the giving over of more street space to these modes in order to achieve this. Beyond climate/carbon factors, the Vision focuses in on active travel as a key part of placemaking with a focus on people, the creation of more attractive and investable environment, and using these as a means to revitalise the town and connect communities.
- 4.10 There are a number of existing adopted planning policies through which the Local Planning Authority may seek contribution towards the improvement of off-site walking and cycling connectivity from developments in Taunton including:
- Taunton Town Centre Area Action Plan policies Tr4 (Travel Plans), Tr6 (Developer Contributions to Transport), Tr10 (Cycle Schemes), Tr11 (Signing).
 - Taunton Deane Core Strategy Policy CP6 (Transport and Accessibility).
 - Taunton Deane Site Allocations and Development Management Plan policies A2 (Travel Planning), A3 (Cycle Network), A5 (Accessibility of Development), D7 (Design Quality), and D9 (A Co-ordinated Approach to Development and Highway Planning).
- The principle of seeking such infrastructure or contributions towards, is therefore already set in policy.
- 4.11 However, when determining relevant planning applications previously, there hasn't always been sufficient evidence available to negotiate or secure delivery of significant off-site routes or otherwise contribution towards via Section 106 Agreements. The publication of the LCWIP helps this position greatly, but it is felt that additional evidence is necessary to give the greatest chances of securing such routes/contributions from planning applications in the future. Connecting our Garden Communities looks to address some of the above elements considered to be missing from the LCWIP where they are relevant to the Garden Communities. This includes circumferential routes, missing radial routes, making finer grain connections to key services and facilities, and hinting at aspirations for future external linkages where associated with / relevant to these developments. This plan will provide an evidence-based pool of projects to act as a starting point for negotiation with developers of the Garden Communities.
- 4.12 Key objectives for the plan are to:
- Develop a network plan identifying key active travel routes linking the Garden Communities into the LCWIP strategic routes and key destinations in order to enable significant modal shift,
 - Ensure infrastructure proposed will provide modern and futureproofed cycle and pedestrian routes,
 - Ensure routes are informed by key community and technical stakeholder engagement to maximise support and chances of delivery, and
 - Provide an evidence base to support developer negotiations, funding bids and further work.
- 4.13 The plan will be used as the starting point for negotiating improved connectivity in relation to the Garden Communities as and when relevant planning applications are received, and in relation to masterplanning activities. To these ends, the emerging network plan is already informing such negotiations, though consultation and approval of the plan will help to give greater weight to this. It will further become an important

resource for use in funding bids and business case development, enabling projects to be moved forward towards delivery as and when opportunities arise.

- 4.14 The routes included in the draft plan have been arrived at through the following process:
- Considering the facilities planned to be delivered within the Garden Communities which residents of the sites will be able to access on-site,
 - Mapping key off-site services and facilities that people living on the developments will reasonably need to access,
 - Grouping destinations and considering any synergies between the destinations for each of the Garden Communities,
 - Considering what facilities within the Garden Communities may be destination facilities for wider existing communities,
 - Auditing potential route options, and
 - Identifying preferred routes where possible.

Early engagement

- 4.15 The plan has already been subject to early informal engagement with selected key stakeholders including Taunton Area Cycling Campaign (TACC), relevant ward members, relevant parish councils, Somerset County Council highways, safety audit, transport policy and public health teams, as well as relevant teams internal to SWT.
- 4.16 TACC have provided significant volunteer support both in undertaking a large number of audits and discussing options, ideas and solutions. Officers would like to take this opportunity to thank them for their support.
- 4.17 In December 2021, officers wrote to relevant ward members and parish councils introducing them to the project and seeking early inputs on the key services that the Garden Communities should be linked to, specific barriers to walking and cycling, and to understand if there were any related community aspirations that this project could consider. Response received helped to inform the direction of the project.
- 4.18 In March 2022, officers invited relevant ward members, parish councils and TACC to a series of stakeholder workshops where attendees were briefed in the context of the project and the emerging objectives. Attendees were asked a series of questions relating to types of destination, specific key destinations to be picked up, route prioritisation. High quality walking and cycling infrastructure was seen by attendees as being essential to meeting the Vision for our Garden Town and our carbon neutrality commitments. Attendees generally supported the idea of re-allocating road space away from vehicular traffic to walking and cycling in the right places, though recognised that this will not always be appropriate.
- 4.19 Attendees of the sessions were asked about the top three types of destinations which need to be linked with the Garden Communities. There was generally fairly good correlation between responses which overall ranked the top 3 connections as being:
1. Schools
 2. Employment
 3. Town centre/station
- 4.20 This was further reflected in responses to how routes should be prioritised:
1. Connect to schools

2. Connect to other essential services
3. Serve existing users as well as the new communities

“Community support” also came out reasonably well also in the sessions with ward members and parish councils, whilst “Transformational” was an important element for TACC in particular.

- 4.21 The process for considering the necessary connections, route options and the emerging routes were explained. A number of comments were made about various barriers to movement, key destinations, opportunities and aspirations. However, attendees of all sessions “mostly” supported the emerging routes at that point. The comments received have informed updated, amended and in some cases additional routes.
- 4.22 In addition to the above engagement with community stakeholders, officers have also engaged extensively with technical stakeholders, particularly Somerset County Council highways, transport policy and safety audit through route scoping workshops and the countywide Active Travel Group with a view to getting broad support for the routes included in the draft plan. The views of these technical stakeholders have informed the routes included and thinking on what may be possible along them. However, the routes will need to be subject to detailed design in time.

Draft plan proposals and future delivery

- 4.23 The draft plan explains the context for the project, the process through which the emerging routes have been arrived at, and the evidence for their inclusion. It sets out an aspiration for the delivery of a network of walking and cycling routes which serve the needs of the Garden Communities.
- 4.24 The draft plan identifies a total of 33 “core” routes, which are reasonably specific in terms of their routes. It also identifies 10 more “aspirational”, Green Infrastructure-led routes which are less specific, more indicative of the places they might look to connect. It places these routes spatially alongside routes which are already further progressed including those associated with the Future High Streets Fund, East Street, and the Killams route being progressed by SCC.
- 4.25 A number of the core routes included within the draft plan have been subject to broad scoping workshops and review by transport consultants Stantec, funded through the Garden Town Capacity Fund. The considerations arising from this scoping have informed the content of the draft plan. Some of the routes are also in the process of being concept planned with a view to informing more pressing negotiations and potential funding bid opportunities.
- 4.26 Going forward, all routes will need to go through concept planning, business case development and detailed design stages ahead of delivery. As routes progress through this design path, it may be that some routes fall away as infeasible once more detailed issues are understood, or need tweaking to overcome such issues. The plan is clear that by identifying the routes, the Council is not bound to deliver any of them, and delivery will be heavily reliant upon successful negotiation with developers, and securing of other external funding. A principal purpose of the plan is to enable negotiation with developers in order to secure developer contributions towards scheme delivery, and to inform business case development and funding bids to secure other external funding sources.
- 4.27 The Government has had a step change in its approach to walking and cycling over the

last few years and committed to significant funding being made available towards delivery of active travel infrastructure. The Department for Transport's new executive agency, Active Travel England has been set up to ensure that this, and wider transport investment, is well spent, and to help raise the standard of cycling and walking infrastructure to align with Local Transport Note (LTN) 1/20 as far as at all possible. Having proposals sufficiently developed and ready to go is essential for making the best of these funding opportunities when they are announced, often with short timescales to submit bids.

- 4.28 The overall network of routes has an aspirational element to it. It sets out the extent of routes which are likely needed to meet our Climate Emergency commitments and Garden Town Vision, both of which realistically necessitate transformational change. However, the overall cost associated with delivering all of the “core” routes only is likely in the region of £124-£150 million. As such, delivery of the plan as a whole is heavily reliant upon external funding and developer negotiations. As such it is likely that the Council will need to prioritise routes for delivery. One point which the public consultation will cover is views on how to prioritise.
- 4.29 An important part of delivery will be ensuring that this work is accommodated into the next iteration of the Taunton LCWIP, and that it fits with and influences future work on any new integrated transport strategy prepared by the new unitary Council. It is important to recognise that this plan does not represent a complete transport strategy for Taunton, but with a specific remit associated with active travel and connecting the Garden Communities. Delivery of active travel infrastructure cannot be considered completely in isolation from a sustainable transport strategy as a whole. Further work will be required to develop a holistic sustainable transport strategy for the Taunton area and how this links with the wider district/county/region. However, engagement with key officers within the SCC transport policy, highways and infrastructure and public health teams and through the county-wide Active Travel Group has been crucial to the development of the plan to date and will continue to be so into delivery. This engagement means that we are in a good position and working to ensure that this plan can directly influence future transport planning in the new Council.

Public consultation

- 4.30 Building on the early engagement which has informed the plan to date, the intention is to now publish the draft plan for public consultation. Consultation will have the following objectives:
- **Inform** – awareness of the project, it's aims, specific proposals, opportunities and constraints etc. is understood by developers, residents, interest groups, businesses and wider stakeholders.
 - **Consult** – views are gathered on the emerging proposals, their impacts and deliverability and the form they should take, and these views are taken into account in the final version of the plan.
 - **Respond** – calls for greater action on walking and cycling in Taunton from TACC and others, are responded to.
 - **Partnership** – encouraging and enabling an element of active participation and co-design with stakeholders through direct inputs and suggestions on routes, constraints, opportunities, potential solutions and alternatives for consideration. The pool of participants is widened to be more representative.

- 4.31 The consultation will be hosted online using the Commonplace platform, which the County Council hold a licence for, available to each of the district councils in Somerset to use. It will include:
- A “heatmap” style tool which enables participants to actively engage with the proposals spatially, adding comments about specific routes/parts of routes or otherwise about potential alternatives/solutions.
 - A survey seeking written responses to specific questions.
 - Key information about the plan and links to the main plan document and summary document.

The County Council previously successfully used the Commonplace “heatmap” function during the height of the pandemic to gather views on where quick interventions could improve the ability for people to socially distance. The levels of engagement through this platform were good and lead to fast and targeted action.

- 4.32 This online consultation will be supported by the usual Council press release and social media posts as well as potentially placing an article in the local press in order to drive wider interest and engagement.
- 4.33 An online session will be organised for town and parish councils to attend building on the early engagement workshops held previously. Officers are actively looking at ways to engage with harder to reach groups, particularly younger people.
- 4.34 Following public consultation, amendments may be made as considered necessary. The final version of the plan will then be reported back to Executive Committee and on to Full Council for formal approval as a material consideration in the determination of planning applications.

5 Links to Corporate Strategy

- 5.1 Connecting our Garden Communities responds directly to objectives 1, 2 and 5 of the “Our Environment and Economy” theme and objectives 6 and 7 of the “Homes and Communities” theme of the Corporate Strategy. The consultation responds directly to objective 5 of the “A Transparent and Customer Focused Council” theme of the Corporate Strategy. By engaging with TACC in the development of the plan to this point, and continuing to do so going forward, we are responding directly to objective 5 of the “Homes and Communities” theme of the Corporate Strategy. If Council assets are required to assist in the delivery of any of the routes, then this would be directly responding to objective 3 of the “An Enterprising Council” theme of the Corporate Strategy.

6 Finance / Resource Implications

- 6.1 The Connecting our Garden Communities plan sets out an aspiration for the delivery of a network of walking and cycling routes. There is no explicit request for funding, or expectation that the routes will be funded by the Council. All consultation activities are already funded / nil cost.
- 6.2 A principal purpose of the plan is to enable negotiation with developers in order to secure developer contributions towards scheme delivery, and to inform funding bids to secure other external funding sources. It is likely that the Council will need to contribute some funding towards the delivery of some routes, including through CIL receipts, capital and revenue budgets. However, such requests will be made on a project by project basis

further down the line.

- 6.3 Finance have reviewed this report which is considered a strategic report. Finance comments will be made for the individual projects as they develop and approval is sought for the associated costs and funding. It should be noted that there are currently two capital projects already approved in relation to active travel:
- CIL funded cycle and pedestrian improvements - The Infrastructure Funding Statement allocated CIL money towards cycle and pedestrian improvements, which may well contribute some towards delivery of certain routes emerging from this project. However, this report does not seek allocation of any of this funding at present.
 - XX169G – Future High Streets Fund active travel improvements – The routes funded by the FHSF project are related to, but not directly part of this project. The routes within this project will complement and add to those being delivered with the FHSF moneys.
- 6.4 Firepool is one of the Garden Communities considered by the plan. As the Council is also developer for this site, and the plan will identify key off-site walking and cycling infrastructure relating to the Firepool development, there will be an indirect financial impact on the Council in this regard, subject to developer negotiations at the planning stage. This process is beginning now, in relation to the emerging Masterplan.
- 6.5 The above points relate as much to the new unitary council as they do to Somerset West and Taunton Council.

7 Legal Implications

- 7.1 There are anticipated to be no legal implications of approving the draft plan for public consultation. The plan includes careful wording to ensure that it is clear that the exact routing of routes may change and the detail of provision is not set, to be determined through detailed design. The plan is at a high enough level to avoid triggering any legal issues at this stage. The plan includes text to clarify that routes will wherever possible look to avoid third party land and utilise SCC/SWT land (and in the main highways land).

8 Climate, Ecology and Sustainability Implications

- 8.1 Transport is the dominant source of carbon emissions in Somerset, making up 46% of carbon dioxide emissions in 2018, compared with just 28% as the UK average. For Somerset West and Taunton the figure is higher still at 51%. This is indicative of the rural nature and low density population of the area and the lack of realistic alternatives to the personal motorised vehicle in many cases, as well as the fact that the M5 motorway runs through the district. Replacing vehicular journeys with active travel modes (walking and cycling) is identified as central to the success of reducing emissions from transport. Taunton represents the greatest opportunity in the district (and county) for securing higher levels of walking and cycling, and new developments are a key catalyst and opportunity for moving forward delivery of the necessary infrastructure. This plan is intended to lead to modal shift of movements from/to the Garden Communities to more sustainable and zero emission, active travel modes. Delivery of the routes will also enable improved modal shift for existing communities.
- 8.2 The delivery of routes will, wherever possible look to retain existing vegetation, particularly where there is an important ecological benefit to doing so. However, there

may be places along the routes where a balance needs to be found between delivering high quality, compliant infrastructure and retention of existing vegetation. Climate change poses a significant risk to our ecology, and the delivery of walking and cycling routes can help to mitigate this risk. However, the loss of biodiversity is also of significant concern and the right balance needs to be struck. A holistic view will be taken in developing more detailed proposals for route delivery, with a view to creating opportunities to enhance the green infrastructure along the route corridors. Wherever possible, route designs will look to make use of and enhance/improve existing infrastructure, improving the sustainability of proposals in terms of resource use. However, in some cases, new infrastructure will be necessary/more appropriate. Water management will need to be considered in detailed design. However, all of the above relates to project delivery and not the approval of the plan for public consultation.

- 8.3 The public consultation is being hosted online, as such this saves physical resources such as paper used for copies of the document or consultation materials. Otherwise, there are no direct climate, ecological or sustainability implications of approving the plan for consultation.

9 Safeguarding and/or Community Safety Implications

- 9.1 A key objective of the project is to work towards the delivery of modern and futureproofed infrastructure, which would be usable by all. The routes have directly considered the need to accommodate the safe movement of children to schools, and the need to ensure routes are safe, attractive, overlooked and with a reduced fear of crime. Further consideration will be needed as routes progress through concept and detailed design.

10 Equality and Diversity Implications

- 10.1 An Equalities Impact Assessment has been undertaken – this is included at Appendix D. Officers within the Council with an overview of the Equalities function, who have experience of identifying impacts on those with protected characteristics have been consulted for this initial identification of potential impacts. Overall the plan is anticipated to have a positive impact across all protected groups as there are no equalities impacts associated with the production of the plan itself or approving of the draft plan for public consultation. However, as set out in the EqlA there is potential for delivery and implementation to have negative impacts on protected groups depending on the way the plans are executed and the detailed design of routes. Detailed design is beyond the scope of the plan and this consultation. The EqlA and plan itself include text to state the relevance and importance of route designs taking an inclusive approach, and the value of following the Government's Local Transport Note (LTN) 1/20 guidance on cycle infrastructure design as a means to ensuring access for all. Further, detailed EqlA's will need to be undertaken at the project stage as routes progress through the design process.

11 Social Value Implications

- 11.1 The delivery of walking and cycling routes can bring added social value to the town through the contribution to placemaking and the power this has to create environments that people are proud of, want to spend time and invest in. Furthermore, there are significant health benefits of walking and cycling that delivery of the right infrastructure in the right places can help to realise.

12 Partnership Implications

- 12.1 Whilst this project is being led by SWT, it relates to transport policy and highways which are functions of Somerset County Council. As such officers from these departments have been closely involved in the plan's development. Continued close partnership working will be necessary in relation to consideration of planning applications, funding bids and transport planning for the town.
- 12.2 The project has benefited greatly from close, transparent and trusted working with TACC. The delivery of any routes included within the plan will require ownership and drive from the community and the continuation of this positive relationship is key to this.

13 Health and Wellbeing Implications

- 13.1 Health and wellbeing are central to this plan. The routes directly consider this in their connection to the places people need to go for essential services and facilities. The prioritisation of routes connecting to schools is key. Enabling children to develop a habit of walking and cycling to school can set them up for more active lifestyles for the rest of their lives.
- 13.2 Some of the routes quite deliberately link to or through some of the most deprived wards in the district. This ensures that the routes not only benefit the new Garden Communities, but also enable these existing communities to access the opportunities that these linkages and the Garden Communities themselves provide.

14 Asset Management Implications

- 14.1 This report makes no recommendations or requirements in relation to specific SWT assets. At this stage, the consultation document discusses routes in general, rather than the specifics of route design and land holdings required.
- 14.2 The Council owns significant land holdings within Taunton as part of its general fund, housing and open spaces functions. The use of any of this land for delivery of walking and cycling routes could, in theory stymie wider aspirations that the Council may have for those assets (e.g. disposal, regeneration, tree planting etc.). The starting principle for the design of any of the emerging routes will be to accommodate the route in line with the following hierarchy: 1) Highways land; 2) Other SCC or SWT land; 3) Third party land. Following this hierarchy increases the likelihood and ability to deliver routes, potentially reduces costs, and avoids being overly and unnecessarily constrained solely by existing highway widths. The use of any SWT land will of course need to be subject to appropriate discussion and negotiation with the relevant asset holder within the Council so as to understand long term aspirations for that land and ensure that these would not be compromised. Early engagement has taken place with Housing, Assets and Open Spaces teams to raise awareness of the routes.

15 Data Protection Implications

- 15.1 A Data Protection Impact Assessment has been undertaken in relation to the consultation exercise. Officers with an overview of data protection have been consulted as part of this. The assessment highlights a number of measures to be taken forward as part of the consultation to ensure compliance with GDPR and reduce risks. An associated Privacy Notice will be published as part of consultation hub.

16 Consultation Implications

16.1 See above sections 4.14-4.21 and 4.26-4.29.

Democratic Path:

- Executive – Yes (20th July 2022)

Reporting Frequency: Once only

List of Appendices

Appendix A	Draft network plan
Appendix B	Connecting our Garden Communities (main draft plan and associated appendices A and B)
Appendix C	Short Non-Technical Summary Document
Appendix D	Equalities Impact Assessment

To view the appendices, please click [here](#)

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Somerset West and Taunton Council

Executive – 20 July 2022

Information Management Policies

This matter is the responsibility of Executive Councillor Benet Allen

Report Author: Lauren Davis – Information and Records Manager

1 Executive Summary / Purpose of the Report

1.1 **The Information and Records Management Policy** sets out our rules and guidance on how we must hold, handle and store our corporate data, in both digital and paper formats. It covers such things as the importance of records management, roles and responsibilities of Information Management/ICT and Staff, the functional structure of our Corporate FilePlan (our Electronic Documents and Records Management System, EDRMS), classification of personal data, our Retention and Disposal schedule and the legal framework that we all must adhere to. It is aimed at Internal Staff.

1.2 **The Digital Information Policy** sets out all of our applications within MS365 (Microsoft 365) that can store data and the rules we have in place against each, e.g., use, permission, access, storage.

Microsoft 365 has replaced Office 2013 as the corporate platform to conduct daily administrative tasks and actions. MS365 provides a modern cloud-based platform which includes the tools and technologies required to carry out council business in digital format. Cloud storage provides very secure storage, resilient disaster recovery and is accessible from anywhere.

This policy was originally going to be a MS365 specific, to include such applications as OneDrive, SharePoint, Teams, Outlook, OneNote, however it was refined to include other applications that sit outside of the MS365 platform such as Zoom. It is aimed at internal Staff.

1.3 **The Digital Information and Records Management Policy for Councillors** is an amalgamation of the previous two policies (sections 1.1 and 1.2) but has been tailored to be specifically relevant to Councillors. It is aimed only at our Councillors.

2 Recommendations

2.1 To sign off all three Information Management Policies (Information and Records Management Policy, Digital Information Policy and Digital Information and Records

Management Policy for Councillors) and champion their adherence, to ensure we are compliant as a local authority under the rules of Records Management and GDPR (General Data Protection Regulations), in relation to how we hold, handle, and store our Corporate Data.

3 Risk Assessment (if appropriate)

- 3.1 There is a risk of non-compliance under the rules of Records Management and GDPR. These policies cover the legal framework and business agreed rules of which we must adhere to.

An additional risk if the information set out within these three policies is not easily available would be data breaches, however this risk is reduced with their implementation.

4 Background and Full details of the Report

- 4.1 These reports detail three new policies going forward for sign off through the July Executive meeting cycle.

1. Information and Records Management Policy
2. Digital Information Policy
3. Digital Information and Records Management Policy for Councillors

These policies are the culmination of the past 4 years' work under Information Management, of which has entirely changed the way we manage our corporate records. The Digital Transformation Programme/Information Management Project was awarded by the iESE Public Sector Awards in 2021 with a Certificate of Excellence.

Somerset West and Taunton Council are now recognised as an exemplar in Information Management and have received lots of interest from other organisations to demonstrate our journey and what we have achieved.

The authors of these policies are Lauren Davis, Information and Records Manager at Somerset West and Taunton Council, and Michele Noad, External Records Management expert and they are fundamental in our compliance as a local authority under the rules of Records Management/GDPR in managing our digital and paper records lawfully.

Somerset West and Taunton Council could be at risk with the ICO (Information Commissioners Office) and potentially fined if we were found to be in breach of compliance.

5 Links to Corporate Strategy

- 5.1 Internal Operations Strategic Priorities.

Digital – make it easier for our customer to engage with us and access the information

they need, through the introduction and promotion of new technology and a wide choice of access options.

Modernisation – improve customer satisfaction through stronger processes, clear responsibility, and ownership.

These reports links to both the Digital and Modernisation priorities, we have improved our internal and external customers digital experience by holding our corporate data lawfully and modernised our document management system of which holds that data.

Our policies set out, in detail, all the rules for managing our corporate data and everyone's responsibilities in that task.

6 Finance / Resource Implications for Somerset Council in future years

Please also identify /summarise ongoing financial / resource implications on the unitary council from the recommendations in this report e.g. impacts on future budgets, costs, income, or reserves, or significant asset related changes such as asset disposals. Contact your finance business partner for advice if required.

6.1 No current financial or resource implications.

6.2 There is potential under the Somerset Council to reduce the number of paper stores currently used by Somerset West and Taunton Council. This could result in asset changes, however the work here is just beginning and we do not have any detail yet.

7 Legal Implications

7.1 These policies set out how our corporate data must be held, handled, and stored and there would be legal implications if these rules were not adhered to and resulted in a data breach.

8 Data Protection Implications

8.1 These policies clearly state how all personal data must be handled and stored. There would be a risk of non-compliance/data breaches if these polices are not implemented and adhered to.

Democratic Path:

- **Scrutiny / Audit and Governance Committee – No**
- **Executive – Yes (20/07/2022)**
- **Full Council – No**

Reporting Frequency: Once only

List of Appendices (background papers to the report)

Appendix A	Information and Records Management Policy
Appendix B	Digital Information Policy
Appendix C	Digital Information and Records Management Policy for Councillors

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Somerset West and Taunton

Information and Records Management Policy

Authors Lauren Finnimore and Michele Noad	
Draft	24 August 2021
Published	
Review Date	

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1. Introduction

This policy provides Somerset West and Taunton Council with a framework for managing records and information. Records and information are currently created in both digital and physical format and they should be managed extremely carefully. Records are assets which belong to the council to provide transparency, accountability, business insights and improved service delivery. This policy will help us all to manage our records and information efficiently, compliantly, and effectively.

1.1 Policy Statement:

Records and information are very important assets which belong to Somerset West and Taunton Council, not individuals.

2. What are the aims of this Policy?

This policy is designed to clearly communicate the importance, responsibilities, and obligations to Somerset West and Taunton Council employees for excellent records management. Currently records are created and managed in a hybrid format (both digital and physical). This policy will also provide a clear direction for digital records being recognised as the official record. The public have an increasing expectancy to be communicated with online. Therefore, this policy will communicate the shift from paper records to digital creation.

2.1 Policy Statement:

The official record recognised by Somerset West and Taunton Council will be in digital format in most cases. There will be a need to maintain a small number of records in physical format.

3. What is Records Management?

Records Management is also sometimes referred to as Information Management. The ISO 15489-1:2016 defines records as

“Records as "information created, received, and maintained as evidence and as an asset by an organisation or person, in pursuit of legal obligations or in the transaction of business".

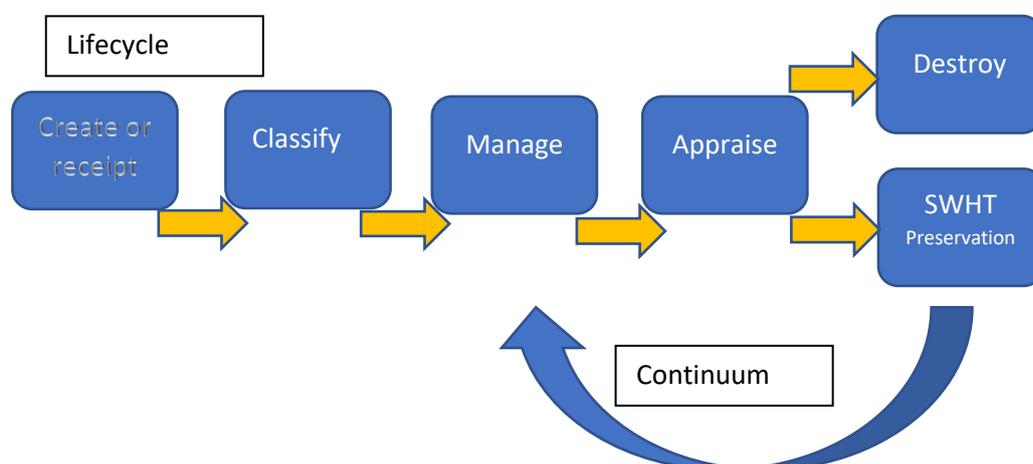
The Records and Information we create should be:

- Authentic
- Complete
- Reliable
- Accurate
- Timely

There are 2 models for managing records and it is essential that we manage our records carefully as they are as important as employees and financial assets. We rely on them for transparency, accountability, service delivery and compliance.

3.1 Lifecycle Model

The lifecycle model consists of 5 stages: creation or receipt, classify, use and management, appraisal, disposition, or digital preservation.



3.2 Continuum Model

The Continuum Model intrinsically links digital preservation with the current records we manage within the council. This approach accepts that records that may have been archived could, essentially become active again if required for evidence or transactional purposes.

Somerset West and Taunton Council has an established relationship with the South West Heritage Trust (SWHT), so this model is the most effective in managing active and archived records together for evidence and transparency. This council has a public duty to transfer approximately 5% of its records for permanent preservation to the SWHT under The Public Records Act 1958

3.3 Policy Statement:

Records must be reliable. Somerset West and Taunton Council will use the Continuum Model for managing records to provide business continuity to the organisation. Everyone must create and manage their records to the standard set out within this Policy.

4. Why is Records Management so important?

4.1 Corporate

The council is dependent on the records and information we create to deliver effective and efficient services. We need to manage our records efficiently and cost effectively to ensure that legal, operational and information requirements are met. Failure to manage our information and records properly is a significant risk as we are publicly accountable and need to demonstrate transparency to ensure that we comply with the public accessibility legislation.

Information and records provide our cultural and archival heritage for the community we serve, corporate memory. They also provide evidence of our transactions and decisions. They are a vital asset which are required for daily operations, including compliance with legal and regulatory requirements. They support:

- Strategy and policy formulation
- Decision-making
- Protect the interests of the council as a corporate body
- Protect the rights of employees, the public and service providers
- Help the council to deliver services in accountable, consistent, and equitable ways
- Help the council to make good use of precedents and organisational experience
- Support consistency, creativity, efficiency, and productivity
- Professional accreditations

4.2 Policy Statement:

Records Management must be recognised an essential function by everyone who works for and with Somerset West and Taunton Council.

4.3 Compliance with the law

Somerset West and Taunton Council is a public authority and is subject to public accessibility legislation.

In addition to this, Somerset West and Taunton Council must comply with lots of other legislation, regulations and best practice known as 'the wider legal framework'. Some of these will be very specific to services, such as Financial Regulations. However, some of the Wider Legal Framework affects everyone and we should all be aware of them. They are as follows:

Public Accessibility Legislation

- Freedom of Information Act 2000
- The Data Protection Act 2018
- Environmental Information Regulations 2004
- UK General Data Protection Regulations (GDPR)

Wider Legal Framework and Best Practice

- The Public Records Act 1958 & 1967
- The Human Rights Act 1990
- Copyright, Designs and Patents Act 1998
- Communications Act 2003
- Lord Chancellor's Code of Practice on the Management of Records under Section 46 (part 1 section 7), the Freedom of Information Act 2000
- Cabinet Office Security Policy Framework
- Government Security Classifications Policy (GSCP)
- ISO:15489

4.4 Policy Statement:

Somerset West and Taunton Council is compliant with the Wider Legal Framework, Public Accessibility Legislation and is an exemplar of excellent Records Management practice and processes. The Information Management Team will run regular reports to monitor and action non-compliance.

5. Somerset West and Taunton Council Records and Information Management Principles

These principles are agreed by Information Management. They support the shift from paper records management to digital by default.

5.1 The Key Records Management Principles:

1. **Records Management will be easy.** There will be 7 clear repositories for employees to store their records and information.
 - a. **My Information** (information relating to your employment for example such as personal development plans, one to one notes, courses attended etc.)
 - b. **Team Information** (for organisational team information such as team minutes, rotas, Team Learning etc.)
 - c. **Business** (full EDRMS – Electronic Document and Records Management System, based on the Corporate File Plan) **for all core business information**
 - d. **Project** (for approved project or programme work with a defined business outcomes and benefits)
 - e. **Large Data Storage Area** (for large data files such as GIS or AutoCAD). Transition Drive.
 - f. **Line of Business Systems** (systems specific to service areas or departments)
 - g. **Records Stores** (for physical records)
2. **Records Management will be modernised by creating and receiving in a digital format, wherever possible.** This will be achieved by transforming the current culture (creating records in both digital and paper) as part of a Records Management Transformation Programme. Post will be received and sent in digital format.
3. **Information should be open (read only) to the organisation** unless there are business or legislative reasons why it should not be. (For example, personal, special category data or business confidentiality). This ensures that that the value of data is exploited, personal data is safeguarded and compliance to public accessibility legislation requests are met.
4. **Information created, received, and held within Somerset West and Taunton Council belongs to the Council.** It is a corporate asset, as important as people,

money, and property. It is imperative to communicate this principle to all employees through a project communication plan. Data does not belong to individuals and this Council is required to provide transparency and accountability to the public it serves.

5. **Security, access to information and permissions will to be clear and simple.** Permissions will be controlled by ICT through Active Directory via functional groups. The starter/leaver/changes process and HR system are **an intrinsic prerequisite** to this principle.
6. **Less is more.** Continuous Identification and removal of duplicated, obsolete and data past its retention will ensure that data integrity will remain consistent and provides a resilient foundation for decision making and transparency.
7. **Clear, simple, innovative communication** is imperative to ensure that employees understand this policy and their responsibilities. This is outlined in our strategy.
8. **Data held within the line of business systems will be included within the Retention and Disposal Schedule.** Structured data classified in bespoke systems is subject to DPA, FOI, EIR and the wider legal framework in the same way that unstructured data is drives is.

5.2 Policy Statement:

Somerset West and Taunton Council employees, suppliers, and partners should know, understand, and abide with the Records Management Principles

6. Your Roles and Responsibilities

Somerset West and Taunton Council has a corporate responsibility for ensuring that records and information are managed effectively and the systems that we use are properly maintained and managed. Although we are ALL responsible for managing our records in accordance with this policy, there are certain roles specific to different individuals and groups. They are as follows:

6.1 Information Management Team

- Management of the Records Management Function
- Custodian and creator of all Information Governance policies, procedures, and best practice
- Ensuring that the policy framework is kept up to date and relevant
- Monitoring records management practice within the council
- Communication and training
- Subject matter expertise
- Implementation of 'Paper to Digital' Strategic Direction
- Custodian of Corporate File Plan and Information Asset Registers
- Assisting with compliance audits, both internally and externally
- Ensuring retention and disposal rules are carried out

- DPIA (Data Protection Impact Assessments)
- Data Sharing Agreements
- Ensuring the development and procurement of ICT systems includes the consideration of records management requirements

6.2 ICT

- Custodian of and creator of all ICT Information Policies
- Management and security of all systems
- Back up and disaster recovery for all records and information held within council systems
- Systems Integration

6.3 Employees

- Store information in the correct locations
- Add PII classification to every document
- Manual deletion where applicable
- Regularly liaise with Information Management Team to dispose of physical records on an annual basis

6.4 Policy Statement:

Everyone within the council has a responsibility to create, manage, destroy, or keep records in accordance with this policy and the law. This will be included in staff inductions.

7. Retention and Disposal Schedule

A Records Retention and Disposal schedule is a policy that defines how we manage our physical and digital records and information. It provides us with clear guidance on how long we should keep it and when we should delete or dispose of it. This is a living document, and it will be consistently changed to reflect changes in legislation and business requirements. The Corporate FilePlan built in SharePoint Online displays the visual script of the retention and disposal schedule at transaction level.

7.1 Why is it important?

Somerset West and Taunton Council is a public authority. This means that we are subject to public accessibility legislation. The Freedom of Information Act 2000, The Data Protection Act 2018 and Environmental Information Regulations 2004. This provides the public with the right to access some records and information that we create (unless exemptions apply).

In addition to this, the General Data Protection Regulations, which updated the Data Protection Act 2018 brought new requirements as follows:

- It states that 'personal information must not be kept for longer than necessary'.
- A lawful basis for processing must be applied to all personal information we process.

- We are monitored by the Information Commissioners Office who could issue us with enforcement notices or fines of up to £17 million or 4% of our annual turnover if we are not compliant.
- We are ALL now responsible for processing personal data.

7.2 Policy Statement:

Everyone within the council must support the development of the new Retention and Disposal Schedule to meet legislative requirements and business needs.

All records either digital, physical or email will be subject to the Retention and Disposal Schedule.

8. What is Personal Identifiable Information (PII)?

There are 2 classifications for personal identifiable information. These are personal and special category data. We are required to identify personal data and apply the lawful basis for processing it. This is included within the updated Retention and Disposal Policy. It will also be a mandatory field that you will need to complete in a corporate records management system.

8.1 Personal

This is specific information that relates to an identified or identifiable individual. What identifies an individual could be as simple as:

- a name
- a phone number
- an identification number, for example your National Insurance or passport number
- your location data, for example your home address or mobile phone GPS data
- an online identifier, for example your IP or email address

8.2 Special Category Data

Special category data used to be referred to as personal sensitive. This is information, which if not used appropriately, could cause personal distress or harm. You must manage this information with extra care. The type of records which are classed as special category data are as follows:

- personal data revealing racial or ethnic origin
- personal data revealing political opinions
- personal data revealing religious or philosophical beliefs
- personal data revealing trade union membership
- genetic data
- biometric data (where used for identification purposes)
- data concerning health
- data concerning a person's sex life; and
- data concerning a person's sexual orientation.

8.3 Policy Statement:

Everyone within the council has a responsibility for processing personal or special category data. It is a manager's responsibility to ensure that their employees attend E-Learning training on public accessibility legislation. Everyone should be aware of their responsibilities when processing personal data.

9. Records Classification and File Plan

Classification (categorisation) of information is exceptionally important as it supports finding, processing, using, analysing, and preserving information quickly and easily. Finding information is extremely important for compliance with access to information requests.

9.1 The Local Government Functional Classification Scheme

The Local Government Functional Classification Scheme (LGFCS) provides a nationally approved framework which can be used to create a new functional corporate file plan. This model provides integrity and resilience for any council as it stands the test of organisational change. It provides a strong foundation and information architecture and is based on the functions, activities, and transactions we all conduct for the purposes of our daily work.

9.2 The Benefits of a Functional Classification

Somerset West and Taunton Council is continuously evolving and re-organising to align our services to increased public demand. However, the functions we deliver do not change very much. Most importantly, functions make sense to the public. Councils consist of many different functions, rather like different businesses operating within one organisation. So, for example, Information Governance is a completely different function (business area) to Procurement. It is very important to deliver a functional classification as opposed to an organisational one. The rationale is as follows:

- The functions of a council are easier for the public to understand
- The LGFCS provides a nationally approved framework as a basis for a file plan
- The functions of a council do not change often but the organisational structure is consistently changing
- The legislation matches the classification perfectly and provides the foundation for Information Asset Registers and the updated Retention and Disposal Schedule
- It can provide the basis for simplified permissions and access models for the council's corporate information assets

9.3 The Somerset West and Taunton Council File Plan

This policy advocates a new comprehensive file plan and structure for managing and organising your records, information, and emails. The new File Plan based on functional classification is embedded in the new EDRMS SharePoint.

The file plan is embedded with automated Retention and Disposal rules to simplify records management for everyone. It will also help you to organise both physical and digital records once they have been created. This file plan will support everyone within the organisation in managing record disposition. This is determined in The Lord Chancellor's Code of Practice on the Management of Records, S46 (12) of the Freedom of Information Act 2000.

9.4 Policy Statement:

Somerset West and Taunton have adopted a functional file plan based on the LGFCS (Local Government Functional Classification Scheme) framework.

10. What is Security Classification?

Security classification is a methodology which groups information and systems. Records and information are grouped so that the same controls around the protection and handling of the information assets can be applied to items with the same classification.

Most typically security classifications relate to the impact of a loss of confidential information.

10.1 The Government Security Classifications Policy (GSCP)

The Government Security Classifications Policy (GSCP) is a system for classifying sensitive government data in the United Kingdom. Historically, the Government Protective Marking Scheme was used by government bodies in the UK; it divides data into the following groups:

- **UNCLASSIFIED**
- **PROTECT**
- **RESTRICTED**
- **CONFIDENTIAL**
- **SECRET**
- **TOP SECRET**

The GSCP was implemented in 2014 and describes how HM Government classifies information assets to ensure they are appropriately protected. It applies to all information that government collects, stores, processes, generates, or shares to deliver services and conduct business.

10.2 Somerset West and Taunton Council Security Classification Policy

Local Government tends to utilise 3 classifications for security. This also intrinsically links the processing of personal data with these security classifications. They are as follows:

- **NO - (no personal data)**
- **YES - (commercially sensitive or personal data)**
- **SPECIAL CATEGORY – (special category data)**

10.3 Systems Security Classification

Most line of business systems will have security classification embedded. The new Corporate Records Management System will have the ability to tag records and documents with the security classification and/or personal data.

10.4 Policy Statement

Somerset West and Taunton Council will adopt the following security classification policy:

- **NO - (no personal data)**
- **YES - (commercially sensitive or personal data)**
- **SPECIAL CATEGORY – (special category data)**

Security classifications will be added in the future.

11. Naming our Records

Naming conventions are a standard set of rules which must be applied to our records, files, and folders. A consistent approach improves search and information integrity. Standard naming conventions must be used in the new SharePoint File Plan. The naming conventions are as follows:

- Start the document with a 6-digit date in reverse order. This ensures that records are stored in date order. YYMMDD e.g., 210116
- Ensure your document is named in a descriptive and clearly identifiable way e.g., Digital Service Annual Report
- Consistent for all employees
- Abbreviations, symbols, or acronyms should not be used as they are meaningless to others

11.1 Policy Statement:

Somerset West and Taunton Council will use a consistent naming convention for all records in both physical and digital format. The naming convention also applies to email storage within systems.

12. Information Asset Registers (IARs)

Somerset West and Taunton Council holds Information Asset Register for all records and information created and managed in the organisation. It includes the location of assets, retention periods, information asset owners, security, and location.

12.1 Policy Statement:

Information Asset Registers and Information Asset Owners must be updated on an annual basis. The Information Governance Unit are custodians of all Information Asset Registers.

13. Data Protection Impact Assessments (DPIA)

DPIA's are required by the council to minimise data protection risks of a project or procurement. They are essential for new technology that we procure or implement as we need to assess what data will be processed. It is essential that we assess the following:

- Identification and assessment of risks to individuals
- Measures to mitigate risk of data breach
- Purposes for processing the data
- Compliance measures

The Information Governance Unit can provide guidance and support for creating DPIA.

13.1 Policy Statement:

Data Protection Impact Assessments must be completed for all major projects and new technology implementations.

14. Data Sharing Agreements

Somerset West and Taunton Council is reliant on working with partners to deliver shared services to the public we serve. We must complete Data Sharing Agreements with our partnerships to share data for the benefit of our customers. Somerset West and Taunton Councils Data Sharing Agreements are completed by the Information Management Team and ICT. The Data Sharing Agreements include the following information:

- The partnership roles and responsibilities
- The purpose of the data sharing
- The data sharing process and ownership
- Standards

14.1 Policy Statement:

Data Sharing Agreement MUST be completed for sharing any data/records/information with any external body. The Information Management Team are the custodians of Data Sharing Agreements.

15. Paper Records

Paper records are stored in a variety of locations across the Council. This policy's aim is to rationalise and classify the paper estate. Retention and disposal need to be applied on an annual basis to all paper records. A new central index will be available to all employees via SharePoint Online. It is everyone's responsibility to ensure that their physical records are managed and disposed of in accordance with the legislative compliance.

15.1 Policy Statement:

It is everyone's responsibility to ensure that their physical records are managed and disposed of in accordance with the legislative compliance.

16. Access and Permissions

This policy advocates an open culture in access to information and records, whether appropriate. Accessibility to our core records supports business continuity and effective collaboration. However, there are groups of data and records which will need to be restricted. Restricted access applies to both digital and physical records. The categories which can be **open, read only to everyone**, are as follows:

- records which do not contain personal or special category information
- records which do not contain commercially sensitive information

All other records will be controlled by Information Management and ICT through a simplified permissions model or physical storage with the appropriate access security.

16.1 Policy Statement:

Records need to be accessible for business continuity and collaboration, unless they contain information which needs to be restricted. Appropriate security controls are applied to both physical and digital records.

17. Email Records Management

Emails are core corporate records and should be managed in the same way as all other records within the council. Emails, in many cases, have replaced former physical letters and they should be stored alongside all other records. Storage in individuals Outlook folders is a risk to the organisation as they are inaccessible and could contain vital information for business decisions or continuity. They may also contain personal data, which if not managed compliantly, could contravene the DPA 2018 (Information must not be held unfairly, unlawfully, or excessively).

Emails will be managed through policy as follows, from 17th September 2021:

- Inbox – 1 Year
- Drafts – 1 Year
- Deleted – 1 Year
- Sent – 1 Year
- Calendar – 1 Year
- Tasks – None
- Shared Mailboxes – None
- PST Files/U Drive Archives – 6 months from Sep 2021, Deleted March 2022

The 1-year retention on mailboxes will be reviewed down the line, with a view to reduce this to 6 months. This is the standard for emails.

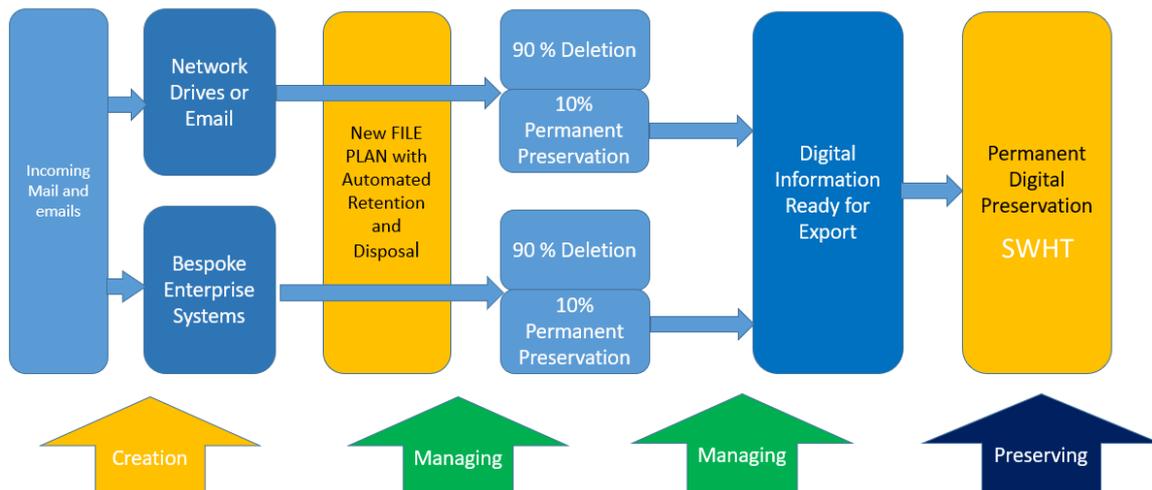
17.1 Policy Statement:

Emails are core records and must be managed compliantly and stored in core systems and not outlook folders. Retention and Disposal Rules apply to emails.

- **Inbox – 1 Year**
- **Drafts – 1 Year**
- **Deleted – 1 Year**
- **Sent – 1 Year**
- **Calendar – 1 Year**
- **Tasks – None**
- **Shared Mailboxes – None**
- **PST Files/U Drive Archives – 6 months from Sep 2021, Deleted March 2022**

18. Digital Preservation

Every public body is required to transfer approximately 5% of records to their local records centre. This is legal requirement under the Public Records Act. The South West Heritage Trust (SWHT) preserves social and corporate memory for historical and archival purposes. All records assigned for permanent preservation must be transferable in all formats. This policy mandates the transfer of digital and physical records.



Overtyping with SWHT (image above)

18.1 Policy Statement:

Somerset West and Taunton Council will comply with the Public Records Act and transfer records identified for permanent preservation. This will apply to records in all formats, both digital and physical.

19. Legislation and Best Practice

Legislation we must comply with:

- [The Data Protection Act 2018](#)
- [The Freedom of Information Act 2000](#)
- [Environmental Information Regulations 2004](#)
- [UK General Data Protection Regulations \(GDPR\)](#)
- [The Public Records Act 1958 & 1967](#)
- [The Disposal of Documents Order \(No.167\) 1925](#)

Best Practice Guidance to support this policy:

- [Lord Chancellor's Code of Practice on the Management of Records under Section 46 \(part 1 section 7\), the Freedom of Information Act 2000](#)
- ISO15489 (International standard for the management of records)
- [IRMS \(Information and Records Management Society\)](#)
- [TNA \(The National Archives\)](#)

Approval	Name	Date
Director of Internal Operations	Alison North	26.05.22
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Senior Management Team	CEO/Directors	01.06.22
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Somerset West and Taunton

Digital Information Policy

Author	Michele Noad/Lauren Davis
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1. Introduction

This policy provides Somerset West and Taunton employees with a framework for using Microsoft 365 (MS365) document repositories and associated applications. A separate policy is provided for Members.

2. What are the aims of this Policy?

The aim of this policy is to clearly communicate the importance, responsibilities, and obligations to Somerset West and Taunton employees for managing and creating information within the MS365 environment and associated applications. This policy provides clear direction for the corporate use of the current MS365 repositories and applications within the current licence offering.

It is important to note that Microsoft 365 is recognised as an 'evergreen' solution which means that it is consistently evolving. New applications and processes are implemented by Microsoft on a very regular basis. Therefore, this policy is a living document and will be reviewed and updated on a 6-monthly basis. This policy also includes policy statements which can be viewed as a separate document.

3. What is MS365?

Microsoft 365 licences have replaced Office 2013 as a corporate application for every employee to conduct daily administrative tasks and actions. Somerset West and Taunton have purchased MS365 licences for everyone who has access to a laptop or digital device. These licences provide a modern cloud-based platform which include the tools and technologies required to carry out council business in digital format. Cloud storage provides very secure storage, resilient disaster recovery and most importantly, it is accessible from anywhere. This supports the modern, flexible workforce ethos adopted within the council's strategic aims.

4. Information Repositories – OneDrive

4.1 My Information – Personal Business Information



OneDrive is a document repository that can be accessed either online or via the desktop application. Every employee has access to OneDrive. This application provides the ability to share folders and files with others as digital links. Such access can be changed or revoked by the owner whenever they choose.

OneDrive has replaced personal network drives.

The information category which should be stored within OneDrive is 'My information'. This is information relating to an individual's employment such as personal development plans, one to one notes, courses attended, etc.

4.2 Policy Statement

4.2.1 Use

- OneDrive is for personal business information only.
- No core business data (**see 5.1**) should be stored within this data repository.

4.2.2 Retention and Disposal

- No retention policy is applied to OneDrive apart from Teams meeting recordings which will be automatically deleted within 180 days.

4.2.3 Access and Permissions

- Employees are the owners and have full control of their OneDrive.
- Information must be shared by digital links.

4.2.4 Record Types

- Records relating to individual employees, such as course notes, training courses, supervisions etc. **MUST** be stored in OneDrive.
- OneDrive's are a risk for business data as they are a silo information repository, only accessed by an individual.
- Core business records and information **MUST NOT** be stored within OneDrive as they would be inaccessible as a corporate asset.

4.2.5 Capacity

- Capacity is restricted to 1GB of data.
- Regular monitoring reports are run to ensure individuals are not using OneDrive excessively or for core business records.

5. Information Repository – SharePoint



SharePoint is a browser-based collaboration, document management and storage repository. It's content management provides the ability to share and collaborate from any location as it is hosted in the cloud. It integrates with all Microsoft Office products such as Word, Excel, and Outlook to provide a seamless experience for the organisation. SharePoint it is highly configurable, and Somerset West and Taunton are using SharePoint as an EDRMS (Electronic Document and Records Management System) delivered as a full corporate FilePlan. SharePoint online has replaced network drives and on-premise SharePoint 2013. The SharePoint Corporate FilePlan has been delivered as part of a cultural change programme. SharePoint has improved information integrity as only clean data has been migrated to the Corporate FilePlan.

5.1 Core Business Information - SharePoint

SharePoint has been configured to provide all employees with an Electronic Document and Records Management System (EDRMS). This is called the Corporate FilePlan. It is a functional FilePlan which provides resilience to this

council as it stands the test of re-organisation. It is based on the Local Government Functional Classification Scheme (LGFCS) which is a national framework specifically for local authorities. The LGFCS has been honed and refined to meet the business needs.

5.2 Policy Statement

5.2.1 Use

- The Corporate FilePlan is for business information received, created, managed, and deleted within the council.
- All information and records are corporate assets and SharePoint has been carefully deployed to ensure that this council is compliant.
- It DOES not include any information assets managed within a line of business system.
- Core business information is relating to all usual business activities.

5.2.2 Retention and Disposal

- All legislative compliance is embedded within SharePoint as automated disposal of data, wherever possible.
- Every document library within SharePoint has the correct retention and disposal period applied.
- This exactly replicates the corporate Retention and Disposal Schedule. This schedule is a mandatory requirement for public bodies.
- The retention and disposal actions replicate legislative requirement, National Archive best practice or business agreed disposition rules. This is automated, wherever possible, within the SharePoint Corporate FilePlan.

5.2.3 Access and Permissions

- Access and permissions are controlled by ICT and aligned to the starter, leaver, and changes process.
- The permission model is set to each function of the FilePlan to ensure that it is secure and yet provides control for appropriate collaboration.

5.2.4 Record Types

- Records relating to core business activities such as policies, procedures, applications, reports, enquiries, responses, contracts, agreements, and employment records, as examples.

5.2.5 Capacity

- Capacity is determined by SharePoint license capacity.

5.3 Project Information - SharePoint

SharePoint has been configured to provide all employees with project sites which can be easily accessed from the Corporate FilePlan. Project Sites are SharePoint sites embedded with project management templates, reporting tools and document libraries designed for analysis, project, and programme management.

5.4 Policy Statement

5.4.1 Use

- Project sites are for management of all corporate projects and programmes being delivered across the council.

- All project managers and business analysts must use project sites for providing transparency and accountability on costs, benefits realisation, and deliverables.
- The Programme Management Office (PMO) within the council controls the deployment of all project SharePoint Sites.

5.4.2 Retention and Disposal

- No retention or disposal is applied to project sites.
- Project managers must transfer core project records to the Leadership function within the Corporate FilePlan after project completion.
- Core project records provide evidence of benefits delivered by the council.

5.4.3 Access and Permissions

- There is a governance process which needs to be complied with before a project site is deployed.
- The Project Manager owns project site permissions and access.

5.4.4 Record Types

- Records relating to core project activities such as business case, highlight reports, risk and issue logs, benefit realisation reports and project closure reports.

5.4.5 Capacity

- Capacity is determined by SharePoint license capacity.

5.5 Team Information - SharePoint

SharePoint has been configured to provide all functions with a Team area. Team Information is accessed through the Corporate FilePlan and provides an area specifically for team organisation and collaboration. Team areas are consistent with the SharePoint Corporate FilePlan features and functionality.

5.6 Policy Statements

5.6.1 Use

- All Teams must use their Team Area for team management, collaboration, team decisions and actions.
- The team areas should be used for team planning, objective and outcome setting to deliver the Corporate Business Plan.

5.6.2 Retention and Disposal

- Retention is set as a standard 'delete 3 years since last modified'. This is an automated process.

5.6.3 Access and Permissions

- Access and permissions are controlled by ICT and aligned to the starter, leaver, and changes process.
- The permission model is set to each function of the FilePlan to ensure that it is secure and yet provides control for appropriate collaboration.

5.6.4 Record Types

- Records relating to team activities must be stored in the Team Area. Records such as team meetings, minutes, actions must be stored within this repository.

5.6.5 Capacity

- Capacity is determined by SharePoint license capacity.

5.7 SharePoint Intranet

SharePoint has also been designed and built as the corporate intranet for all employees and Members. It provides up-to-date information and news both internal and external and is the platform on which relevant social media links are embedded.

5.8 Policy Statement

5.8.1 Use

- The intranet is used as a communication tool for up-to-date relevant information, corporate discussion, and corporate social media.

5.8.2 Access and Permissions

- The Communications Team own the intranet but there are also fifty authors across the organisation. Only permitted intranet authors can upload or add any new content.

5.8.3 Record Types & Retention and Disposal

- Records and information should be uploaded to the intranet as digital links from the corporate FilePlan. This will ensure that retention and disposal rules will permanently delete information which is out of date or reached the end of its retention period.

5.8.4 Capacity

- Capacity is determined by SharePoint license capacity.

6. Microsoft 365 TEAMS



Microsoft 365 TEAMS is a MS365 application which supports workspace chat and video conferencing, via a web based virtual environment. TEAMS supports the agile and flexible workforce which this council advocates. It features include:

- Integration with Outlook to provide virtual meeting and collaboration spaces
- Channels for group collaboration
- Recording function to capture meetings and training
- Chat capability to send instant messages to other employees
- Calling groups or individuals via the internet
- Sharing and working on documents accessed remotely via the web.

6.1 Policy Statement

6.1.1 Use

- TEAMS should be used as the corporate standard application for remote working and accessing people and resources through meetings, channels, or direct calling via the web.
- Records and documents MUST NOT be stored within TEAM as the Corporate FilePlan is the primary repository.

6.1.2 Retention and Disposal

- Retention for TEAMS chat is 1 month.
- Retention for TEAMS recordings is 180 days. TEAMS recordings automatically save to individuals OneDrive
- Deletion is automated. This ensures that data is not increasing exponentially, and unstructured personal data is not held excessively.

6.1.3 Access and Permissions

- All employees with access to a laptop or mobile device has access to TEAMS.
- TEAMS is the corporate collaboration tool and should be used for all virtual meetings.

7. Outlook

Outlook is the corporate email system for the council and all employees will have access to an individual email account for internal and external communication. It is important to recognise that emails are a corporate record and should be managed carefully by storing them in the SharePoint online corporate FilePlan. The SyncPoint outlook integration tool is a corporate application which supports this.

7.1 Policy Statement

7.1.1 Use and Access

- Most emails are corporate records and must be stored in the SharePoint corporate FilePlan

7.1.2 Retention and Disposal

- Disposal policies for individual accounts are automatically applied as follows:

Email Repository	Disposal Period
Inbox	1 year
Sent	1 year
Draft	1 year
Deleted	1 year

- Managers of employees who have left will be provided access for one calendar month to ensure that any core records are migrated to the SharePoint Corporate FilePlan.

7.1.3 Storage

- Storage is unlimited but will be controlled by automated retention rules.

8. Microsoft 365 Forms



Forms is an application which provides an online survey or request. Responses and data can be used for analysis and can be exported to Microsoft Excel. Forms are an excellent method for quickly gaining opinions or responses from a mobile workforce.

8.1 Policy Statement

- Forms are available to all employees and can be accessed from an individual's Microsoft account.
- Information created and captured in Forms must be exported to the Corporate FilePlan in SharePoint online and personal data must be redacted or anonymized.

9. SWAY



Microsoft Sway is a presentation application for the easy creation of slideshows, newsletters, and interactive communications. SWAYs are sent as digital links and can be opened by both internal and external recipients.

9.1 Policy Statement

9.1.1 Access and Use

- Everyone within the council, with a MS365 license, has access to SWAY.
- SWAY presentations are stored within the employee's own SWAY application.
- The author/employee controls permissions and access.
- NO PERSONAL data must EVER be included within a SWAY message.

9.1.2 Retention and Disposal

- SWAY accounts and content are deleted 30 days after date of employee leaving.
- Individual employees must manage SWAY content as they have full control of their content.

10. Bookings



Microsoft Bookings is an online booking and appointment scheduling solution for all employees. It is used for events and provides recipients with an email confirmation, timings, and automatic calendar invitation. This application is extremely useful for events with optional attendance or where places are limited, and booking is required.

10.1 Policy Statement

10.1.1 Access and Use

- All employees can book onto events and any wanting to create events will need to be given access by IT
- Bookings should be used for events and training as the corporate booking tool

11. Planner



Planner is a hub for team members to create plans, organise and assign tasks to different individuals and to check updates on progress through dashboards. It also provides a centralised place where files can be shared and gives visibility to the whole team. Planners are associated with a Microsoft Group.

11.1 Policy Statement

11.1.1 Retention and Disposal

- Planner will be automatically deleted when a MS365 Group expires

12. OneNote



Microsoft OneNote is a virtual notebook for information gathering. OneNote books and pages can be shared with other OneNote individuals for collaboration and reference. Its functions include the ability to draw, add documents, clipping and audio commentaries.

12.1 Policy Statement

12.1.1 Use and Access

- OneNote must only be used for informal note taking which are temporary in nature.
- They are not a formal communication and all notes which are formal records must be moved into the SharePoint online Corporate FilePlan.

12.1.2 Storage

- OneNote is automatically saved to an individual's OneDrive, so it is essential regular cleansing is applied as OneDrive is restricted in size.
- OneNote should be saved in the Corporate FilePlan as automated retention and disposal can be applied.
- Regular reports are run to monitor the capacity of individuals OneDrive.

13. Stream



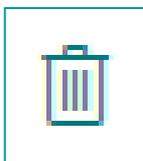
Stream is a secure video service. Employees can upload, create, view, and share videos securely. It is extremely useful for training, communication messages and virtual team discussions.

13.1 Policy Statement

13.1.2 Retention and Disposal

- There is no retention or disposal applied to Stream.
- All Stream videos must be reviewed annually to ensure content is still current and relevant.

14. Recycle Bin



The Recycle Bin is also known as the Deleted Items folder. This temporary repository holds deleted items for 3 months. This provides individual control for documents which have inadvertently been deleted. Individuals can access the recycle bin within this timeframe to recover and restore documents to the Corporate FilePlan within SharePoint online.

14.1.1 Use and Access

- The recycle bin is to be used to restore records which have inadvertently been deleted. There is no need to contact ICT service desk as individuals have the permissions to perform this task.

- Permissions for the recycle bin are controlled by the same permission group assigned to an employee within SharePoint online.

14.1.2 Retention and Disposal

- Permanent disposal is set to an automated 3-month period.

15. Zoom



Zoom is a video conferencing platform which allows council Members, the public, and employees the ability to conduct online meetings. Zoom features include high-definition video and audio and supports up to 1,000 participants per session.

15.1.1 Use and Access

- Meetings are accessed by invitation link
- No personal content should be shared on Zoom meetings unless explicit consent is gained.

15.1.2 Retention and Disposal

- Recordings of Zoom meetings should be stored in the Corporate FilePlan where the correct retention and disposal will apply.

16. Mod.Gov

Mod.Gov is the corporate system for access to all council meeting papers, agendas, meeting notes, supporting documentation and this includes confidential documents.

Confidential sections are password protected and users have a responsibility to keep these documents secure and their passwords safe.

16.1.1 Use and Access

- Those attending meetings have access to view the content and download it (except from items marked confidential). If documents are downloaded from the application, to write on/annotate, it is the user's responsibility to ensure they are stored appropriately, not shared with anyone unauthorized and are not held in excess.

16.1.2 Retention and Disposal

- Applied manually where necessary by the Governance Team.

16.1.3 Storage

- All content is loaded onto the system by the Governance Team, Staff cannot store anything additional.

17. Useful references and resources

- The Corporate [Retention and Disposal Schedule](#)
- The [Information Management Policy](#)

Approval	Name	Date
Director of Internal Operations	Alison North	26.05.22
Information and Records Manager	Lauren Davis	24.05.22
Senior Management Team	CEO/Directors	01.06.22
Executive		

Somerset West and Taunton

Digital Information and Records Management Policy for Councillors

Author	Lauren Davis / Michele Noad
Draft	5 May 2022
Published	
Review Date	

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1. Introduction

This policy provides Somerset West and Taunton Councillors with clear guidance and rules on the storage of corporate data, within the document repositories available from any technology provided and a framework for managing records and information.

Records and information are currently created in both digital and physical format and they should be managed extremely carefully. Records are assets which belong to the council to provide transparency, accountability, business insights and improved service delivery. This policy will help to manage our records and information efficiently, compliantly, and effectively.

2. What are the aims of this Policy?

The aim of this policy is to clearly communicate the importance, responsibilities, and obligations of Somerset West and Taunton Councillors for excellent records management in creating and managing information.

Currently records are created and managed in a hybrid format (both digital and physical). This policy will provide a clear direction for digital records being recognised as the official record. The public have an increasing expectancy to be communicated with online.

It is important to note that Microsoft 365 is recognised as an 'evergreen' solution which means that it is consistently evolving. New applications and processes are implemented by Microsoft on a very regular basis. Therefore, this policy is a living document and will be reviewed and updated as needed.

3. What is MS365?

Microsoft 365 licences have replaced Office 2013 as the corporate application to conduct daily administrative tasks and actions. This provides us a modern cloud-based platform which include the tools and technologies required to carry out council business in digital format. Cloud storage provides very secure storage, resilient disaster recovery and most importantly, it is accessible from anywhere. This supports the modern, flexible workforce ethos adopted within the council's strategic aims.

4. What is Records Management?

Records Management is also sometimes referred to as Information Management. The ISO 15489-1:2016 defines records as:

“Information created, received, and maintained as evidence and as an asset by an organisation or person, in pursuit of legal obligations or in the transaction of business”.

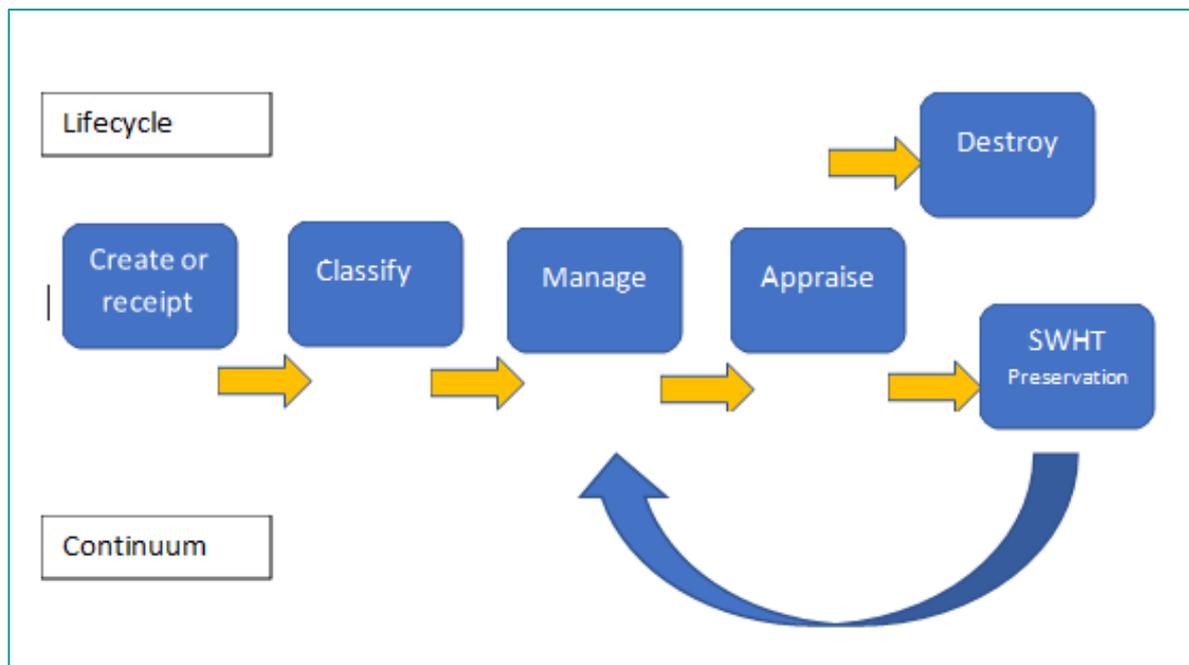
The Records and Information we create should be:

- Authentic
- Complete
- Reliable
- Accurate
- Timely

There are 2 models for managing records, Lifecycle Model and Continuum Model, and it is essential that we manage them carefully as we rely on them for transparency, accountability, service delivery and compliance.

4.1 Lifecycle Model

The lifecycle model consists of 5 stages: creation or receipt, classify, use and management, appraisal, disposition, or digital preservation.



4.2 Continuum Model

The Continuum Model intrinsically links digital preservation with the current records we manage within the council. This approach accepts that records that may have been archived, could become active again if required for evidence or transactional purposes.

Somerset West and Taunton Council has an established relationship with the South West Heritage Trust (SWHT), so this model is the most effective in managing active and archived records together for evidence and transparency. This council has a public duty to transfer approximately 5% of its

records for permanent preservation to the SWHT under The Public Records Act 1958

5. Why is Records Management so important?

The council is dependent on the records and information we create to deliver effective and efficient services. We need to manage our records efficiently and cost effectively to ensure that legal, operational and information requirements are met. Failure to manage our information and records properly is a significant risk as we are publicly accountable and need to demonstrate transparency to ensure that we comply with the public accessibility legislation.

Information and records provide our cultural and archival heritage for the community we serve, corporate memory. They also provide evidence of our transactions and decisions. They are a vital asset which are required for daily operations, including compliance with legal and regulatory requirements. They support:

- Strategy and policy formulation
- Decision-making
- Protect the interests of the council as a corporate body
- Protect the rights of employees, the public and service providers
- Help the council to deliver services in accountable, consistent, and equitable ways
- Help the council to make good use of precedents and organisational experience
- Support consistency, creativity, efficiency, and productivity
- Professional accreditations

Records Management must be recognised an essential function by everyone who works for and with Somerset West and Taunton Council.

5.1 Compliance with the law

Somerset West and Taunton Council is a public authority and is subject to public accessibility legislation.

In addition to this, Somerset West and Taunton Council must comply with lots of other legislation, regulations and best practice known as 'the wider legal framework'. Some of these will be specific to services, such as Financial Regulations. However, some of the Wider Legal Framework affects everyone and we should all be aware of them. They are as follows:

Public Accessibility Legislation

- Freedom of Information Act 2000
- The Data Protection Act 2018
- Environmental Information Regulations 2004
- UK General Data Protection Regulations (GDPR)

Wider Legal Framework and Best Practice

- The Public Records Act 1958 & 1967
- The Human Rights Act 1990
- Copyright, Designs and Patents Act 1998
- Communications Act 2003
- Lord Chancellor's Code of Practice on the Management of Records under Section 46 (part 1 section 7), the Freedom of Information Act 2000
- Cabinet Office Security Policy Framework
- Government Security Classifications Policy (GSCP)
- ISO:15489

6. Records and Information Management Principles

These principles are agreed by Information Management. They support the shift from paper records management to digital by default.

1. **Records Management will be easy.** Clear repositories for councilors to store their records and information. Outlook/OneDrive/Local storage.
2. **Records Management will be modernised by creating and receiving in a digital format, wherever possible.** This will be achieved by transforming the current culture (creating records in both digital and paper) as part of a Records Management Transformation Programme. Post will be received and sent in digital format.
3. **Information should be open (read only) to the organisation** unless there are business or legislative reasons why it should not be. (For example, personal, special category data or business confidentiality). This ensures that the value of data is exploited, personal data is safeguarded and compliance to public accessibility legislation requests are met.
4. **Information created, received, and held within Somerset West and Taunton Council belongs to the Council.** It is a corporate asset, as important as people, money, and property. It is imperative to communicate this principle to all employees through a project communication plan. Data does not belong to individuals and this Council is required to provide transparency and accountability to the public it serves.
5. **Security, access to information and permissions will need to be clear and simple.** Permissions will be controlled by ICT through Active Directory via functional groups. The starter/leaver/changes process and HR system are **an intrinsic prerequisite** to this principle.
6. **Less is more.** Continuous Identification and removal of duplicated, obsolete and data past its retention will ensure that data integrity will remain consistent and provides a resilient foundation for decision making and transparency.

7. **Clear, simple, innovative communication** is imperative to ensure that all understand this policy and their responsibilities.
8. **Data held within the line of business systems will be included within the Retention and Disposal Schedule.** Structured data classified in bespoke systems is subject to DPA, FOI, EIR and the wider legal framework in the same way that unstructured data is drives is.

Somerset West and Taunton Council employees, councillors, suppliers, and partners should know, understand, and abide with the Records Management Principles.

7. Roles and responsibilities

Somerset West and Taunton Council has a corporate responsibility for ensuring that records and information are managed effectively and the systems that we use are properly maintained and managed. Although we are ALL responsible for managing our records in accordance with this policy, there are certain roles specific to different individuals and groups. They are as follows:

Information Management Team

- Management of the Records Management Function
- Custodian and creator of all Information Governance policies, procedures, and best practice
- Ensuring that the policy framework is kept up to date and relevant
- Monitoring records management practice within the council
- Communication and training
- Subject matter expertise
- Implementation of 'Paper to Digital' Strategic Direction
- Custodian of Corporate File Plan and Information Asset Registers
- Assisting with compliance audits, both internally and externally
- Ensuring retention and disposal rules are carried out
- Ensuring the development and procurement of ICT systems includes the consideration of records management requirements

ICT

- Custodian of and creator of all ICT Information Policies
- Management and security of all systems
- Back up and disaster recovery for all records and information held within council systems
- Systems Integration

Employees

- Store information in the correct locations
- Add PII classification to every document
- Manual deletion where applicable

- Regularly liaise with Information Management Team to dispose of physical records on an annual basis

Councillors

- Store information appropriately and not in excess
- Manual retention and disposal where applicable
- Regularly liaise with Governance Team to dispose of physical records on an annual basis

Everyone within the council has a responsibility to create, manage, destroy, or keep records in accordance with this policy and the law.

8. Retention and Disposal Schedule

A Records Retention and Disposal schedule is a policy that defines how we manage our physical and digital records. It provides us with clear guidance on how long we should keep it and when we should delete or dispose of it. This is a living document, and it will be consistently changed to reflect changes in legislation and business requirements.

Why is it important?

Somerset West and Taunton Council is a public authority. This means that we are subject to public accessibility legislation. The Freedom of Information Act 2000, The Data Protection Act 2018, and Environmental Information Regulations 2004. This provides the public with the right to access some records and information that we create (unless exemptions apply).

In addition to this, the General Data Protection Regulations, which updated the Data Protection Act 2018 brought new requirements as follows:

- It states that ‘personal information must not be kept for longer than necessary’.
- A lawful basis for processing must be applied to all personal information we process.
- We are monitored by the Information Commissioners Office who could issue us with enforcement notices or fines of up to £17 million or 4% of our annual turnover if we are not compliant.
- We are ALL now responsible for processing personal data.

Everyone within the council must support the development of the new Retention and Disposal Schedule to meet legislative requirements and business needs. All records either digital, physical or email will be subject to the Retention and Disposal Schedule.

This Retention and Disposal schedule will be available to Councillors via the Mod.Gov application.

9. Personal Identifiable Information (PII)

There are 2 classifications for personal identifiable information. These are personal and special category data. We are required to identify personal data and apply the lawful basis for processing it. This is included within the updated Retention and Disposal Policy.

Personal Data

This is specific information that relates to an identified or identifiable individual. What identifies an individual could be as simple as:

- a name
- a phone number
- an identification number, for example your National Insurance or passport number
- your location data, for example your home address or mobile phone GPS data
- an online identifier, for example your IP or email address

Special Category Data

Special category data used to be referred to as personal sensitive. This is information, which if not used appropriately, could cause personal distress or harm. You must manage this information with extra care. The type of records which are classed as special category data are as follows:

- personal data revealing racial or ethnic origin
- personal data revealing political opinions
- personal data revealing religious or philosophical beliefs
- personal data revealing trade union membership
- genetic data
- biometric data (where used for identification purposes)
- data concerning health
- data concerning a person's sex life; and
- data concerning a person's sexual orientation.

Everyone within the council has a responsibility for processing personal or special category data. Everyone should be aware of their responsibilities when processing personal data.

10. Naming our records

Naming conventions are a standard set of rules which must be applied to our records, files, and folders. A consistent approach improves information integrity.

The naming conventions are as follows:

- Start the document with a 6-digit date in reverse order. This ensures that records are stored in date order. YYMMDD e.g., 210116
- Ensure your document is named in a descriptive and clearly identifiable way e.g., Digital Service Annual Report

- Consistent for everyone
- Abbreviations, symbols, or acronyms should not be used as they are meaningless to others

11. Information Asset Registers (IARs)

Somerset West and Taunton Council holds an Information Asset Register for all records and information created and managed in the organisation. It includes the location of assets, retention periods, information asset owners, security, and location.

Information Asset Registers and Information Asset Owners must be updated on an annual basis. The Information Governance Unit are custodians of all Information Asset Registers.

12. Paper Records

Paper records are stored in a variety of locations across the Council. This policy's aim is to rationalise and classify the paper estate. Retention and disposal need to be applied on an annual basis to all paper records. It is everyone's responsibility to ensure that their physical records are managed and disposed of in accordance with the legislative compliance.

13. Email Records Management

Emails are corporate records and should be managed in the same way as all other records within the council. Emails, in many cases, have replaced former physical letters and they should be stored alongside all other records. They may also contain personal data, which if not managed compliantly, could contravene the Data Protection Act 2018 (Information must not be held unfairly, unlawfully, or excessively).

14. Digital Preservation

Every public body is required to transfer approximately 5% of records to their local records centre. This is legal requirement under the Public Records Act. The South West Heritage Trust (SWHT) preserves social and corporate memory for historical and archival purposes. All records assigned for permanent preservation must be transferable in all formats. This policy mandates the transfer of digital and physical records.

15. Legislation and Best Practice

Legislation we must comply with:

- [The Data Protection Act 2018](#)

- [The Freedom of Information Act 2000](#)
- [Environmental Information Regulations 2004](#)
- [UK General Data Protection Regulations \(GDPR\)](#)
- [The Public Records Act 1958 & 1967](#)
- [The Disposal of Documents Order \(No.167\) 1925](#)

Best Practice Guidance to support this policy:

- [Lord Chancellor's Code of Practice on the Management of Records under Section 46 \(part 1 section 7\), the Freedom of Information Act 2000](#)
- ISO15489 (International standard for the management of records)
- [IRMS \(Information and Records Management Society\)](#)
- [TNA \(The National Archives\)](#)

16. OneDrive



OneDrive is a document repository that can be accessed either online or via the desktop application. Every councillor has access to OneDrive. This application provides the ability to share folders and files with others as digital links. Such access can be changed or revoked by the owner whenever they choose.

Retention and Disposal:

- No retention policy is applied to OneDrive.

Access and Permissions:

- Councillors are the owners and have full control of their OneDrive.
- Information must be shared by digital links.

Capacity

- Capacity is restricted to 1GB of data.

17. iPads/Local Storage



Councillors are provided iPads for corporate use, of which have a local storage capacity of 32GB as standard, when all applications are downloaded this reduces to approximately 14GB of available storage space.

Corporate devices are issued for work purposes and should not be shared with anyone else including colleagues, family, or friends.

Retention and Disposal:

- No retention and disposal is applied to the local storage, this will be a manual process in accordance with the Retention and Disposal schedule.

Access and Permissions:

- Councilors are the owners and have full control of their local storage.

Capacity

- iPads are issued at 32GB or 128GB capacity.

18. Outlook

Outlook is the corporate email system for the council and all councillors will have access to an individual email account for internal and external communication. It is important to recognise that emails are a corporate record and should be managed carefully by holding them appropriately in relation to casework, not in excess, and applying manual retention and disposal.

Retention and Disposal:

- No automated retention and disposal policy is applied to Councillor mailboxes. This must be a manual process by the individual.

Access and Permissions:

- Councilors have control of their own mailboxes.

Capacity

- Storage is unlimited.

19. OneNote



Microsoft OneNote is a virtual notebook for information gathering. OneNote books and pages can be shared with other OneNote individuals for collaboration and reference. Its functions include the ability to draw, add documents, clipping and audio commentaries.

Use and Access

- OneNote must only be used for informal note taking which are temporary in nature.

Storage

- OneNote is automatically saved to an individual's OneDrive, so it is essential regular cleansing is applied as OneDrive is restricted in size.
- Regular reports are run to monitor the capacity of individuals OneDrive.

20. Zoom



Zoom is a video conferencing platform which allows Councillors, the public, and council employees the ability to conduct online meetings. Zoom features include high-definition video and audio and supports up to 1,000 participants per session.

Use and Access:

- Meetings are accessed by invitation link
- No personal content should be shared on Zoom meetings unless explicit consent is gained.

Retention and Disposal:

- No content stored within Zoom. Any recordings of Zoom meetings should be stored appropriately within the corporate document management system where the correct retention and disposal will apply.

21. Mod.Gov

Mod.Gov is the corporate system for Councillors to access all council meeting papers, agendas, meeting notes, supporting documentation and this includes confidential documents.

Confidential sections are password protected and users have a responsibility to keep these documents secure and their passwords safe.

Retention and Disposal:

- Applied manually where necessary by the Governance Team.

Use and Access:

- All Councilors have access to view the content and download it (except from items marked confidential). If documents are downloaded from the application, to write on/annotate, it is the user's responsibility to ensure they are stored appropriately, not shared with anyone unauthorized and are not held in excess.

Storage:

- All content is loaded onto the system by the Governance Team, Councilors cannot store anything additional.

Approval	Name	Date
Director of Internal Operations	Alison North	26.05.22
Information and Records Manager	Lauren Davis	24.05.22
Senior Management Team	CEO/Directors	01.06.22
Executive		

Somerset West and Taunton Council

Executive – 20 July 2022

Corporate Performance Report, Outturn and Quarter 4 2021/22

This matter is the responsibility of Executive Councillor Member Benet Allen.

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 2021/22 financial year. The report includes information for a range of key performance indicators and provides an update on progress against the council's annual plan commitments for the year. The report also includes the key business risks for the council.

Given the breadth of information contained in the report, it is unlikely that all questions can be answered at the meeting. It would be helpful if any detailed questions could be submitted in advance.

2. Recommendations

Members are asked to note the Council's performance report for 2021/22.

3. Risk Assessment

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

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. The Covid pandemic and economic climate continue to have an impact and the Council's response to these issues is being achieved in addition to the regular day-to-day responsibilities. In addition services are increasingly having to focus on the transition to the new unitary council from 1 April 2023.

Specifically, the report provides:

- A progress update against the actions to deliver the Council's Annual Plan at the end of the first six months of the financial year
- The position in respect of our key performance indicators at the end of the financial year; and
- A summary of the Council's key business risks and issues together with the current status of the actions being taken to respond to them.

4.1 Summary of Performance

The Council's Corporate Strategy contains four priority strategic themes. Each year the Council produces a plan (the Annual Plan) to identify actions to assist in the delivery of the four strategic priorities. The plan for this year identifies 31 actions.

Progress against a range of Key Performance Indicators (KPI's) is reported quarterly. These KPI's are used to monitor progress in delivering key services and to enable us to quickly identify and rectify any problem areas. These indicators are also linked to one of the four corporate priorities to indicate how they support the delivery of the Corporate Strategy.

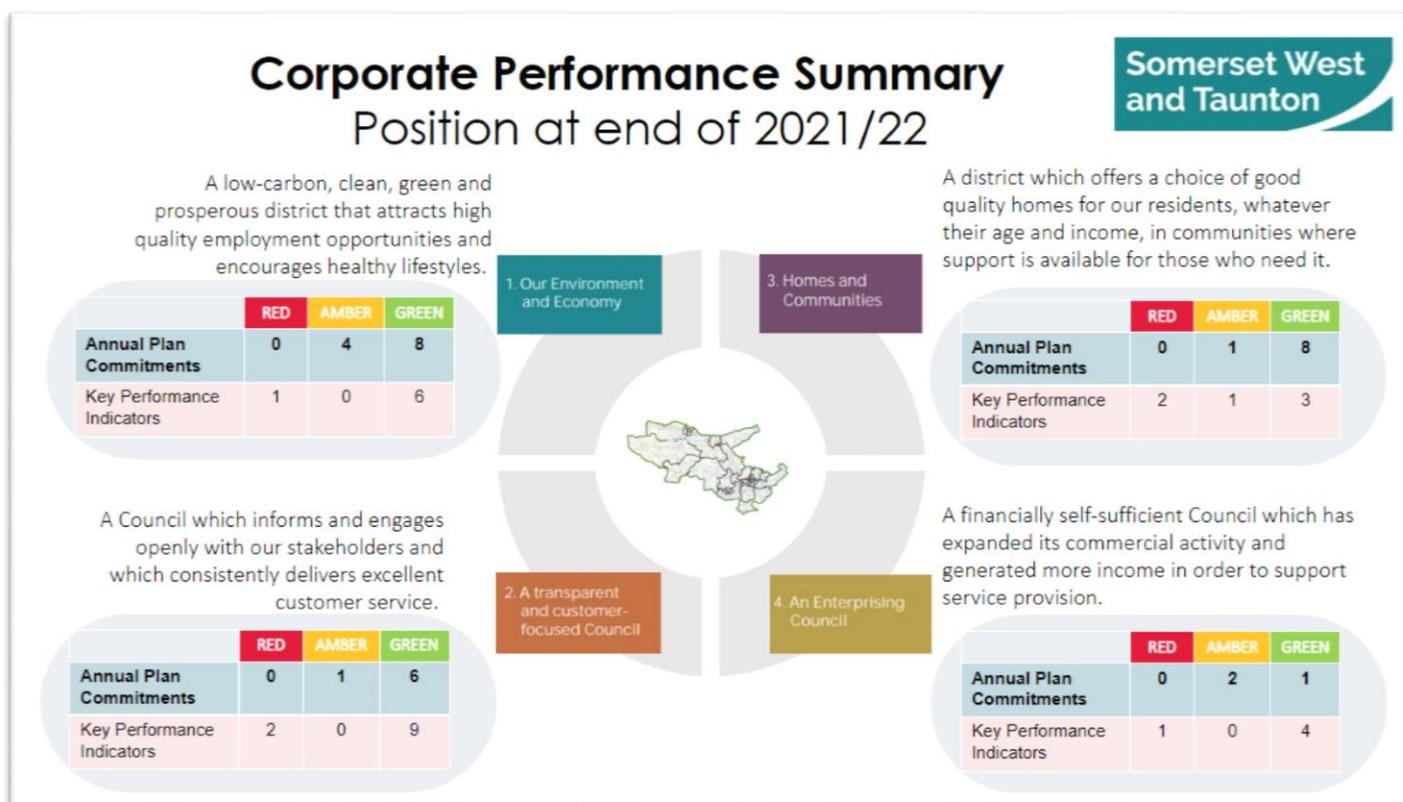
The graphic below provides an overview of performance for the end of the 2021/22 financial year for the 31 commitments in the Annual Plan and our Key Performance Indicators.

Each commitment has been rated as either Red, Amber or Green to indicate whether we are on schedule.

Full details of the progress to date against each of the KPIs and the Annual Plan actions can be found in appendices 1 & 2 below.

In summary this indicates that of the 31 Annual Plan commitments, 23 are Green, 8 are Amber, and none are Red.

Of the Key Performance indicators, 22 are Green, 1 is Amber and 6 are Red.



4.2 Key Performance Indicators

The table in Appendix 1 includes the councils Key Performance Indicators and shows how the council has performed during 2021/22. The table includes a “direction of travel” arrow to show whether performance has improved, worsened, or stayed the same, since the end of Quarter 3.

For the majority of indicators, the target has either been met or, in many cases, has been exceeded. Overall, there are 6 ‘Red’ and 1 ‘Amber’ indicators, which are being monitored closely. More information is provided below regarding the red and amber indicators:

Percentage of complaints responded to in 10 working days:

The percentage of complaints responded to in 10 days for the year is 78%, which is below the target of 90%.

As mentioned in the Quarter 3 report, the reasons for this are varied and are summarised below:

- *Increased numbers of complaints* - the number of complaints received continue to be significantly higher than in the previous financial years. Higher volumes of complaints present challenges in some areas in being able to respond within the target time.
- *Complexity* - we are continuing to receive a greater number of more complex complaints. These take longer to investigate and respond to and often cannot be responded to within target. Where this is the case officers are under instruction to contact the complainant and agree a new realistic deadline for response.
- *Capacity* - the increased volumes and complexity are highlighting capacity problems in some areas around having enough sufficiently skilled officers to respond to complaints.
- *Customer expectations* - customer expectations are increasing resulting in a growth in the number of complaints being registered. This is a sector wide trend across local government. The Housing Ombudsman is reporting a 230% increase in the complaints reported for the period April to June 2021 from the same period in the previous year.
- *Local service-related issues* – we have recommenced normal recovery and enforcement activity in respect of Council Tax, Business Rates and Miscellaneous Income debts. In addition, we have recently launched a project to target a backlog of previous year Council Tax and Business Rate debts. There were also problems with waste collection in the earlier part of the financial year. All of this has acted to increase complaints.

We are actively taking steps to improve our performance on response times, and these remain significantly better than in the previous financial year. These steps include:

- Refining and re-writing elements of the IT software (Firmstep) that manages the complaints process to make the routing of complaints easier. These changes are currently being tested and will be rolled out shortly.
- Training is being delivered across the organisation to both build capacity and improve the quality of responses to complaints.
- Over 70 staff within the Housing Directorate have received specific complaints training from the Housing Quality Network which has focussed on improving the quality of responses. In addition, all Housing staff have completed refresher customer care training to ensure customers are treated with fairness and respect.
- A complaints dashboard is being developed to improve the quality of feedback and trend analysis for individual areas.
- Learning from complaints and complaint trends are driving new work. In Housing, for example, a working group is looking at damp and mould issues, and deep dive activity is being undertaken with other authorities to compare performance and share good practice.
- Our complaints lead continues to work closely with services to resolve issues and to ensure we can issue responses as quickly as possible. Localised reporting in some directorates has also started in detail, for example weekly follow up on cases within Housing.

We are actively monitoring the workload in this area together with response times and implementing improvements. However, we are conscious that demand will continue to grow particularly in view of the anticipated impact of the fuel price increase and inflation all of which will continue to make this a challenging target.

Average call wait times:

Detailed commentary is included in Appendix 1a.

% of planning appeals that have had the decision overturned

The number of planning appeals is generally low (there have been 45 in the past 12 months), and because of the low numbers, it only takes a few appeals to have a big impact on the percentage. Of the 45 appeals, 20 have had the decision overturned by the Planning Inspectorate.

Number of families in B&B over 6 weeks (position at the end of the quarter)

At the end of March there was one family that had been in B&B for more than 6 weeks. This was a mis-understanding by the team, as for recording purposes the definition of families includes individuals who do not have children but who are pregnant and expecting. The family were moved as soon as this was realised and training has been provided to the team for the correct definition of families. A monitoring process is also now in place for families that have been in B&B for 4 weeks so that they can be found alternative temporary accommodation before the 6 week deadline.

Average re-let times.

The average re-let time for council properties was 54.7 days, which exceeded our target of 44 days. While performance for October and November was above the target, for December both Minor and Major voids have shown a reduction in turnaround times. The average target was achieved in March and recent months have continued to show an improvement, which is encouraging.

This has been a challenging time for void management and all Housing Providers across Somerset have struggled with increasing void times. Common factors include scarcity of key tradespeople (such as electricians), both in-house and through external contractors, many of whom have been attracted to other work such as Hinkley; Refocussing trades staff to clear repairs backlogs built up during the pandemic; lack of availability of some materials, which inevitably holds up work. For SWT, we have also noted a higher proportion of Major Voids (compared to Minor Voids) which skews our turnaround times higher. That said, we are progressing against our plan to improve void turnaround times. The plan includes:

- Strengthening our approach with departing tenants to ensure they leave the property clean and tidy
- Providing decoration packs for non-disabled tenants, rather than undertaking full redecoration to let the property quicker
- Investigating how we streamline the asbestos process to reduce delays due to surveys and works
- Implementation of the voids module on Open Housing which will allow improved performance management of the overall voids process
- Look to undertake major capital works as part of the capital programme where possible, after the tenant moves in, rather than during the void. This will also be more cost effective through economies of scale.
- Explore voids inspections and scheduling software that can lead to a more efficient inspection and scheduling of trades staff into the properties and flag up capacity issues to allow earlier resolution.

The 44 day target was set in December 2020 and was based on Quarter 2 Housemark metrics that showed a median performance of 44.5 days for District Councils that held housing stock at that time. Housemark data now shows District Council average void turnaround time has increased to 49.8 days by Quarter 4 of 2020/21. Reasons for this increase across the sector are described above.

The Housing Management team monitors wider metrics to give a rounded view of performance with respect to voids. The Pulse data for March 2022 places us in the top quartile for the indicators “Proportion of dwellings vacant, but available to let”, and ‘Proportion of social homes let”, so our performance overall does give confidence that although improvement is required, we are not significantly out of step with other Housing Providers.

Completion of emergency housing repairs in 24 hours.

The target is to complete 100% of emergency repairs within 24 hours and a total of 2809 repairs have been undertaken in the past year. Over the past 3 months 100% of emergency repairs have been completed within 24 hours. The performance of 99.9%

for the year is due to one emergency repair in quarter 2 that took 15 minutes longer to complete than the 24 hour target.

Forecast budget variance for General Fund.

Detailed commentary for this indicator is provided in the finance outturn report.

4.3 Risk Management update

As outlined in the separate report on Risk Management in May 2021, the quarterly Corporate Performance Reports will include an update on the key business risks and issues for the Council.

Processes are in place within each directorate to regularly review existing and identify any new risks and issues. As new risks or issues are identified they are included on the risk register or issues log and mitigations are identified and planned. A target date is set as to when the mitigations should be in place, and a lead officer is appointed.

The risks are all scored based on their probability and potential impact. The Risk Scoring Matrix used to score the risks is attached at Appendix 3. Risks with a higher score are likely to have a more detailed mitigation plan. Issues are things which have already happened, so they are not scored in the same way as risks, but they have a RAG status which relates to the severity of the issue.

As of the end of March there were 3 Key Business Risks (with a score of 15 or higher) on the risk register which are shown in Appendix 4.

As of the end of March the Corporate Issues Log contained 3 Issues which are shown in Appendix 5.

Appendices 4 and 5 provide a summary of the key risk or issue together with the current status of the development and delivery of any mitigation plans required to address them.

The risk register and issues log are updated as necessary and new risks/issues can be added at any point. They are routinely reviewed each month through the regular cycle of meetings. The lead officer is responsible for updating the risk register with progress made regarding mitigations, and this is reported back to Directorate performance meetings, and to the Corporate Performance Board where SMT review the key risks monthly

5. Links to Corporate Strategy

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

6. Finance / Resource Implications

The detailed financial position is available in a separate budget monitoring report.

SWT Performance report 2021/22

Link to Corporate Strategy	Full definition	Target	Quarter 3	Outturn	Direction of Travel since Q3	Denominator	Outturn	Numerator	Outturn
Transparent & Customer Focused	% of complaints responded to in 10 working days	90%	78%	78%	↔	Total number of complaints received	1102	Number of complaints responded to within 10 working days	860
	% of FOI requests responded to in 20 working days	75%	92%	91%	↓	Total number of FOI requests received	395	Number of FOI responded to within 20 working days	361
	% of calls to Deane Helpline answered in < 60 seconds	90%	95%	95%	↔	Total number of calls to Deane Helpline in the month	366349	Number of calls answered in under 60 seconds	348572
	Average call wait time (secs) for the last month	60 secs	164	240	↓				
	Cumulative percentage of the amount of Council Tax collected	97%	88.14%	97.38%	↑	Total amount of Council Tax to be collected by the 31st March	£109,685,893	Amount of Council Tax collected in the year so far	£106,817,564
	Cumulative percentage of the amount of Business Rates collected	95%	79.86%	97.55%	↑	Total amount of Business Rates to be collected by the 31st March	£48,023,946	Amount of Business Rates collected in the year so far	£46,846,029
	Average processing times of new Housing Benefit claims	19 dys	15.28	15.77	↓	Number of new Housing Benefit claims received	549	Total number of days	8659
	Average processing times for changes in circumstances for Housing Benefit claims	9 dys	4.71	3.42	↑	Number of new Housing Benefit Change of Circumstances received	10695	Total number of days	36610
	% of Licensing applications process within required timescales	90%	91%	92%	↑	Number of licensing applications processed	1398	Number of licensing applications responded within timescales	1282
	Sickness Absence (average days sickness per employee)	7.2 dys	5.33	7.2	↔	Total working days lost for all employees (cumulative)	4281	Number of FTE staff	591
Staff Turnover	< 12	7.35	8.9	↔	Total number of staff	591	Total number of leavers	52	
An Enterprising Council	Forecast budget variance for General Fund	£0	-£620k	-£2.349m	↓				
	Forecast budget variance for Housing Revenue Account	£0	+£354k	-£170k	↑				
	Forecast level of uncommitted reserves for General Fund.	£2.4m	£5.863m	£7.592m	↑				
	Forecast level of reserves for Housing Revenue Account.	£2m	£2.708m	£3.288m	↑				
	On target for Commercial Income Generation	£2.9m	Yes	Yes	↔				

Link to Corporate Strategy	Full definition	Target 2022/23	Quarter 3	Outturn	Direction of Travel since Q3	Denominator	Outturn	Numerator	Outturn
Environment & Economy	% of reported fly tipping incidents responded to within 5 working days	80%	82%	82%	↔	Number of fly tipping incidents	867	Number of fly tipping incidents responded to within 5 days	708
	% of service requests for street cleansing actioned within 5 working days	85%	89%	87%	↓	Number of service requests for street cleansing	1465	Number of service requests actioned within 5 working days	1279
	% of major planning applications determined within 13 weeks or within agreed extension of time**	75%	100%	100%	↔	Total number of major planning applications received	14	Total number of major planning applications determined within 13 weeks or agreed extension	14
	% of minor planning applications determined within 8 weeks or agreed extension of time**	65%	80%	80%	↔	Total number of minor planning applications received	287	Total number of minor planning applications determined within 8 weeks	229
	% of other planning applications determined within 8 weeks or an agreed extension of time**	80%	86%	84%	↓	Total number of other planning applications received	890	Total number of other planning applications determined within 8 weeks or an agreed extension	752
	% of planning appeals that have had the decision overturned	33%	33%	44%	↓	Number of appeals received	45	Number of appeals where the decision is overturned	20
	% Play area inspections completed to schedule	100%	100%	100%	↔	Play areas to be inspected	1764	Inspections carried out	1764
Homes and Communities	Income collected as a % of rent owed excluding arrears brought forward	98.30%	99.90%	99.49%	↓				
	Number of families in B&B over 6 weeks (position at the end of the quarter)	0	0	1	↓				
	Average re-let time in calendar days (key to key)	44 dys	54.9	54.7	↔	Total Number of dwellings let following void process	380		
	% of housing dwellings with a valid gas safety certificate (LGSR)	100%	100%	100%	↔	Total number of dwellings requiring a valid gas safety certificate	4460	Total number of dwellings without a valid gas safety certificate	0
	% of communal areas with a Fire Risk Assessment (FRA) in place and FRA Review complete (where applicable)	100%	99.72%	100%	↑				
Completion of housing emergency repairs within 24 hours	100%	99.9%	99.9%	↔	Total number of emergency housing repairs	2809	Total number of emergency housing repairs completed in 24hrs	2808	

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

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

** The planning indicators included in this report are calculated using nationally prescribed definitions to ensure performance is consistently reported and to allow for benchmarking and comparisons. The indicators calculate timescales upon completion. Due to the current issues with Phosphates, there are a number of applications which are held in abeyance, the details of which are available here: <https://www.somersetwestandtaunton.gov.uk/planning/phosphates-on-the-somerset-levels-and-moors>

APPENDIX 1a

Average Call Waiting Times

Background

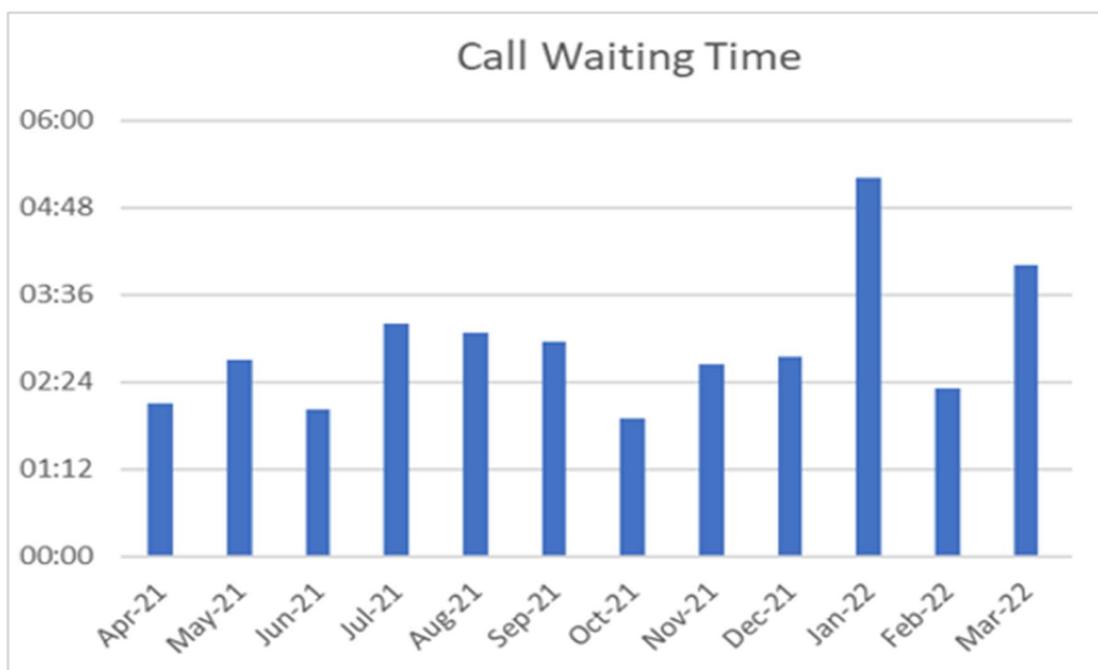
The indicator measures the length of time it takes one of our Customer Services Team to answer a call once the customer has listened to the initial recorded options and selected an appropriate queue.

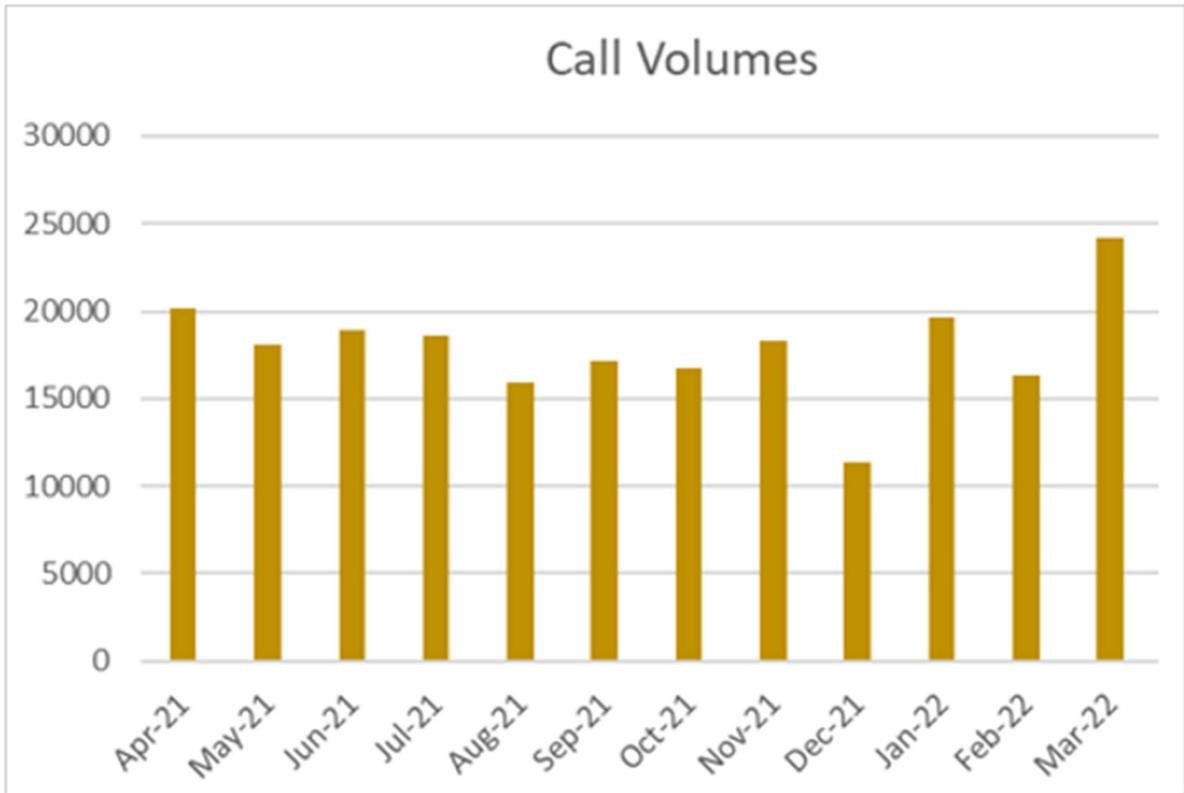
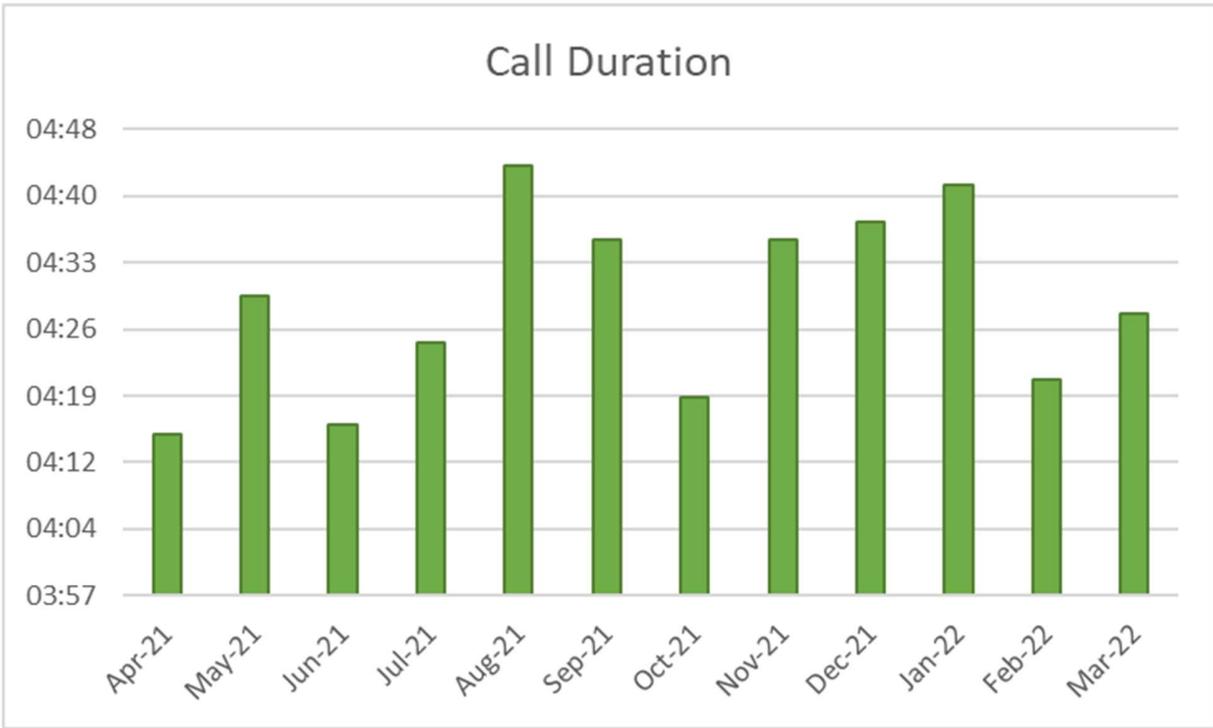
Our target is to answer all calls within 60 seconds. This is an ambitious target when compared with many other organisations where it is not uncommon to be waiting longer than 5 minutes. There is a clear relationship between the number and length of calls and the levels of staff resourcing required to maintain an answer rate of 60 seconds or below.

We have largely managed to meet this target since the current Customer Services team and approach was implemented. There are periods of the year when we are busier, March and April tend to see us receiving more calls due to Council Tax and Business Rate bills, garden waste renewal letters etc.

The current position

During 2021/2022 and the beginning of the current financial year we have missed the target of 60 seconds for most months. The performance figures for each month are detailed below.





Call data analysis

We have undertaken detailed analysis of the call data we hold to try and understand why this is happening. This analysis indicates that:

- Call volumes have increased – call volumes in 2021 have been higher than in 2020. The overall trend of call volumes mapped over the past 2 years indicates that volumes are increasing although this appears to now have stabilised at the higher rate.
- Call duration has increased – the length of calls each month in 2021 is higher than the previous average. The average has increased from 265 seconds to 326 seconds per call. Whilst this change appears small this equates to an additional 12 hours of work per day.

We have identified a range of factors which we believe are impacting on call volumes, call duration and our capacity to answer calls within the target time. The key message is that there is no single reason or simple answer. The factors are summarised below:

- Organisation wide we are now operating again at pretty much full capacity following the Covid crisis. This means, for example, that we have recommenced things such as our full recovery activities for Revenues and Benefits, miscellaneous income etc.

In addition the public are now expecting us to be operating largely as normal. All of this generates calls and some services will be dealing with backlogs that developed as a result of the Covid restrictions.

- Waste collection issues – over the summer and autumn we received significantly increased numbers of calls due to the disruption to waste collection.
- Following the waste disruption we introduced the Recycle More program which increased call volumes
- There has been a general increase in the length of calls. This is both a good and a bad thing. In some cases, as with waste, it indicates problems that are simply taking longer to deal with. However, this also indicates that our customer champions are increasingly able to deal with more at the first point of contact i.e. the calls are longer because they are sorting the issue for the customer rather than passing the call to the back office.
- Channel shift – we have, through necessity during the Covid crisis, channel-shifted many of our customers to the telephone who would previously have visited our offices. This is good news in respect of moving them to a more cost-effective way of dealing with them. However, our area offices are now starting to re-open which requires us to pull staff away from the phones to man the various front desks, which obviously reduces our telephone answering capacity. Footfall at all of our offices is low.
- Staff turnover – Over the last three months we have seen a number of our most experienced staff move on to other roles within the Council. We are recruiting to minimise the gap this causes but it takes time to recruit and train new staff.
- Experience Gap – With the staff turnover we've experienced a skills gap, especially in areas that require experience such as Council Tax and Repairs.
- The government's announcement of the £150 Energy Payments has caused a significant increase in call volumes over the last 2 months, these were mostly concerning Direct Debits and arrears so required highly skilled staff to resolve

them. In one week we received over 6500 calls which is a 50% increase on what we would expect for this time of year. Two additional agency staff were recruited and staff from other teams were brought in to help manage this situation but the availability of Council Tax trained staff at year end was low.

Actions being taken

We are taking immediate actions to alleviate the problem and also identifying longer term actions. Action is already underway through the Customer Experience Programme to identify areas for improvement, and we are using some of the findings from the programme to identify changes.

In the latter part of last year we identified that we had a key risk relating to staff welfare. Ongoing high call volumes backed up by increasingly frustrated customers has an impact on the resilience of the staff. This is likely a driver for the increased number of staff moving to other teams.

In preparation for Recycle More and to provide additional call handling capacity we recruited additional, temporary resource into the team to help manage the demand and waste calls were handled well. We have retained several of these agency workers to cover the staff who have moved to other teams.

We have also been working closely with the Housing team to improve the customer experience by increasing the number of cases Customer Champions can deal with at first point of contact and to provide an escalation route to resolve issues that would otherwise become complaints.

We have used the data we collected to analyse our resourcing requirements. In part this involves reviewing if we had sufficient staff with the right skills to answer the anticipated volume of calls and this has led to us approving the recruitment of two additional staff above our usual headcount for the rest of the financial year. We are also looking at other changes that will increase customer self serve and reduce calls such as improving our website layout and web forms.

Corporate Priority Area	Ref	Annual Plan Commitments 2021/22 https://www.somersetwestandtaunton.gov.uk/your-council/annual-plan/	Update on position at the end of March 2022	RAG
Our environment and economy	1	Continue to deliver projects that work towards making ours a carbon neutral district by 2030 through our Carbon Neutral Climate Resilience Action Plan.	Our climate change delivery team continues to deliver projects as set out in our CNCR 10 year plan. In the first year we delivered actions identified as 'immediate' such as <ul style="list-style-type: none"> •Provided climate change training to all our staff and elected members •Started the transition of our pool car fleet to electric vehicles •Installed Electric Vehicle Charging Units at Blackbrook Leisure Centre in Taunton, Alexandra Road car park in Minehead and Exmoor House car park in Dulverton •Been awarded OZEV funding to install Electric Vehicle Charging Points within our SWT owned car parks across the district •Launched our free tree scheme for parish and town councils •Supported parish and town councils with grant funding to install Electric Vehicle Charging Points •Worked with Wessex Water to install water refill stations in Taunton, Wellington and Minehead •Retrofitted waterless urinals within our public toilets •We are leading on the 'Recycling on the Go' project for Somerset Waste Partnership •Approved to take part in the Department for Transport EScooter trials and have launched schemes in Taunton and Minehead Work is now underway to identify priority projects from year 2 and year 3 of the plan to deliver from 2022 onwards.	Green
	2	Deliver Recycle More, the expanded household recycling service, to make it easier for everyone to increase the amount they recycle.	Phase 3 (Taunton Deane) was rolled out in Q3 and Phase 4 (West Somerset) was rolled out in Q4. The roll out of communal collections for phase 4 has been delayed until 22/23 due to resourcing concerns. Contractor performance issues continue to have impact on the household collection service. Early indications have shown a significant increase in recycling rates as seen in earlier phases.	Amber
	3	Deliver a programme of creative initiatives to support the recovery and growth of our town centre businesses.	Delivered 124 schemes in Taunton, Wellington, Minehead, Watchet, Porlock, Dulverton, Dunster and Wiveliscombe enabled through the delivery of a £535k grant scheme, and 100% expenditure of SWTs Welcome Back Fund allocation (£235k). These included events, markets, public realm improvements, business support, visitor and shopper guides etc. All town centre's have recorded an increase in footfall and the overall vibrancy and reputation of the towns. The ED team continue to facilitate and deliver a range of schemes to fill empty shop units, provide events, offer business support and regular conversations with Town Centre Businesses and Representative Groups.	Green
	4	Complete the redevelopment of one of our prime riverside quarters, Coal Orchard in Taunton.	Scheme has been delayed due to contractor going into administration in Jan '22. Now programmed to finish in Summer 22	Amber
	5	Progress individual planning applications on Firepool, for Block 1 (Firepool South, next to the Viridor building) as well as Block 3 (Firepool North next to Trenchard Way) with a view to starting work on site in late 2021 and start on site of the Digital Innovation Centre at Block 6 (Firepool North).	Block 3 and Infrastructure applications now approved, starting on site Summer 22. Block 1 is caught by phosphates with a timeline to be determined by mitigation solutions.	Green

Corporate Priority Area	Ref	Annual Plan Commitments 2021/22 https://www.somersetwestandtaunton.gov.uk/your-council/annual-plan/	Update on position at the end of March 2022	RAG
	6	Increase opportunity for new jobs and businesses in Minehead and West Somerset by completing an employment land sites feasibility study.	<p>A feasibility study was carried out in Summer 2021, which reviewed a wide range of sites, as well as assessed business demand. The development appraisal concluded that one specific site and another location both offered potentially viable options for investment and development. A decision was made to further explore these sites in more detail (rather than bring forward business cases for the Council to consider), and in particular firm up some of the key variable costs, which in turn would lead to more robust business cases. Significant work has been going on to investigate costs and issues associated with each site.</p> <p>This work has progressed as far as it can prior to new financial rules coming into place for the Unitary authority summer '22</p>	Green
	7	Present a full business case to open a train station in Wellington (if given the go ahead from the 'Restoring Your Railway Panel')	<p>Following the funding announcement in the autumn budget statement in October 2021, the Steering Group have been working closely with Network Rail and the Department for Transport (DfT) to finalise next steps in relation to the new stations at Wellington and Cullompton.</p> <p>The £5 million of funding announced will enable the project to advance significantly through the next two stages of project development and design, following the submission of the Strategic Outline Business Case at the beginning of 2021. The £5m will be administered by Network Rail as part of the Restoring Your Railway, Rail Network Enhancements budget with specific outputs and milestones agreed between DfT and Network Rail.</p> <p>The promoters, Somerset West and Taunton Council (SWT) and Mid Devon District Council (MDDC), have agreed with DfT that Network Rail will lead on the project from this point onwards, with support from their alliance partner Great Western Railway. It is felt that this will bring significant benefits to the project.</p>	Green
	8	Continue to gather evidence to support the review of the Council's Local Plan. The Local Plan is a very important set of policies that will set out how the district will develop over the next 20 years, such as where new housing will go and what we expect from developers in terms of affordable housing, infrastructure, how biodiversity will be improved and how our landscapes and heritage will be protected.	<p>Given the new unitary council for Somerset will be formed on 1 April 2023 and the numerous stages in Local, Mineral and Waste Plan preparation, the existing councils will therefore no longer be progressing new plans through the statutory process based on their individual geographies. Existing county and district councils are working closely to scope the content and timescales for new Development Plan(s) to be prepared in the future as part the single unitary council. This includes ongoing work to progress and align key evidence base documents. Relevant documents, including an updated Local Development Scheme (LDS) for the new Somerset Council will be published in due course as the councils work through the transitional arrangements.</p> <p>There are a number of workstreams currently being progressed to ensure a smooth transition to the new council. There is a clear commitment to ensuring effective plan-making arrangements are implemented going forward and we will update our web pages when there is further information regarding timescales and scope of any new Development Plan Documents.</p>	Amber
	9	Keep delivering our new Garden Communities toward delivery.	<p>Garden Town Implementation Manager and Green Infrastructure Officer were appointed in Autumn 2021 to support delivery of the project. Delivery is ultimately in the hands of landowners, land promoters and developers - however SWT as planning authority has dedicated Development Management resource facilitating approvals, legal queries, assisting project management and engagement with local communities in order to move matters forward. The 'phosphates issue' remains an overarching problem which will hamper delivery, viability and commercial confidence in the sites moving forward.</p> <p>Comeytrove - Circa 380 homes with reserved matters or resolution to approve with phosphate mitigation, show home open, and first occupations. SCC is currently considering a planning application for a primary school and associated nursery.</p> <p>Staplegrove East - Resolution to approve outline consent now implicated by the 'phosphates issue' and therefore delayed awaiting a separate proposal for a wetland phosphate solution.</p> <p>Staplegrove West - Outline consent granted, reserved matters now implicated by the 'phosphate issue' and therefore delayed, however a 'integrated constructed wetland' is being pursued as mitigation with a live planning application.</p> <p>Monkton Heathfield Phase 2 - Hybrid planning application received December 2021 and is live. Phosphate mitigation will be required.</p>	Amber

Corporate Priority Area	Ref	Annual Plan Commitments 2021/22 https://www.somersetwestandtaunton.gov.uk/your-council/annual-plan/	Update on position at the end of March 2022	RAG
	10	Enable development by finding a long-term solution to manage the phosphates issue on the Somerset Levels and Moors while finding a way to unblock stalled sites as soon as possible.	<p>As previously reported, SWT Interim phosphate programme was considered at SWT Full Council on the 5th October 2021. The interim programme allows some of the planning applications currently held in abeyance to be determined. Since then, the Council has put in place an Interim Phosphates Mitigation Strategy, which includes:</p> <ul style="list-style-type: none"> •The establishment of Phosphates Planning Sub-Committee to oversee the strategy and the recruitment of 2 no. dedicated Officers. •Progressing projects (e.g. wetland creation) to generate 'Phosphate Credits' that can be used by applicants as mitigation and measures as to how this can be implemented. •A criteria-based process for phosphate (P) credit allocation once the programme is 'up and running' which was agreed by the Phosphates Planning Sub Committee.. •A draft template Section 106 agreement which planning applications which apply for Council-generate P credits will be subject to. •With the other Somerset Councils , jointly commissioned a strategic solutions report which has recently been published and its findings reported to Phosphates Planning Sub-Committee. This report sets out suitable mitigation options that could potentially be used to offset the additional phosphorus load from a new development within the catchment of the Somerset Levels and Moors Ramsar site. It also included an updated map showing the affected area or 'area of risk'. •Ongoing engagement with key stakeholders including Natural England, Wessex Water, the Environment Agency, Department for Levelling Up, Housing and Communities (DHLUC), Somerset Rivers Authority and the development industry . <p>The actions taken to date by SWT are interim in nature and will not address the scale of the issue but means that the Council will shortly be able to determine some of the applications held in abeyance. As at 28th April 2022 this involved circa 150 planning applications including 39 applications for the discharge of conditions. This equates to circa 3,163 homes in limbo . Given the growing impact that excessive nutrients are having on the delivery of development across the country, officers are of the opinion that strategic national solutions are required to address the fundamental issues of farming practices and the function of wastewater treatment works which contribute to the problem. To this end, lobbying of national government continues in order to develop long-term strategic scale solutions and support to Local Authorities affected by this issue.</p>	Green
	11	Maximise the benefits from the decommissioning of the Hinkley Point B power station for local business and employment.	SCC are in discussion with the Nuclear Decommissioning Agency to draw down funding to support Sedgemoor and West Somerset coastal areas and implement the recent Minehead development strategy.	Green
	12	Complete decontamination and structural repairs at Toneworks, Wellington, to help preserve this place of significant historic interest.	Phase 1 decontamination works completed in Summer 2021. Phase 2 planning underway for further structural repairs to the heritage asset from Jan 2022 onwards.	Green

Corporate Priority Area	Ref	Annual Plan Commitments 2021/22 https://www.somersetwestandtaunton.gov.uk/your-council/annual-plan/	Update on position at the end of March 2022	RAG
A Transparent and Customer Focused Council	13	Deliver a Customer Experience Programme to get a clearer picture of our customers and identify ways in which we can improve their experience of the Council.	This programme has been formally closed and a project closure gateway review undertaken. The focus of the programme has in large part now been overtaken by events; in particular the decision to create a single new Council for Somerset. The remaining items will be incorporated within the service improvement project or are being picked up within the LGR for Somerset programme. The deliverables / benefits achieved to date will be useful resources for the LGR programme.	Green
	14	Commence a Service Efficiency and Improvement Programme to improve our internal processes to increase productivity and efficiency.	The programme has delivered 6 projects this financial year for a total saving of 268.3K. These projects also enabled a robust corporate programme management and contributed to prepare the organisation for an easier and quicker unitary transition. At least, 4 projects are planning to be delivered during the next financial year. They will contribute to enable the organisation progress towards excellence by ingraining supporting tools, process and developing internal capabilities. The programme continues to support the organisation financial sustainability by forecasting 360K of financial saving for the next financial year and ambition to deliver an improved customer experience by developing a systematic and simple approach to solve the problem to the root cause.	Green
	15	Deliver a new system to manage programmes and projects within the Council to ensure better efficiency and effectiveness.	The process is in place, with the monthly PMO report presented to SMT. Further stakeholder liaison is taking place to promote process, refine benefits reporting and realise cashable savings.	Green
	16	Launch the newly elected Tenants' Strategic Group.	Launched in April 2021, already had 3 meetings	Green
	17	Update and distribute our housing tenancy handbook and new tenant's welcome pack.	Handbook and welcome pack have been combined into 1 document, currently in its second draft. This is being checked by relevant managers and will be presented to Directors for sign off for publication in summer 2022.	Amber
	18	We will carry on live streaming our public meetings in order to continue to make them accessible and inclusive for residents who want to participate but who are unable, or do not wish to, attend in person.	All SWT Committee meetings are live webcast or live-streamed (depending on the location of the meeting)	Green
	19	We will work to make the most of the talents that disabled people can bring to our workplace, with specific focus on how we can adapt to best support our current and prospective neurodivergent employees.	Highly commended award received for Neurodiversity project at MJ Awards. Disability confident employer status achieved. Neurodiversity project now ingrained with Equalities working group as a standard agenda. Work continuing on training for managers and staff on Neurodiverse conditions to embrace inclusivity and diversity in the workplace.	Green

Corporate Priority Area	Ref	Annual Plan Commitments 2021/22 https://www.somersetwestandtaunton.gov.uk/your-council/annual-plan/	Update on position at the end of March 2022	RAG
Homes and Communities	20	Start building 47 new low carbon Council homes and a new community facility at North Taunton.	SWT is on site building 101 New Carbon Homes with planning approval for 100 more and planning applications awaiting approval for an additional 46. NTWP Phase A commenced on site July 2021 and will deliver 47 new low carbon affordable Council homes. The first homes are expected to complete will be complete August 2022 and all by June/July 2023. Future phases are planned to overlap. Phase A bringing forward more low carbon affordable council homes by 2025. Seaward Way, Minehead is on site where 54 zero carbon homes are being built, practical completion summer 2024. 6 planning applications for a total of 46 zero carbon homes are awaiting planning approvals and SWT has submitted a phosphate mitigation strategy in support of the applications. Natural England as a consultee in the planning process have provided their support for the councils approach.	Green
	21	Acquire planning consent and start on site at Seaward Way, Minehead for the construction of 54 zero carbon homes.	JCT contract has now been entered into, and works have commenced on site with Classic Builders. Estimated completion date for whole scheme is Summer 2024, although some phased completions are anticipated prior to this.	Green
	22	Complete an options appraisal for Oake. This will identify the investment needed and timescales to manage the Council's defective non-traditional Woolaway homes in Oake, and any contribution to new affordable housing in that area.	The project has recieved SHDF Wave 1 funding and has an established budget. The scheme is mirroring NTWP phase 5 but the timeline has a 4 month leg due to ecology serveys pre planning application. Housing needs assessments have been completed, a route map for the works has been established, the sepcification is being finalised and the procurement of a contractor will commence in June 22	Green
	23	Complete a Housing Strategy Demand Study which allow the Council to develop a joined-up approach to affordable housing investment focusing on where it's most needed.	This work was completed during November 2021. The Study identified that there is significant demand for more 2 bed houses and 1 bed flats. 1 bed move-on accommodation is required for those who are ready to leave supported housing. The study also provided clearer evidence of the demand for 2,3 and 4 bed wheelchair adapted properties. There is an increasing trend of young children requiring support via Somerset Independence Plus (e.g. for Disabled Facilities Grants). There is also significant demand for more sheltered housing, especially in the west of the District. This indicates a need for more prevention focussed activity. The quality of accommodation in the Private Rented Sector is exacerbating fuel poverty. With rents increasing, along with the cost of living, fuel poverty will undoubtedly worsen acrssoss all tenures. The cost of home ownership is increasing and there is a continued struggle to identify rural housing demand through Homefinder Somerset. These findings (as well as others) are being used to influence a range of housing interventions.	Green
	24	Deliver a Homelessness Improvement Plan designed to minimise homelessness, promote prevention and lead to reduced bed and breakfast costs.	Since December 2021 there has been a renewed focus on the improving opportunities to prevent homelessness therefore reducing the cost of temporary accommodation. A range of new procedures have been implemented to ensure that all opportunities to prevent homelessness are explored prior to placement in temporary accommodation. In addition, a fortnightly, cross team task and targeting meeting has been implemented to ensure that, where placements are made, there is a clear focus on move on. Rent and service charge procedures are being aligned with those already in place within the Council's own stock to both maximise income and reduce arrears. These positive improvements are being made at a time when the service is under increasing pressure including a 20% increase in service demand, ongoing competition from the development at Hinckley and changes to legislation designed to support households from Ukraine including the requirement to provide accommodation, including B&B, for all Homes for Ukraine placements which break down.	Amber
	25	Approve and commence delivery, of an accommodation strategy to meet the housing and support needs of single homeless people in the District.	The Single Homeless and Rough Sleeper Accommodation Strategy, together with the associated delivery plan, was approved by Full Council on October 5th 2021. Delivery is progressing. SWT has been successful in recievig grant funding in 2 RSAP rounds and has a live grant application awaiting a decision. SWT is working with partners and using the Housing service to create 36 new home in 2022/2023. The coordination of support services is being developed through the Better Futures Programme and the Somerset Homelessness Reduction Board.	Green
	26	As part of the move to a new IT system for Homefinder Somerset, we will introduce a new and improved form for applying for social housing within the district, that is as easy as possible for people to complete.	The new online application form went live on 2nd August 2021, offering an easier more intuitive means to access Homefinder and social housing. The new form was developed following consultation with partner local authorities and landlords, and wider stakeholders including applicants.	Green
	27	Introduce at least two community pantry schemes into the District offering subsidised food for communities affected by Covid-19.	The first pantry has been operating for a year in Rowbarton, Taunton. They have acted as a learning centre for others. New schemes in Rockwell Green, Wellington and Minehead will be operational from the spring of 2022 (May). Other schemes are progressing towards being operational in due course.	Green
	28	Review and improve the Council's CCTV to provide a more effective service and better value for money.	This review is underway and savings have been identified and moved back into general reserve. There is further work to be done on overall improvement of the estate, such as digital upgrade and linking the existing scheme in West Somerset to the monitoring service at Sedgemoor. These proposals will come forward fully during 2022/23 for a decision on delivery.	Green

Corporate Priority Area	Ref	Annual Plan Commitments 2021/22 https://www.somersetwestandtaunton.gov.uk/your-council/annual-plan/	Update on position at the end of March 2022	RAG
An Enterprising Council	29	Complete our programme of commercial property acquisitions that generate additional income.	The portfolio was completed in Dec 21	Green
	30	Deliver an asset management plan so we can make informed decisions on the investment or disposal of our land and property assets to maximise future income.	Asset Review Project has assembled information, pending implementation of Asset Database for data collation and analysis (joint procurement with SCC, live 2022-2023).	Amber
	31	Form a dedicated delivery company, owned by the Council, to deliver Town Centre Regeneration projects in addition to those brought forward by the private sector.	This work remains paused whilst issues resulting from phosphates are worked through and workable solutions found	Amber

APPENDIX 3

Risk Scoring Matrix

Impact

Risk Impact/Severity The impact of the threat being realised is defined as:

	Score	Impact	Definition
Very Low	1	No impact	No notable impact identifiable
Low	2	Minor	Affects only one group of stakeholders, with minimum impact
Medium	3	Significant	Affects more than one group of stakeholders, with widespread but short-term impact. May attract the short-term attention of legislative/regulatory bodies
High	4	Major	Affects more than one group of stakeholders with widespread medium-term impact. Attracts the medium-term attention of legislative/regulatory bodies
Very High	5	Catastrophic	Medium to long term impact on performance and delivery of services. Affects all groups of stakeholders, with a long-term impact. National impact with the rapid intervention of legislative/regulatory bodies

Risk Likelihood

The likelihood of the threat being realised is expressed on a scale of 1-5, using the definitions below

	Score	Likelihood	Definition
Very Low	1	Rare	May occur in exceptional circumstances
Low	2	Possible	Risk may occur in the next 3 years
Medium	3	Likely	The risk is likely to occur more than once in the next 3 years
High	4	Almost certain	The risk is likely to occur this year
Very High	5	Certain	The risk has occurred and will continue to do so without action being taken

Appendix 4 Key Business Risks

REF	Risk details			Current score			Action summary		
	Name	Summary of the risk (cause) / What is the impact?	Date added	Imp.	Prob.	Total	Owner	Mitigation plan development status	Mitigation plan implementation status
CR11	Cyber attack	Cause - Cyber Attack Impact - Potential for financial, legal and reputational damage or that we are targeted and locked out of essential systems.	Jun-20	4	5	20	Sean Papworth	G	G
CR23	Landlord Safety Checks	Cause: Failure to comply with Landlord Property Safety Compliance requirements. Impact: Regulatory failure, failure to comply with the law, incident causing injury or death, negative PR, and financial loss (compensation and / or fine)	Mar-21	4	4	16	Ian Candlish	G	A
CR34	Unitary council transition	Cause: Inability to adequately resource the unitary transition activities, business as usual service delivery and key programmes. Impact: Failure to deliver corporate objectives, inability to maintain key services, inability to deliver key functions in the new council, reputational damage, financial loss, legal challenge.	Sep-21	4	4	16	Alison North	A	A

Green = key actions identified & mitigation plan in place	Green = mitigation actions on target or completed
Amber = key actions identified but plan not fully developed	Amber = mitigation actions behind target, but impact not significant
Red = key actions NOT identified & NO plan in place	Red = mitigation actions significantly behind target

Appendix 5 Corporate Issues

REF	Issue details					
	Name	Summary of the issue	Date added	Owner	Mitigation plan development status	Mitigation plan implementaton status
CI 9	Phosphates	Management of phosphate levels in Tone catchment, particularly regarding impact on planning applications.	Nov-20	Alison Blom Cooper	A	R*
CI 12	System Reconciliation	Work is underway by finance officers and the CIL/S106 team to reconcile system entries. Whilst there is a current discrepancy there is no financial loss to the authority.	Nov-21	Alison Blom Cooper	G	A
CI 14	Health and Safety Improvement Programme	Low maturity health and safety management systems leading to increased risk of injury, reputational damage, legal challenge and financial loss.	Oct-21	Sean Papworth	G	A

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Green = key actions identified & mitigation plan in place	Green = mitigation actions on target or completed
Amber = key actions identified but plan not fully developed	Amber = mitigation actions behind target, but impact not significant
Red = key actions NOT identified & NO plan in place	Red = mitigation actions significantly behind target

* further details are in the technical report, published in March 2022: <https://www.somersetwestandtaunton.gov.uk/media/3232/solutions-report.pdf>

Report Number: SWT 101/22

Somerset West and Taunton Council

Executive – 20 July 2022

Housing Revenue Account Financial Monitoring – Outturn Position 2021/22

This matter is the responsibility of Executive Councillor Francesca Smith, Portfolio Holder for Housing

Report Author: Kerry Prisco, Management Accounting and Reporting Lead

1 Executive Summary / Purpose of the Report

- 1.1 This report contains information related to Somerset West and Taunton Council's (SWT) Housing Revenue Account's (HRA) financial performance for the 2021/22 financial year. The outturn figures included are provisional subject to the completion of the external audit of the statutory financial statements. The audit is due to be completed between July and September with the findings due to be reported to the Audit and Governance Committee on 27th September this year.
- 1.2 The challenging economic operating environment, as well as regulatory and political demands have continued to place financial pressure on the HRA during 2021/22. The service has had a backlog of responsive and planned maintenance and compliance works to deliver during the year as well as the rising costs of materials causing further financial pressure.
- 1.3 Covid has continued to impact business operations by causing further delays on the delivery of the capital programme, as such the Housing Senior Management Team have proposed budget returns to realign the capital programme. The reduced spend on the capital programme during the year did have a positive financial impact as this increasing investment income. The impact of Covid has increased costs in other areas of the business such as deep cleaning on sheltered accommodation and staffing requirements to maintain tenancy support.
- 1.4 In addition, there have been two other financial one-off adjustments this year that has helped the outturn position. The first is the successful Open Contractor project that identified major repairs undertaken as part of the voids process that could be capitalised to reduce pressure on the revenue account. The second, is that a debtors imbalance has been resolved resulting in a favourable one-off adjustment.
- 1.5 The unstable economic operating environment along with regulatory and political pressures means that the service is still experiencing high levels of volatility and financial movements that are high risk. Whilst the year end position is an underspend, resulting in a small increase on general reserves which may look favourable this level may not be sufficient with the level of volatility being experienced. Therefore, the service needs to deliver ongoing efficiency savings and manage spend closely during 2022/23 to provide more financial capacity to enable the business to flex against

changing and competing demands.

1.6 The **revenue outturn position** for the financial year 2021/22 is as follows:

- a) The HRA Revenue Outturn position for 2021/22 is a net underspend of £170k (0.6% of gross income).
- b) The HRA is a ring-fenced, self-financing account used to manage the Council's Housing Landlord function, which is budgeted to break even (net of approved transfers to/from HRA Reserves). As the HRA Net Budget is net £nil with costs wholly offset by income and reserves, performance is reported against gross income for monitoring purposes.

1.7 The **capital outturn position** for 2021/22 is as follows:

- a) The actual spend on the HRA Capital Programme during 2021/22 was £12.708m (see **Appendix A**). The major areas of capital spend during the year related to the capital maintenance for the existing housing stock and the development of new stock.
- b) A budget return of £11.847m is being proposed across the HRA Capital Programme. Section 10 and **Appendix A** provides more information.
- c) A carry forward of £95.022m is being proposed for schemes in 2022/23 and future years (see **Appendix A**).

1.8 The **reserves position** for 2021/22 is as follows:

- a) The **unearmarked reserves** are projected to be £3.413m which is £1.413m above the recommended minimum balance of £2m.
- b) The **earmarked reserves** are projected to be £54k and are committed to support spending in future years.

2 Recommendations

2.1 The Executive is recommended to:

- a) Note the reported Housing Revenue Account Budget underspend of £170k in 2021/22 and the HRA General Reserves Balance of £3.413m as at 31 March 2022.
- b) Note the Capital Outturn position.
- c) Approve the proposed reductions to the Capital Programme Budget of £11.847m for underspends on schemes where budget is no longer required, and the continuation of £95.022m approved budget rolled forward for the 2022/23 Housing Revenue Account Capital Programme (as per **Appendix A**).

3 Risk Assessment

- 3.1 This is a retrospective report therefore no risk assessment has been completed. Risk assessments regarding budget monitoring were carried out during the year and included with these reports. Financial risks and uncertainties are included in budget setting and budget monitoring reports presented to Members.

- 3.2 The challenging economic operating environment continues to place ongoing financial pressure on the business with rising costs of materials, fuel and utility costs as seen nationally. In addition, the sector faces regulatory demands to maintain Decent Homes Standards and Lettable Standards, as well as meeting compliance safety checks. There is also political pressure to build new homes and achieve carbon neutrality by 2030. All these components place financial pressure on the business, and therefore it is paramount that the service delivers on the financial strategy to find and embed ongoing efficiency savings of £650k over the next three years (Full Council 8 February 2022) and maintain the strength of general reserves to provide increased resilience and flexibility for management and members to mitigate short term pressures.

4 Background and Full details of the Report

- 4.1 This report informs Members of SWT's financial outturn (a comparison of net spending against the budget for the year) for revenue and capital budgets in 2021/22 for the Council's Housing Revenue Account (HRA).
- 4.2 Scrutiny and the Executive have received quarterly budget monitoring reports throughout the year which have highlighted variances from budgets and comments from the budget holders, as well as summarising the main risks and uncertainties as explained above. The forecast position has fluctuated during the year.
- 4.3 The outturn figures contained in this report are provisional at this stage. The financial outturn has been taken into account when preparing the Council's Draft Statement of Accounts, which is due to be approved by the Assistant Director – Finance (S151 Officer) at the end of June, and is now subject to review by the Council's External Auditor. Should the External Auditor identify the need for any changes to the Accounts these will be reported to the Audit and Governance Committee on 27th September this year.

5 2021/22 Financial Performance

- 5.1 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 regular review of all budgets. Budget Holders, with support and advice from their finance business partners, review the position, and update their forecasts 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 assumptions and estimates will differ from the eventual outcome, and several risks and uncertainties have been highlighted in previous budget monitoring reports.

5.2 The Council has continued to operate within the framework of their Financial Strategy and the overall financial standing at the end of the financial year is sound. The Reserve balances for the HRA is above the recommended minimum, which provides added financial resilience which is prudent given the scale of risk and uncertainty. The Medium Term Financial Plan also incorporates planned use of reserves to support the 2022/23 budget, and the current reserves balance is sufficient to support this approach.

6 Housing Revenue Account

6.1 The HRA is a ring-fenced account used to manage the Council's housing stock of approximately 5,700 properties, with the Council acting as the Landlord. The HRA operates as a 'self-financing' service, with costs of the properties and associated services funded by housing rents and specific fees and charges. The HRA is working within a 30-year business plan, reflecting the long-term nature of the housing assets, and plans to break-even each year.

6.2 **Revenue Outturn Position:** The revenue outturn position for the financial year 2021/22 for the HRA is a net underspend of £170k (0.6% of gross income). The end of year position is closer to budget compared to the £354k overspend forecast at Q3. Table 1 below shows a high level summary of the revenue outturn against budget.

Table 1: HRA Revenue Outturn Summary

	Current Budget £000	Outturn £000	Forecast Variance	
			£000	%
Gross Income	-27,667	-27,919	-251	0.9%
Service Expenditure	15,354	15,956	602	2.2%
Other Operating Expenditure and Income	12,313	11,793	-521	-1.9%
Total	0	-170	-170	-0.6%

6.3 The department variances to budget are shown in Table 2, with explanations for the variances set out below.

Table 2: Main Outturn Variances

	Current Budget £000	Outturn £000	Q4	Q3	Q2	Q1
			Variance £000			
Gross Income:						
Dwelling Rents	-24,951	-24,629	321	424	291	29
Non-Dwelling Rents	-704	-702	2	-54	8	6
Charges for Services / Facilities	-1,623	-1,490	133	-95	-27	-42
Other Income	-389	-462	-73	-44	-2	-2
One-Off Debtors Adjustment	-	-635	-635	-	-	-
Sub-Total Gross Income	-27,667	-27,919	-252	231	270	-9

Service Expenditure:						
Development & Regeneration	219	37	-182	-64	-265	-43
Community Resilience	154	175	21	9	8	14
Tenancy Management	2,901	3,254	353	329	54	128
Maintenance	3,429	4,408	979	1,083	682	354
Assets	1,277	1,080	-197	-232	-137	-53
Compliance	2,317	2,305	-12	-326	438	233
Performance	5,057	4,697	-360	-175	-187	-13
Sub-Total Service Expenditure	15,354	15,956	602	624	593	620
Central Costs / Movement in Reserves:						
Revenue Contribution to Capital	-	-	-	-	-	-
Interest Payable	2,669	2,808	139	150	-	-
Interest Receivable	-	-389	-389	-358	-	-
Change in Provision for Bad Debt	180	116	-64	-	-	-
Depreciation	7,663	8,261	598	-293	-293	-
Capital Debt Repayment	1,821	1,069	-752	-	-	-
Capital Grants and Contributions	-	-599	-599			
Other Operating Expenditure	-	382	382			
Movement In Reserves	-20	145	165	-	-	-
Sub-Total Central Costs / Movement in Reserves:	12,313	11,793	-521	-501	-293	-
Net Surplus(-) / Deficit for the Year	-	-170	-170	354	570	611

Gross Income

- 6.4 **Dwelling Rents:** the budgeted income for 2021/22 is £24.951m, which reflects an assumption of 2% void losses and applying a 52-week year. The outturn position for dwelling rent income is an under recovery against budget of £322k which is in part due to stock reductions related to the North Taunton regeneration scheme, timings of RTB sales and levels of voids. This includes £119.5k of write offs during the year (see section 7).
- 6.5 **Non-Dwelling Rents:** the budgeted income for 2021/22 is £704k. Overall this has come in on target against budget. There was a slight under recovery on garages rental income offset by a slight over recovery on shop lease income.
- 6.6 **Charges for Services / Facilities:** The budgeted income for 2021/22 for the **Service Charge Income for Dwellings** (after discounts have been applied to tenants such as Piper Charge to Sheltered Housing and Extra Care) less an average 2% void loss

and applying a 52-week year, is £1.380m. The outturn position resulted in £14k under recovery of income.

- 6.7 The budget income for 2021/22 for income for **Leaseholder Charges for Services** is £233k. Leaseholds are invoiced a year in arrears. The routine repairs were low due to COVID and lockdown. The major repairs were also lower and capped at £250 this year. In addition to this, following a successful tender, building insurance premiums have now dropped meaning less of a recharge to our customers. Therefore £109k less income was billed to leaseholders.
- 6.8 The budgeted income for **Meeting Halls** for 2021/22 is £10k. The outturn position showed less than £1k of income was received due to COVID restrictions preventing this service to be provided. The meeting halls were re-opened at the end of September 2021.
- 6.9 **Other Income:** This includes (a) photovoltaic income which over recovered, (b) active recharging of voids repairs to tenants as part of their lease agreement and (c) various small additional contributions towards spend on the One Teams.
- 6.10 **One-Off Debtors Adjustment:** This variance has been offset during 2021/22 by a one-off favourable correcting adjustment of £720k to the HRA. This correction was necessary to update and accurately reflect the Academy system debtors position within the financial management system (FMS). A prior-year audit of the accounts had identified an imbalance between the two systems. Following a subsequent and thorough investigation, the cause of the imbalance has now been identified as being the result of rent account adjustments (refunds of overpayments to tenants) not having been fed through to the FMS. The system processes are now being updated. Whilst £85k of the correction related to 2021/22, the system error dates to before the merger of the two former councils into SWT, therefore having accumulated over several years.

Service Expenditure

- 6.11 **Development & Regeneration:** The underspend relates to a few posts held vacant for the early part of the year. The delivery of new development projects has not required this resource as the service has focused on establishing a development pipeline. The development pipeline of 342 units is now established and following procurement and planning this resource in the structure will be required as the service increasingly moves into delivery from 2022/23. This also relates to the capitalisation of staffing costs as part of the Right To Buy scheme.
- 6.12 **Tenancy Management:** This area covers lettings, supported housing, rent recovery, leaseholders and other tenancy management support activities. The total current budget is £2.901m. The outturn position is an overspend of £353k. This relates to a number of different areas including (a) an overspend related to the upgrade of the controlled entry systems to flat blocks where we are now incurring expenditure relating to contracts and the maintenance of the systems that are higher than before, (b) an overspend due to increased levels of cleaning in supported housing settings required in light of COVID plus the cost for a range of compliance requirements, (3) an overspend related to a significant increase in activity following the implementation of annual tenancy reviews to identify and help resolve issues (for example house

clearance due to hoarding), and (4) an overspend on staffing costs due to additional resource drafted in to help the team manage challenging workloads throughout COVID and backfilling long term sickness.

- 6.13 **Maintenance:** The overspend of £979k relates to the ongoing repairs and maintenance of the housing stock either tenanted or void activity undertaken to ensure our Lettable Standard is met. Whilst this is a very demand led and reactive service based on the needs of the tenants, this service has experienced an increase in cost pressures as inflation drives up the cost of materials (as seen nationally). The assumed ongoing impact of this pressure is reflected in the rebasing of budgets for 2022/23. This year the team has also incurred additional costs to deliver the backlog of repairs following COVID restrictions. The year end position was also less than originally expected due to the successful Open Contractor project that identified major repairs undertaken as part of the voids process could be capitalised reducing pressure on the revenue account.
- 6.14 **Assets:** The underspend of £197k relates to a number of staff vacancies during the year across the capital investment and asset management team, reduced cost of the Housing Partnership, reduction in repairs and maintenance spend on other non-dwelling assets and a reduced spend on SAP EPC and stock validation costs caused by a lack of available resources to undertake the work during COVID.
- 6.15 **Compliance:** The improvements implemented as part of the Open Contractor project have meant that an appropriate level of overheads have now been allocated to this service area which have reduced the predicted overspend over the course of the year. The final outturn position is an underspend of £12k (0.52%) of the approved budget.
- 6.16 **Performance:** Of the total budget of £5.057m, £3.9m relates to shared costs such as support services, pension deficit, and governance, leaving £1.1m on operating costs such as staffing, insurance, training, travel, stationery, printing and bank charges, as well as the Tenants Empowerment and Tenants Action Group. The underspend of £360k is (a) a reduction in cost for the shared support staff, (b) the funding of the pay award from general reserves where the costs are shown elsewhere within services and (c) underspends in both Tenants Empowerment and Tenants Action Group costs.

Central Costs and Movement in Reserves

- 6.17 **Interest Payable:** there is an overspend of £139k on interest payable. This is the difference between the estimated and actual cost of refinancing existing debt of £20m in March 2021, and two loans on variable rates of interest.
- 6.18 **Interest Receivable:** The reduction in the capital outturn position (see section 10) compared to the original projections has reduced the current year capital financing requirement for the HRA. Therefore, with investments exceeding the capital financing requirement, this has resulted in internal investment income of £389k.
- 6.19 **Change in Provision for Bad Debt:** This is a technical accounting entry which considers the year end arrears position and makes a provision within the accounts for the possibility of non-payment. This will change year-on-year depending on the level of arrears held at the end of each financial year and the aged profile of the

arrears. This year the change in expected credit losses (provision for bad debt) has increased by £116k which is an underspend of £64k against the budget of £180k.

- 6.20 **Depreciation:** Depreciation is transferred to the Major Repairs Reserve (MRR) and must be used to fund the capital programme and/or repay capital debt. Depreciation is calculated at the end of the financial year and is based on each of the major components of each property e.g. kitchen, bathroom, roof, etc.
- 6.21 In prior years, elements of the depreciation calculation saw some components of the assets having a useful life over 100 years. There has been a recommended technical accounting update requiring components to have a maximum useful life of 70 years. This has been applied to the calculation for 2021/22 resulting in an increase in the dwelling depreciation charge. This financial impact has been managed strategically in 2021/22 by reducing the voluntary repayment of debt through the revenue account and replacing this with existing capital receipts to eliminate the financial impact on repaying debt as well as the impact on the revenue account.
- 6.22 For 2021/22 the dwelling depreciation charge was £8.005m and the other land and buildings depreciation charge was £256k; a total of £8.261m against a budget of £7.663m which has resulted in an overspend of £0.598m compared to the original budget. The budget for next year has already been increased.
- 6.23 **Capital Debt Repayment:** The HRA has consistently provided a provision within the revenue account to maintain the repayment of debt. For 2021/22 this has been strategically reduced by the increase seen in dwelling depreciation as result of the change in technical accounting requirements (as mentioned above) which is why an underspend of £752k against budget is being reported.
- 6.24 **Capital Grants and Contributions:** During 2021/22 the service has received additional funding of £470k from the Hinkley Housing Strategy Fund approved by Full Council on 25 August 2020 towards the social housing development scheme at Seaward Way. This provides a positive financial impact as it reduces the borrowing requirement and thus the cost of borrowing for this scheme.
- 6.25 The service has also received £129k of new external grant funding from Homes England as part of the Rough Sleeping Action Programme (RSAP). This funding has fully financed the HRA purchase of a new property reserved for temporary accommodation and helped to refurbish two other properties.
- 6.26 **Other Operating Expenditure:** This overspend relates to £382k for the annual payment Right to Buy (RTB) payment to the Department for Levelling Up, Housing & Communities (DLUHC) which is fully funded by RTB capital receipts that is contained within the Movement in Reserves.
- 6.27 **Movement In Reserves:** The outturn of £145k is related to technical accounting entries including (a) a credit of £382k which is the movement from RTB capital receipts to offset the RTB annual payment (see above), (b) a debit of £129k and £470k which is the movement of the capital grants and contributions being moved to the balance sheet (see above), (c) a credit of £20k for the general fund contribution towards the Open Contractor project manager, and (d) a credit of £52k to offset the amortisation charge within the accounts.

7 Debt Write Off

- 7.1 The total amount of debtor write-offs made during 2021/22 amount to £119.5k, of which £99.6k related to dwelling rental income and £19.9k of non-dwelling rental and other charges such as repairs and court costs. Of this there were no individual customers where individual debts greater than £25,000 that were written off.

8 HRA Earmarked Reserves

- 8.1 The Council can set aside HRA funds for specific purposes to be used in future years. The table below provides a summary of the HRA earmarked reserves and the movements during the year.
- 8.2 The HRA Earmarked Reserves at the beginning of 2021/22 totalled £1.107m. Of this £869k was approved to be returned to General Reserves by Full Council on 5 October 2021 and a further £175k by the Executive on 15 December 2021. The balance as at 31 March 2022 is £54k and this has been committed to support spending in future years.

Table 3: Balance of HRA Earmarked Reserves held at 31 March 2022

Description	Balance B/F £000	Transfer In £000	Transfer Out £000	Balance C/F £000
One Teams	26	0	-20	6
Social Housing Development Fund	849	0	-849	0
Contribution to Transformation	175	0	-175	0
Lettings – Home Moves Plus	57	43	-52	48
Total	1,107	43	-1,096	54

9 HRA Unearmarked Reserves

- 9.1 The table below summarises the movement on the HRA unearmarked reserves during the year.

Table 4: HRA Unearmarked Reserves Balance

	£000
Balance Brought Forward 1 April 2021	2,686
Approved In-Year Transfers In	1,044
Approved In-Year Transfers Out	-487
Provision Outturn 2021/22	170
Balance Carried Forward 31 March 2022	3,413
Future Use of Reserve in 2022/23	-200
Projected Balance	3,213
Recommended Minimum Balance	2,000
Balance above recommended Minimum Operational Target	1,213

- 9.2 The HRA general (unearmarked) reserves at the start of the year were £2.686m. This is £686k above the minimum recommended reserve level of £2m. Remaining at or above these targets provides added financial resilience to in year pressures through volatility and unforeseen cost increases and income reductions.

- 9.3 General reserves have increased by £1.044m through the return of earmarked reserves that are no longer required for their original purpose (approved by Full Council on 5 October 2021 and the Executive 15 December 2021).
- 9.4 General reserves have decreased by £487k to fund in-year pressures such as the 1.75% pay award, project manager costs for the OC review, share of corporate costs as well as additional staffing capacity for monitoring performance on complaints, compliance administrator, stock condition surveyors and procurement support.
- 9.5 The balance as at 31 March 2022 (subject to audit) is £3.413m, which is £1.413m above the recommended minimum balance of £2m. The projected balance on reserves as at 31 March 2022 provides sufficient capacity to support the approach of the Medium Term Financial Plan which incorporates the planned use of £200k of reserves to support the 2022/23 budget.
- 9.6 The remaining balance of £1.213m provides some financial resilience and flexibility for management and members to mitigate short term pressures within the HRA. However, the unstable economic operating environment along with regulatory and political pressures means that the current levels of reserves may not be sufficient. Therefore, the service needs to deliver the financial strategy to find and embed ongoing efficiency savings of £650k over the next three years to provide more financial capacity to enable the business to flex against changing and competing demands.

10 HRA Capital Outturn Position

- 10.1 The HRA **approved Capital Programme** at the end of 2021/22 is £119.438m (see **Appendix A**). This consists of £13.800m of new schemes approved by Full Council on 8 February 2021 plus £104.527m of previously approved schemes carried forward from prior years. In addition, £1.111m of supplementary budgets were approved by Full Council on 29 March 2022.
- 10.2 The HRA approved Capital Programme relates to in-year works and longer-term schemes that will be completed over the next ten years. The Council is financing this investment through the Major Repairs Reserve, Capital Receipts, Capital Grants, Revenue Funding and Borrowing.
- 10.3 The **actual spend** on the HRA Capital Programme during 2021/22 was £12.708m (see **Appendix A**). The major areas of capital spend during the year related to the capital maintenance for the existing housing stock and the development of new stock. The actual spend during 2021/22 will be financed using a combination of Capital Grants, Capital Receipts, Major Repairs Reserve and borrowing.
- 10.4 The capital outturn position is reporting an **overspend** of £138k (see **Appendix A**) for the fully funded purchase of a new property reserved for temporary accommodation (see paragraph 6.25 above) and preliminary professional advice on a new scheme that proposes to regenerate non-traditional properties in Oake.
- 10.5 The capital outturn position is also reporting proposed **capital budget returns** of £11.847m (see **Appendix A**). The Housing Senior Management Team have

reviewed projected capital expenditure and are confident that the remaining capital slippage and new approved budget for 2022/23 will be sufficient to meet the capital asset management plan over the next 12 months. These budget returns will positively impact the financial position of the HRA's 30-Year Business Plan and the Council's treasury management strategy.

- a) A budget return of £4.972m on Major Works relates to ongoing delays in delivery of some capital schemes in 2021/22 due to the impact of Covid. This is due to both available contractor resources to deliver programmed works as well as tenants not providing access to their home due to anxiety around catching Covid. In addition, supply chain material shortages on a range of construction products has further hampered completions. A review of works still necessary to be undertaken to ensure we meet, for example, the Decent Homes Standard and safety compliance works has been completed and 'slippage' monies from the 2021/22 budgets added to the 2022/23 budgets.
 - b) A budget return of £99k for Related Assets and £73k for Exceptional and Extensive relates to a number of factors resulting in a recognition that the annual budget is sufficient in future years and that the underspend does not need to be carried forward.
 - c) A budget return of £404k for Vehicles. The capital expenditure budget estimate for 2022/23 was £155k, however revised estimates to include a proportion of the fleet to be electrical vehicles have increased estimated capital expenditure by £65k. Therefore £65k of the budget will be carried forward with the remainder of £404k being returned.
 - d) A budget return of £212k for Aids and Adaptations and DFGs relates to a number of factors resulting in a recognition that the annual budget is sufficient in future years and that the underspend does not need to be carried forward.
 - e) A budget return of £6.087m for Social Housing Development schemes relates to budget allocated in 2021/22 (plus prior year slippage) to meet the Council's "1-4-1 Agreement" target spend under the Right to Buy (RTB) scheme (see section 11). However, this target has been achieved through new build schemes instead and is projected to continue to do so in future years.
- 10.6 The total budget to be **carried forward** into 2022/23 and future years is £95.022m (see **Appendix A**). There was also £14.379m of new capital budget approved by Full Council on 8 February 2022. This gives a total approved capital budget of £109.401m to be spent in 2022/23 and future years.

11 HRA Right To Buy (RTB) Capital Receipts

- 11.1 The RTB scheme is a government scheme that enables tenants to purchase their homes at a discount, subject to meeting qualifying criteria. During 2021/22 the Council sold 35 homes through the RTB Scheme.
- 11.2 Through a "1-4-1 Agreement" with the Treasury / DLUHC, the Council can retain a small proportion of these RTB receipts and use them to fund new social housing. From the 1 April 2021, the Government issued a policy change allowing these receipts to now account for up to 40% (previously 30%) spend on new social housing

costs, with the remaining 60% coming from other funds such as revenue funding or borrowing.

11.3 This policy change also increased the timeframe that these receipts must be spent to five years (previously 3 years) of the capital receipt or returned to Government with interest at 4% over base rate from the date of the original receipt. To date, the Council has successfully spent all of their retained 1-4-1 receipts with no returns being made to the Treasury / MHCLG.

11.4 During the financial year 2021/22 the total attributable spend on eligible RTB schemes was £2.627m. This was spent on a variety of social housing development schemes.

12 Links to Corporate Strategy

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

13 Community Scrutiny Comments / Recommendations

13.1 This report was considered and the recommendations supported by Community Scrutiny on 29 June 2022. The main comments and / or questions related to:

13.2 The level of voids assumed within the budget, the current levels being experienced, and the actions taken to try and keep levels low going forwards.

13.3 The reason for staff vacancies across the capital investment and asset management team, and what plans there were to fill these going forwards.

13.4 The reason for the capitalisation of major void works and social development project officers, and the impact this had on both the revenue and capital account.

13.5 The reason for the capital budget return and assurance that the capital programme was sufficient to deliver the major works required to maintain our housing stock, as well as enquiries into individual capital schemes' allocations within the programme in 2022/23.

Democratic Path:

- **Community Scrutiny – 29 June 2022**
- **Executive – 20 July 2022**
- **Full Council – No**

Reporting Frequency: Annually

List of Appendices

Appendix A	HRA Capital Outturn Position 2021/22
Appendix B	HRA Original v Current Budget Position

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Appendix A: HRA Capital Outturn Position 2021/22

HRA Capital Programme Summary:

	Approved Budget as at 31 March 2022	Actual Capital Outturn 2021/22	Under (-) / Overspend on Completed Projects	Underspend - Budget No Longer Required	Remaining Approved Budget (ongoing projects)	Net 2022/23 Budget Additions Approved (Feb 2022)	Total Approved Budget 2022/23 and future years
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Major Works	14,530	5,662	-0	-4,972	3,896	11,051	14,947
Fire Safety	1,756	315	0	0	1,441	2,133	3,574
Related Assets	130	31	0	-99	0	120	120
Exceptional & Extensive	294	221	0	-73	0	350	350
Vehicles	469	0	0	-404	65	155	220
ICT & Transformation	746	394	0	0	351	200	551
Aids & Adaptations & DFGs	370	158	0	-212	0	370	370
Sub-Total Majors & Improvements	18,294	6,781	-0	-5,760	5,753	14,379	20,132
Social Housing Development	101,145	5,927	138	-6,087	89,269	0	89,269
Total HRA	119,438	12,708	138	-11,847	95,022	14,379	109,401

Note: The approved budget for future years includes all Social Housing Development schemes approved for their duration plus one year of major works and improvements.

Appendix A: HRA Capital Outturn Position 2021/22 (cont.)

HRA Capital Programme Detail Listing:

Scheme Name	Approved Budget as at 31 March 2022	Actual Capital Outturn 2021/22	Under (-) / Overspend on Completed Projects	Underspend - Budget No Longer Required	Remaining Approved Budget (ongoing projects)	Net 2022/23 Budget Additions Approved (Feb 2022)	Total Approved Budget 2022/23 and future years
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Major Works	14,530	5,662	-	-4,972	3,896	11,051	14,947
HRA C Major Repairs Capital Programme	-	-	-	-	-	-	-
HRA C Major Repairs & Improvements	5,821	182	-1,669	-3,971	-	150	150
HRA C Kitchens	2,095	323	-	-	1,772	1,922	3,694
HRA C Bathrooms	1,020	114	-	-	906	507	1,413
HRA C Roofing	432	213	-	-	219	2,500	2,719
HRA C Windows	640	1,568	928	-	-	1,211	1,211
HRA C Heating Improvements	878	648	-	-	230	1,348	1,578
HRA C Doors	100	128	28	-	-	703	703
HRA C Fascias and Soffits	309	694	385	-	-	192	192
HRA C Air Source Heat Pumps	1,037	722	-	-315	-	-	-
HRA C Door Entry Systems	400	97	-	-	303	57	360
HRA C Community Alarms	-	-	-	-	-	10	10
HRA C Insulation	495	71	-	-424	-	300	300
HRA C Ventilation	40	15	-	-25	-	276	276
HRA C Kitchen rep'd due to dam (voids)	243	443	200	-	-	95	95
HRA C Bathroom rep'd due to da (voids)	86	213	127	-	-	95	95
HRA C Underground Drainage	50	9	-	-41	-	100	100
HRA C Environmental Improvements	100	46	-	-54	-	420	420
HRA C Electrical Testing	466	168	-	-	297	670	967
HRA C Sewerage Treatment Plant	50	-	-	-	50	100	150
HRA C Unadopted Areas	50	0	-	-	50	150	200
HRA C Scaffolding	50	7	-	-43	-	30	30

HRA C Water - Planned Maintenance	100	-	-	-100	-	215	215
HRA C Water - Safety Compliance	69	-	-	-	69	-	69
Fire Safety	1,756	315	-	-	1,441	2,133	3,574
HRA C Fire Safety Works	1,756	315	-	-	1,441	2,133	3,574
Related Assets	130	31	-	-99	-	120	120
HRA C Meeting Halls	35	0	-	-35	-	60	60
HRA C Garages	95	31	-	-64	-	60	60
Exceptional & Extensive	294	221	-	-73	-	350	350
HRA C Asbestos Works	294	221	-	-73	-	350	350
Vehicles	469	-	-	-404	65	155	220
HRA C Building Services Vehicles	469	-	-	-404	65	155	220
ICT & Transformation	746	394	-	-	351	200	551
HRA C IT Development	746	394	-	-	351	-	351
HRA C Transformation	-	-	-	-	-	200	200
Aids & Adaptations & DFGs	370	158	-	-212	-	370	370
HRA C Aids and Adaptations	70	36	-	-34	-	70	70
HRA C DFGs	300	122	-	-178	-	300	300
Sub-Total Majors & Improvements	18,294	6,781	-0	-5,760	5,753	14,379	20,132
Sub-Total Social Housing Development Programme	101,145	5,927	138	-6,087	89,269	-	89,269

Note: The Social Housing Development Programme has not been provided per scheme as some of the detailed content is confidential whilst contracts are still being negotiated.

Appendix B: Housing Revenue Account Budget Movement for 2021/22 per Cost Centre

Cost Centre	Cost Centre Name	Original Budget £	Virement £	Current Budget £
INCOME				
SF018H	HRA General Needs	(20,744,200)	-	(20,744,200)
SF038H	HRA Extra Care	(352,700)	-	(352,700)
SF039H	HRA Former Tenants Debts	-	-	-
SF045H	HRA Supported / Sheltered Hsg	(3,579,200)	-	(3,579,200)
SF086H	HRA Temporary Accommodation	(274,500)	-	(274,500)
SF063H	HRA Garages Rent	(545,300)	-	(545,300)
SF064H	HRA Commercial / / Shop Rent	(143,410)	-	(143,410)
SF065H	HRA Land	(15,630)	-	(15,630)
SF028H	HRA Service Charges	(1,380,330)	-	(1,380,330)
SF078H	HRA Leaseholder Charges for Services	(233,000)	-	(233,000)
SF089H	HRA Meeting Halls	(10,000)	-	(10,000)
SF019H	HRA Right to Buy	(52,000)	-	(52,000)
SF029H	HRA PV	(110,000)	-	(110,000)
SF057H	HRA GF Contribution to Grounds Maint	(207,230)	-	(207,230)
SF027H	HRA Voids Rechargeable	(10,000)	-	(10,000)
SF079H	HRA Rechargeable Repairs	(10,000)	-	(10,000)
SF085H	HRA Other Income	-	-	-
		(27,667,500)	-	(27,667,500)
EXPENDITURE – Regeneration				
HS013H	HRA Hsg Dev & Reg Team	286,860	(67,710)	219,150
		286,860	(67,710)	219,150
EXPENDITURE - Performance				
HS001H	HRA Housing Mgt Team	240,740	19,500	260,240
HS020H	HRA Housing Performance Team	320,840	-	320,840
SF016H	HRA Policy & Management	4,075,040	-	4,075,040
SF025H	HRA Tenants Action Group	44,300	-	44,300
SF033H	HRA Tenants Empowerment	39,800	-	39,800
SF030H	HRA Insurance	87,550	-	87,550
SF040H	HRA Contribution to CDC	229,000	-	229,000
		5,037,270	19,500	5,056,770
EXPENDITURE – Community Resilience				
HS022H	HRA Community Resilience	124,480	-	124,480
SF048H	HRA Community Arts Project	-	-	-

SF052H	HRA One Team Halcon	10,000	-	10,000
SF053H	HRA One Team North Taunton	10,000	-	10,000
SF054H	HRA One Team Wellington	10,000	-	10,000
		154,480	-	154,480

EXPENDITURE – Tenancy Management

HS016H	HRA Supported Housing Team	317,680	-	317,680
SF009H	HRA Meeting Halls	92,400	-	92,400
SF022H	HRA Supported / Sheltered Hsg	324,020	-	324,020
SF075H	HRA Extra Care Exp	83,300	-	83,300
SF024H	HRA Temporary Accommodation	74,000	-	74,000
SF095H	HRA Tenancy Sustainment Sheltered Hsg	7,600	-	7,600
HS017H	HRA Lettings Team	144,720	-	144,720
SF008H	HRA Lettings	31,100	-	31,100
SF069H	HRA Lettings - Home Moves Plus	-	-	-
HS018H	HRA Tenancy Mgt Team	443,590	-	443,590
SF005H	HRA Grounds Maintenance	793,340	-	793,340
SF002H	HRA Anti Social Behaviour	16,200	-	16,200
SF080H	HRA Transfer Removal Grants	37,000	-	37,000
SF011H	HRA Mutual Exchange	-	-	-
SF081H	HRA Rentals on Property	18,030	-	18,030
SF092H	HRA Tenancy Mgt	30,600	-	30,600
SF094H	HRA Tenancy Sustainment Gen Need	23,000	-	23,000
SF001H	HRA 12 Moorland Close	19,600	-	19,600
SF041H	HRA General Needs	-	-	-
SF097H	HRA Right to Buy Expenditure	-	-	-
HS019H	HRA Rent Recovery Team	307,980	-	307,980
SF091H	HRA Arrears Mgt	20,500	-	20,500
HS024H	HRA Leaseholder Mgt Team	-	59,370	59,370
SF007H	HRA Langham Gardens	21,880	-	21,880
SF012H	HRA Northfield Gardens	33,730	-	33,730
SF035H	HRA Leaseholder Mgt & Forum	1,500	-	1,500
		2,841,770	59,370	2,901,140

EXPENDITURE – Repairs and Maintenance

HS005H	HRA Repair & Maintenance Mgt Team	448,900	-	448,900
HS006H	HRA Repair & Maintenance Trade Team	1,434,890	-	1,434,890
HS002H	HRA Voids Team	122,400	-	122,400
HS004H	HRA Stores Team	75,840	-	75,840
SF026H	HRA Voids - Major	708,000	-	708,000
SF051H	HRA Voids - Minor	-	-	-
SF059H	HRA Void Redecoration	12,000	-	12,000
SF068H	HRA Voids - Rechargeable Works	10,000	-	10,000
SF006H	HRA Housing Repairs	567,000	-	567,000
SF004H	HRA Garage Maintenance	20,000	-	20,000
SF074H	HRA Central Overheads for OC	-	-	-
SF043H	HRA Underground Drainage	10,000	-	10,000

SF077H	HRA Responsive Sewage	10,000	-	10,000
SF017H	HRA Rechargeable Works	10,000	-	10,000
		3,429,030	-	3,429,030

EXPENDITURE – Asset Management

HS011H	HRA Housing Asset Team	366,840	(59,370)	307,470
HS012H	HRA Capital Investment Team	244,140	67,710	311,850
SE002H	HRA Housing Partnership	58,850	-	58,850
SF031H	HRA Communal R&M	105,000	-	105,000
SF034H	HRA Communal Utilities	45,000	-	45,000
SF020H	HRA Commercial / Shops Exp	33,200	-	33,200
SF090H	HRA Pre Planned Maintenance	297,590	-	297,590
SF037H	HRA Sustainable Energy	27,000	-	27,000
SF056H	HRA SAP EPC & Stock Validation	91,000	-	91,000
		1,268,620	8,340	1,276,960

EXPENDITURE – Compliance

HS007H	HRA Gas Team	441,920	-	441,920
HS008H	HRA Electrical Team	499,350	-	499,350
HS009H	HRA Asbestos Team	183,930	-	183,930
HS010H	HRA Landlord Compliance Team	245,950	-	245,950
SF060H	HRA Compliance Expenditure	454,520	-	454,520
SF058H	HRA Heating	202,000	-	202,000
SF042H	HRA Electrical	197,000	-	197,000
SF003H	HRA Asbestos	50,000	-	50,000
SF055H	HRA Air Source Heat Pump Servicing	42,000	-	42,000
		2,316,670	-	2,316,670

HRA Other Operating Costs & Income

LL001H	Other Operating Expenditure	-	-	-
LL002H	Financing/Invest Inc & Exp	2,668,800	-	2,668,800
LL003H	Capital Grant and Contribution	-	-	-
LL004H	Surplus / Deficit on Revaluation of PPE	-	-	-
LL006H	Remeasurement of Net Def Pens Liability	-	-	-
LL008H	HRA Change in Provision for Bad Debt	180,000	-	180,000
SF049H	HRA Depreciation on OLB	321,000	-	321,000
SF083H	HRA Depreciation on Dwellings	7,342,000	-	7,342,000
		10,511,800	-	10,511,800

HRA Transfers To/From Reserves

MM000H	HRA Movement in Reserves (MIRS)	-	(19,500)	(19,500)
MM001H	HRA Voluntary Repayment of Principal	1,821,000	-	1,821,000
		1,821,000	(19,500)	1,801,500

TOTAL

		-	-	-
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Somerset West and Taunton Council

Executive – 20 July 2022

General Fund Financial Monitoring – Outturn Position 2021/22

This matter is the responsibility of Executive Councillor Benet Allen, Portfolio Holder for Communication and Corporate Resources

Report Author: Kerry Prisco, Management Accounting and Reporting Lead

1 Executive Summary / Purpose of the Report

- 1.1 This report contains information related to Somerset West and Taunton Council's (SWT) financial performance for the 2021/22 financial year. The outturn figures included are provisional subject to the completion of the external audit of the statutory financial statements. The audit is due to be completed between July and September with the findings due to be reported to the Audit and Governance Committee on 27th September this year.
- 1.2 A balanced and robust budget for 2021/22 was prepared in the context of increased economic uncertainty. This included the use of temporary funding from reserves to soften the budget gap in the face of current service demands and funding uncertainty, along with specific reserves set aside to mitigate the risk of in-year budget volatility. Despite this the Council entered 2021/22 carrying a high level of financial risk.
- 1.3 During 2021/22, the Council has been impacted by and has had to adapt to many challenges in light of the number of economic events affecting the UK during the last 12 months. These include, but are not limited to, the COVID-19 pandemic, struggling worldwide supply chains, price inflation, rising interest rates, global conflicts (particularly in Ukraine), and the continuing adjustments needed to adapt to Brexit.
- 1.4 The Council has successfully managed its financial risks during the year through continued effective budget control and using in-year underspends to absorb financial pressures within budget, whilst maintaining a healthy reserves position.
- 1.5 Planned spend of just over £2m has been rolled into 2022/23 with budget carry forwards mainly representing delays in delivering activity due to circumstances such as procurement and contractor delays, availability of in-house resources and contractors, and lead time on building supplies.
- 1.6 The overall net underspend represents a combination of improved performance across corporate contracts, income generation, efficiency savings, additional income from COVID grants, and treasury investments; as well as active management of contractor spend and delays in activity due to COVID reducing costs.
- 1.7 The **revenue outturn position** for the financial year 2021/22 is as follows:
 - a) The General Fund (GF) Revenue Outturn position for 2021/22 is a net underspend of £2.349m (-12.5% of net budget). This is net of £2.075m of budget carried forward to 2022/23 for deferred / delayed costs.

- 1.8 The **capital outturn position** for 2021/22 is as follows:
- a) The total approved General Fund Capital Programme budget in place as at 31 March 2022, including schemes brought forward from previous years, was £165.327m (see **Appendix C**). This relates to a combination of schemes to be delivered in 2021/22 and 2022/23 and some longer-term projects that will continue further into later years.
 - b) The actual capital spend during 2021/22 was £69.722m. There are overspends totalling £683k against some schemes, budget returns of £35.312m and a carry forward proposed of £60.977m for schemes in 2022/23 and future years.

1.9 The **reserves position** for 2021/22 is as follows:

- a) The **unearmarked reserves** are projected to be £7.591m which is £5.191m above the recommended minimum balance of £2.4m.
- b) The **earmarked reserves** are projected to be £27.990m of which c£13.7m relates to S31 business rates grant and volatility reserves.

2 Recommendations

2.1 The Executive is recommended to:

- a) Note the reported General Fund Revenue Budget underspend of £2.349m in 2021/22 and the General Reserves Balance of £7.592m as at 31 March 2022.
- b) Note the S151 has approved General Fund Revenue Budget carry forwards totalling £735,400 as detailed in **Appendix A**.
- c) Approve an additional General Fund Revenue Budget carry forward of £1,339,320 for items greater than £150,000 as detailed in Section 7.
- d) Approve the transfer of £455,764, with respect to S106 monies, to the Capital Funding earmarked reserve to be available to finance capital projects in 2022/23.
- e) Note the Capital Outturn position.
- f) Approve the proposed reductions to the Capital Programme Budget of £35.312m for underspends on schemes where budget is no longer required, and the continuation of £60.977m approved budget rolled forward for the 2022/23 General Fund Capital Programme. Please see **Appendix C** and **confidential Appendix F**.
- g) Recommend Full Council approves a reduction of £35m to the Approved Borrowing Limit in the Capital, Investment and Treasury Management Strategies reflecting reduction in capital financing requirement for expenditure no longer required.

3 Risk Assessment

- 3.1 This is a retrospective report therefore no risk assessment has been completed. Risk assessments regarding budget monitoring were carried out during the year and included with these reports. Financial risks and uncertainties are included in budget setting and budget monitoring reports presented to Members.
- 3.2 The Council has managed significant financial risks during the past financial year, notably due to the volatility in costs and income continuing due to COVID and economic recovery. Through financial control and in-year underspends we have

managed to absorb financial pressures within budget and have not required the use of £2.4m budget contingency, which was released from earmarked reserves when Council approved the annual budget report in February 2022.

4 Background and Full details of the Report

- 4.1 This report informs Members of SWT's financial outturn (a comparison of net spending against the budget for the year) for revenue and capital budgets in 2021/22 for the Council's General Fund (GF).
- 4.2 Corporate Scrutiny and the Executive have received quarterly budget monitoring reports throughout the year which have highlighted variances from budgets and comments from the budget holders, as well as summarising the main risks and uncertainties as explained above. The forecast position has fluctuated during the year.
- 4.3 The outturn figures contained in this report are provisional at this stage. The financial outturn has been taken into account when preparing the Council's Draft Statement of Accounts, which is due to be approved by the Assistant Director – Finance (S151 Officer) by the end of June, and is subject to review by the Council's External Auditor. Should the External Auditor identify the need for any changes to the Accounts these will be reported to the Audit and Governance Committee on 27th September this year.

5 2021/22 Financial Performance

- 5.1 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 and certain items that are not finalised until year end. The budget monitoring process involves a regular review of all budgets. Budget Holders, with support and advice from their finance business partners, review the position, and update their forecasts 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 assumptions and estimates will differ from the eventual outcome, and several risks and uncertainties have been highlighted in previous budget monitoring reports.
- 5.2 The Council has continued to operate within the framework of its Financial Strategy and the overall financial standing at the end of the financial year is sound. The Reserve balances for the General Fund are above their respective recommended minimums, which provides added financial resilience which is prudent given the scale of risk and uncertainty. The Medium Term Financial Plan incorporates planned use of reserves to support the 2022/23 budget, and the current reserves balance is sufficient to support this approach.

6 Budget Outturn Summary

- 6.1 The General Fund Revenue Outturn position for 2021/22 is a net underspend of £2.349m (-12.5% of Net Budget). This is net of £2.075m of budget carried forward to meet expenditure now planned to be delivered in 2022/23.

Table 1: General Fund Revenue Outturn Summary

General Fund Outturn 2021/22	Current Budget Net of Carry Forwards £000	Outturn £000	Variance	
			£000	%
Development & Place	2,735	2,759	24	0.9%
External Operations & Climate Change	8,578	7,996	-582	-6.8%
Housing & Communities	3,321	2,928	-393	-11.8%
Internal Operations	10,172	9,483	-689	-6.8%
Senior Management Team	554	473	-81	-14.7%
Net Cost of Services	25,360	23,638	-1,721	-6.8%
COVID General Grants	-813	-1,432	-620	76.2%
Investment Properties	-4,137	-4,155	-19	0.5%
Interest and Investment Income	-282	-832	-551	195.3%
Somerset Rivers Authority Contribution	98	98	0	0.00%
Expected Credit Losses	0	-138	-138	0.0%
Net Transfers from (-) / to Earmarked Reserves	419	-159	-578	-138.0%
Net Transfers to General Reserves	-2,671	-2,671	0	0.0%
Capital and Other Adjustments	785	2,969	2,185	278.5%
Net Budget	18,759	17,317	-1,441	-7.7%
Funding	-18,759	-19,666	-908	4.8%
Variance	0	-2,349	-2,349	-12.5%

Note: Negative figures represent income / underspend.

Variances are calculated after deduction of carry forwards.

- 6.2 The Forecast Outturn as at Quarter 3 (December 2021) was a projected £3.204m net underspend within the General Fund Revenue Budget, reflecting known differences reported at that stage and budget holders' plans and assumptions about the costs and income anticipated in the remainder of the year. There were proposed carry forwards of £2.014m for costs slipping into 2022/23 at year end and a transfer to capital financing of £570k, which reduced the projected underspend to £620k.
- 6.3 The variances reported at the end of the financial year indicate some changes since that time, reflecting more recent information and a degree of caution and/or optimism in previous forecasts. This also includes any carry forward requests agreed by the Section 151 Officer under delegated powers of authority.
- 6.4 A summary of the outturn position, and the differences between the reported variances at Quarter 3 and the year-end Outturn, are summarised per directorate below.
- 6.5 **Development & Place:**
- a) The Development and Place directorate has reported net expenditure of £2.759m in 2021/22, which has delivered a range of services and projects including:
- Strategy and policy development
 - Planning services including Local Plan development, planning applications processing and enforcement
 - Economic development
 - Town centre regeneration

- Heritage projects
 - Major Capital Projects for regeneration purposes and where possible to generate a return to the Council
 - Commercial investment (investment properties budget is reported 'below the line')
- b) The directorate has reported a net overspend of £24k at the end of the financial year, after taking into account £366k of budget carried forward (see **Appendix A**) to 2022/23 financial year.
- c) The outturn for the year reflects an underspend in staffing due to vacancies and difficulty in recruiting to key roles. This is offset by the deferral of planning income on significant undetermined applications and a refund provision for those approaching the 'Planning Guarantee' date with no signed extension which is largely Phosphate driven. The Director & S151 Officer approved transfer £101k of savings as RCCO to fund additional costs following the administration of the Principal Contractor on the Coal Orchard regeneration project.
- d) The Quarter 3 to Outturn movement for Development and Place has come about due to a review of costs and re-profiling of when the related services can realistically be delivered given current staffing and operational constraints. It also includes the transfer of savings reported in c) above and an adjustment following completion of the CIL reconciliation.

**Table 2: Development & Place
Main Differences between Quarter 3 and Outturn Variances**

Department Notes	Q3 £000	Movement £000	Outturn After Carry Forwards £000
Strategy and Policy: A budget carry forward request of £185k is pending approval by the Executive which has reduced the outturn to £74k underspend which is a shared service variance partially offset by the receipt of a bio diversity grant.	-265	191	-74
Phosphates: A budget carry forward request of £182k is pending approval by the Executive which has reduced the outturn to £25k underspend of staff vacancy savings.	-182	157	-25
Economic Development: The underspend of £62k relates to higher than expected staff recharges (HPC/SCC/DWP*), lower cost relating to Comms & Engagement activities and the refund of costs incurred in 2020/21 by SCC partially offsetting an earlier than anticipated Innovation District contribution and increased grant funding.	-34	-28	-62
Planning (Development Management): Principally driven by an assessment at year end for the deferral of planning income on applications not fully determined as well as a provision for refunds for applications approaching the 'Planning Guarantee' date but with no signed extension notice.	96	88	184

Department Notes	Q3 £000	Movement £000	Outturn After Carry Forwards £000
Major and Special Projects: Mainly relates to the RCCO budget transfer of £101k of in-year savings to fund additional costs on the Coal Orchard project following the administration of the Principal Contractor, net of underspend due to staff vacancies	-133	92	-41
Planning obligations: Vacancy savings net of adjustment to clear the Community Infrastructure Levy (CIL) reconciliation and move this item to from red to amber on the Corporate Risk Register. Currently being reviewed by internal and external audit.	-10	52	42
Total	-528	552	24

*HPC = Hinkley Point C, SCC = Somerset County Council, DWP = Department for Work and Pensions

6.6 External Operations and Climate Change:

- a) The External Operations and Climate Change directorate has reported net expenditure of £7.996m in 2021/22, which has delivered a range of services and projects including:
- Climate change strategy development and Carbon Neutrality and Climate Resilience (CNCR) action plan implementation
 - Asset and property management for general fund assets
 - Regulatory services such as environmental health and licensing
 - Service resilience and emergency planning
 - Open spaces and street scene
 - Client for major contracts including waste, building control, leisure, street cleansing
 - Harbours, coastal protection, and flood management
 - Cemeteries and crematorium
 - Car parks
- b) The directorate has reported a net underspend of £582k at the end of the financial year, after taking into account £1.587m of budget carried forward (see **Appendix A**) to 2022/23 financial year.
- c) The headlines for the Directorate look beyond the car park income figures to improved performance in most of the other business areas of the Directorate. Specifically, income from the Assets Team, introduction of a new fleet contract, active management of contractor spend and income in Bereavement Services.
- d) As reflected across the construction sector, COVID has impacted on in house resources as well as contractor availability and lead times on building supplies. That is reflected in the level of budget carry forward planned from 2021/22 into 2022/23. It is work we need to do, and it will be added to the planned activity described in the Directorate Plan for 2022/23.

- e) The budgets for the Directorate have evolved post Transformation. With each iteration costs are challenged, assumptions unpicked, and efficiencies delivered. This is an iterative process that will continue through 2022/23 to support budget setting for the Somerset Council for 2023/24 and beyond.

**Table 3: External Operations and Climate Change
Main Differences between Quarter 3 and Outturn Variances**

Department Notes	Q3 £000	Movement £000	Outturn After Carry Forwards £000
<p>Major Contracts: This includes the following areas: Leisure Partnership, Building Control, Street Cleansing and Fleet Management.</p> <p>There is a £209k saving following a fleet review and the introduction of a new fleet contract. Waste contract inflationary increase less than budget £103k and garden waste income above budget £115k.</p> <p>Reduction in public convenience maintenance £57k.</p> <p>The movement is the approval of a carry forward of £370k, offset by insurance savings previously reported corporately and garden waste income.</p>	-721	215	-506
<p>Street Scene/Open Spaces: This underspend is derived from: vehicle running costs £115k, salaries £40k due to vacant posts, reduction in use of contractors £90k, additional income in the Nursery £26k and reduction in responsive maintenance for buildings across Parks and Open Spaces £37k.</p> <p>The movement is the approval of carry forwards of £230k, offset by insurance savings previously reported corporately and additional income and cost savings.</p>	-451	143	-308
<p>Asset Management: There is an overall underspend across building costs and planned maintenance of £287k. Business rates revaluations has led to an underspend of £116k.</p> <p>New lettings, completion of leases earlier than expected and proactive recovery of proportionate costs has led to an increase in income levels of £531k.</p> <p>The movement is the approval of carry forwards £114,250, offset by maintenance works delayed and costs now falling into 2022/23.</p>	-1,003	69	-934
<p>Licensing: This variance represents an under recovery on income that was anticipated by the budget holder for the whole year. The end of year transfers to reserves have been accounted for in the movement of reserves cost centre.</p>	62	-15	47
<p>Bereavement Services: This is a demand led service where the income budget is estimated each year.</p> <p>There is an over recovery on income of £163k a reduction in maintenance and servicing of buildings £63k, and other minor cost savings.</p>	-262	19	-243
<p>Parking: The parking income baseline budgets were maintained at historic levels as part of the budget</p>	1,599	43	1,642

Department Notes	Q3 £000	Movement £000	Outturn After Carry Forwards £000
setting process, with a known risk. The income loss for the year due to ongoing fall in demand, following COVID is £1.982m. Of this, £155k COVID grant has been allocated to help offset this income loss with the remainder being offset by £390k COVID compensation claim and underspends across the Directorate. The movement is the approval of a carry forward request of £230k which has been part offset by £155k COVID grant allocated in month 10 and an improved position on income.			
Climate Change: A carry forward request of £450,860, which is the total underspend against the CNCR budget, is pending approval by the Executive.	-580	527	-53
Floods and Harbours: £70k was set aside for the procurement of the design for slope stabilisation works at North Hill, Minehead. Despite best efforts the work and payment will fall into 2022/23. The Council received a commuted sum for future coastal maintenance work at Blue Anchor, £94k. This has been transferred to an earmarked reserve and is accounted for in the movement in reserves cost centre.	-11	-162	-173
Other Minor Variances	-32	-22	-54
Total	-1,399	817	-582

6.7 Housing & Communities:

- a) The Housing and Communities directorate has reported net expenditure of £2.928m in 2021/22, which has delivered a range of services and projects including:
- Housing options include accommodation and support for homelessness and rough sleepers including the 'everyone in' priority due to COVID
 - Housing strategy development
 - Housing enabling, including affordable and rural housing
 - Community resilience services such as CCTV, public safety and community engagement
 - The service also manages council housing and supported housing services through the Housing Revenue Account which is accounted for separately.
- b) The directorate has reported a net underspend of £393k at the end of the financial year. The reason for this variance is explained in the table below.

**Table 4: Housing and Communities
Main Differences between Quarter 3 and Outturn Variances**

	Q3 £000	Movement £000	Outturn After Carry Forwards £000
Department Notes			
Community Resilience: This underspend relates to a one-off rebate on the CCTV maintenance sinking fund offset in part by spend on CCTV maintenance in the old West Somerset area.	-55	-95	-150
Homelessness: The service had budgeted for an overspend on staffing to be offset by underspend on other budgets, however we received significant additional government grant in year, which ultimately led to an overall underspend. The staffing overspend included additional management to drive our improvement plan and resolve Canonsgrove as well as costs incurred through higher levels of agency staff. It should be noted that it is very difficult to accurately forecast homelessness demand and the costs related to this.	0	-198	-198
Other Minor Variances	-31	-14	-45
Total	-86	-307	-393

6.8 Internal Operations:

- a) The Internal Operations directorate has reported net expenditure of £9.483m in 2021/22. This delivers a range of support services and corporate projects, as well as budgets for a range of centrally-held corporate costs. The main services and projects delivered within this directorate include:
- Customer Services including call-handling, front of house, Deane Helpline and Emergency Response Team
 - Council Tax and Business Rates administration and income collection services
 - Housing benefits and local council tax support administration
 - Income control and collection from customers ('Accounts Receivable')
 - Payments to suppliers ('Accounts Payable')
 - Corporate strategy, corporate performance, and business intelligence
 - Operational support and digital mailroom
 - Finance and procurement services
 - Corporate Services including Communications and Engagement, People Management including HR and Payroll, Corporate Health and Safety, ICT services
 - Corporate governance including Committee administration and Elections services
 - Internal Change programmes and projects
- b) The directorate has reported a net underspend of just £689k at the end of the financial year, after taking into account £121k of budget carried forward to 2022/23 financial year.
- c) Overall, the directorate has maintained service delivery against planned budget. Key areas of variances are due to fixed points of annual reconciliation within revenues

and benefits which are beyond our control. Reprofitting of accrued costs specifically in ICT have also contributed to the variance.

- d) Efficiencies have continued to be delivered in ICT infrastructure, equipment, and compliance costs. Where services have required additional capacity to meet customer demand, additional spend has been allocated leading to an overspend for example in Customer Services where key campaigns have increased call volumes.

**Table 5: Internal Operations
Main Differences between Quarter 3 and Outturn Variances**

	Q3 £000	Movement £000	Outturn After Carry Forwards £000
Department Notes			
IT : The accounting exercise carried out in early 21/22 anticipated a number of costs that had previously been paid in the 20/21 financial year. Having received the invoices for the costs stated below and noting the period they covered, they were not paid from the 21/22 budget but have been paid from the 22/23 budget as that is the correct period covered. Also there has been an increased underspend in the ICT staffing budget.	-71	-108	-179
Governance: The movement between Q3 and Outturn is mainly non pay savings in elections, community governance review (due to 2nd stage of CGR consultancy not needed) and members. There was also no spend required on fraud investigation services contract £30k.	128	-112	16
Benefits: This is a high risk area within the authority. The year-end position is very difficult to predict for these budgets and the variance only represents a small proportion of the overall budget of £29m. The variance represents the difference between the benefit payments we make to claimants and the money we receive in subsidy and is due to many factors. These include meeting local costs towards War Pensions, Subsidy errors, Rent Officer shortfalls, and contributions to Supported and Temporary housing which are not covered in full by the DWP. These costs are monitored and challenged but many of these shortfalls are out of our control and we are legislatively bound to meet the costs, as are all other administering local authorities.	-128	149	21
Revenues: The 'underspend' results from the amount of court cost income being higher than budgeted for. This results from our catching up with arrears cases from the previous (Covid) year, where court action was delayed. In addition, we received a refund of £87k in overpaid court fees from the Ministry of Justice. The movement is due to £121k relating to the budget for the ongoing	-245	131	-114

	Q3 £000	Movement £000	Outturn After Carry Forwards £000
Department Notes			
Enforcement Project being transferred to the 2022/23 budget thereby reducing the underspend in 2021/22.			
Customer Services: The overspend is predominantly due to a one-off correction in historical payments to some members of staff following a review of their anti-social hours enhancement entitlements. The additional agency costs required to cover additional call volumes due to the Waste disruption over the summer and the expected increase in demand due to the launch of Recycle More has been covered by existing vacancies. The movement between Q3 and Outturn results from Visitor Centre income received in 2021/22 being accrued into 2022/23. In addition, further adjustments to anti-social hours entitlements were identified in Q4.	66	82	148
Finance/Corporate Management: The underspend is due to the insurance position now being shown across services (£46k), new burdens funding of £32k received late in March, higher than anticipated income from the HRA for shared staff £16k, plus adjustments relating to resolving and clearing items of £50k.	1	-179	-178
S106: A comprehensive review of Developer Contributions held on the Balance Sheet has identified historical receipts to be transferred to the General Fund. This £456k favourable variance, accumulated during earlier financial years in which spending obligations had been financed from other sources, has been offset below the line by a planned transfer to earmarked reserves.	0	-456	-456
Other Minor Variances	37	16	53
Total	-212	-477	-689

6.9 Senior Management Team:

- a) This budget line holds the costs of the Chief Executive and four directors. Net costs totalled £473k and resulted in a small underspend of £81k at the end of the financial year.

**Table 6: Senior Management Team
Main Differences between Quarter 3 and Outturn Variances**

	Q3 £000	Movement £000	Outturn After Carry Forwards £000
Department Notes			
An estimate of the costs of the 21/22 pay award was temporarily put here before the actual costs	312	-393	-81

	Q3 £000	Movement £000	Outturn After Carry Forwards £000
Department Notes			
were allocated to the actual staff costs across the services			

6.10 Other Costs, Income and Reserve Transfers:

- a) As well as budgets allocated to directorates for the delivery of services, a number of budgets are reported 'below the line' as centrally held/corporate items.
- b) For 2021/22 this includes accounting for additional COVID grant funding that has been received to mitigate additional costs and income losses. This area also includes items such as:
- Investment properties income
 - Other interest costs and income
 - Accounting provisions for Expected Credit Losses (commonly known as bad debt provisions)
 - Capital accounting adjustments including debt repayment, revenue financing of capital costs, and transfers to and from capital reserves
 - Transfers to and from general and earmarked revenue reserves
- c) In summary, the overall position against budget for these items is a net underspend/income of £628k. The reasons for this variance are explained in the table below.

Table 7: Other Costs, Income and Reserve Transfers ('below the line')
Main Differences between Quarter 3 and Outturn Variances

	Q3 £000	Movement £000	Outturn After Carry Forwards £000
Department Notes			
COVID General Grants: £415k was received from the Sales Fees and Charges compensation claim which ran until the end of June 2021. This is offsetting income losses across the council, mainly relating to carparking. New burdens grant of £205k was received, £85k of which was received after quarter 3 reporting. Carry forwards of £135k to fund the leisure contract deferred savings and £172k to fund waste contract pressures were agreed after quarter 3 reporting.	-843	223	-620
Investment Properties: Commercial Investment income higher than budgeted. This is partially offset by net income from legacy properties being £50k lower than budgeted.	0	-19	-19
Interest and Investment Income: After a volatile and difficult year for non-property based investment performance shaped by the pandemic, recovery has been excellent. SWT's good performance is from strategic investments.	-603	52	-551

	Q3 £000	Movement £000	Outturn After Carry Forwards £000
Department Notes			
We have received 4.5% income from strategic pooled funds in year. It means the income return from the total investment portfolio is 1.5% which, in terms of current money market investment returns, is particularly healthy.			
Expected Credit Losses: This represents a reduction in the provision for Sundry Debtors and housing benefit bad debts / credit losses, despite a more cautious allowance for risk of losses due to COVID / economic pressures on customers.	0	-138	-138
Transfers from Earmarked Reserves: The movement relates to items processed at the end of the year including: A contribution of £456k to the Capital Financing earmarked reserves related to S106 (see table 5). A contribution from reserves of for capital funding. Contributions to/from reserves for year end services adjustments. A contribution from the Business Rates Volatility Reserve of £432k.	0	-578	-578
Capital and Other Adjustments: This relates to a slight increase from budget in the MRP charge of £43k. The remaining movement is in respect of funding of capital from earmarked reserves and a further RCCO contribution of £1.347m utilising business rates pooling surplus (see section 8.3)	194	1,991	2,185
Funding: Additional grant of £44k towards council tax discounts and losses received at end of year. Pooling gain income of £1.347m above budget (see section 8.3). A net deficit position on the S31 Funding and Business Rates income funded from the Business Rates Volatility Reserve	-39	-869	-908
Total	-1,291	662	-629

7 Revenue Budget Carry Forwards

- 7.1 Budget carry forward requests are where a budget holder wishes to retain an underspend for use by the service in the following year. It is usual practice to consider requests for budget carry forwards at the year end, however this year the requests for budget carry forwards were established as part of the quarter 3 budget monitoring process (see Financial Monitoring report presented to the Executive 16 March 2022).
- 7.2 Carry Forwards for items up to £150k can be approved by the S151 Officer, which would follow consultation with SMT and portfolio holders. Carry Forwards for items above £150k require Executive Committee approval.
- 7.3 As per **Appendix A** there are £2,074,720 of carry forward requests being put forward by SMT and the S151 Officer. This is based on the information proved in the Quarter

3 report with only a minor adjustment to reflect changes in the Climate Change Budget. Of these £982k relates to carry forwards that are already reflected in planned expenditure profiled in the 2022/23 budget approved by Full Council on 24 February 2022. The S151 Officer, in consultation with SMT, has approved carry forwards totalling £735,400 for those under £150k.

7.4 Five of the carry forwards were agreed in principle and are recommended to the Executive for approval as they are individually over £150k. These total £1,339,320 and are as follows:

- **Climate Change for £451k:** A budget of £500k and the principle of any under spend to be carried forward was approved at full Council on 26 October 2020.
- **Leisure Maintenance - Wellington Sports Centre for £370k:** A new roof replacement has been programmed during 2022/23. This budget underspend will be used to help finance the capital cost of this, so that further borrowing is not required.
- **COVID Contingency – Somerset Waste Partnership for £172k:** To fund forecast 2022/23 budget pressure due to COVID-19 from the remaining COVID grant received in 2021-22.
- **Phosphates for £182k:** Due to the evolving nature of the phosphates work and resourcing delay to the project there is a requirement to role the funds forward and continue the work in 2022/23.
- **Strategy & Policy - Local Plan Feasibility for £165k:** As a result of team vacancies and local government reorganisation, the spend in this area has been delayed. Roles have now been filled but minimal spend was incurred in 2021/22. In addition, we are awaiting the Draft Order for Local Reorganisation which will set out the timeline for the adoption of a local plan for the new authority.

8 Business Rates

8.1 The Business Rates Retention (BRR) funding system is both challenging and volatile, with the Council facing significant risks particularly in respect of appeals against rateable values by rate payers. The required accounting arrangements also result in some 'timing differences' which can skew the funding position across financial years. SWTC's standard share of net rates income is 40%.

8.2 During 2021/22 SWT, together with Somerset County Council, Mendip, Sedgemoor and South Somerset district councils, operate as a business rates pool, enabling a higher proportion of business rates growth to be retained by the Councils.

8.3 **Business Rates Retention Pooling Gain:** The Council receives a share of gains from the Somerset Business Rates Pool arrangement when business rates income is above the baseline target set by Government. The budget for the gain in 2021/22 is £150,000, which was cautiously set reflecting risks around Hinkley B and wider economic effects of COVID and Brexit. Based on forecasts prior to finalising the NNDR3 collection fund outturn statement an estimated gain of £1.497m has been accrued for 2021/22, presenting a surplus income of £1.347m for the year. In consultation with the Leader, Portfolio Holder for finance, and SMT the S151 Officer has prudently used this surplus towards financing of capital expenditure in 2021/22 thus reducing the requirement for borrowing. This supports measures to reduce risk around investment and borrowing in response to the recommendation from our

external auditor as reported in December 2021 (see Investment Properties commentary in this report).

- 8.4 The following table summarises the net position in respect of retained business rates funding for SWT in 2021/22 based on required accounting entries.

Table 8: Business Rates Funding Outturn 2021/22

	Budget £000	Outturn £000	Variance £000
40% Share of Business Rates Income (per original budget)	-23,446	-23,446	0
Tariff to Government (fixed amount)	18,395	18,395	0
Section 31 Grant funding for enhanced Small Business Rates Relief/Flooding Relief/Retail Reliefs	-2,608	-7,822	-5,214
Renewable Energy Rates – 100% retained by SWT	-205	-549	-344
50% Levy Payment	1,682	1,949	267
Adjustment For TIG/Levy/Pooling Gain	145	-208	-353
Total Retained Business Rates Funding 2021/22	-6,037	-11,681	-5,644
Previous Year's Collection Fund Deficit	12,556	12,556	0

- 8.5 The Council maintains a Business Rates Volatility Reserve, which enables the council to 'smooth out' accounting timing differences within the BRR system, and provide a prudent contingency to protect the revenue budget from large reductions in business rates income – e.g. through larger than estimated appeal refunds and large variances in S31 grant income – and collection fund deficits.
- 8.6 Separate earmarked reserves have been created to hold the S31 grants received in respect of business rates discounts due to COVID. One grant relates to the business rates holiday, and this is needed to fund the resulting Collection Fund Deficit repayment in 2021/22 and 2022/23. £11.7m has been transferred from the earmarked reserve in 21/22 towards the previous year's deficit and £5.23m transferred into the earmarked reserve for 2022/23. There is also a transfer of £998k from the earmarked reserves for the tax income guarantee.

9 Investment Properties / Capital Financing:

- 9.1 In the Annual Auditor's Report presented to the Audit and Governance Committee in December 2021, a key recommendation was made by our external auditor in respect of the risks related to the Council's investment in property for yield and the related borrowing requirements. A full update on the response to the auditor's recommendation will be reported to the Audit and Governance Committee on the 27th September 2022.
- 9.2 One of the measures to reduce risk includes reducing the level of borrowing needed to support the strategy. To this end we have an established policy of reducing debt through the annual Minimum Revenue Provision (MRP) and have, through the budget and outturn, made further steps to accelerate debt repayment. This includes using additional business rates funding surplus as highlighted in this report. The funding position for the investment fund can be summarised below.

Table 9: Investment Properties Fund Summary 2021/22

	2020/21 £000	2021/22 £000	2022/23 £000	Cumulative £000
Capital Expenditure	44,084	54,881	0	98,965

<i>Financing:</i>				
Annual MRP per policy (proportion related to investment properties)	0	-882	-1,888	-2,770
Cumulative borrowing requirement balance before additional measures	44,084	98,083	96,195	96,195
<i>Accelerated Financing Measures:</i>				
MRP overpayments – Per Budget Report Feb 2022 for 2021/22	0	-1,000	-112	-1,112
Revenue Funding (“RCCO”) – per Budget Report Feb 2022	0	-2,000	0	-2,000
Revenue Funding (“RCCO”) – Investment Financing Reserve surplus	0	-173	0	-173
Revenue Funding (“RCCO”) – 2021/22 outturn using Pooling Gain surplus	0	-1,347	0	-1,347
Sub-total: Accelerated funding to reduce borrowing requirement	0	-4,520	-112	-4,632
Cumulative borrowing requirement balance after additional measures	0	93,563	91,563	91,563
Debt as % of Total Capital Expenditure	100%	94.5%	92.5%	92.5%

9.3 The table shows that the borrowing requirement will have been reduced by over £4.6m due to accelerated financing of the up-front spend since the auditor’s recommendation. The total amount of debt repayment (MRP) plus revenue financing is planned to be £7.402m by 31 March 2023 leaving a borrowing requirement balance of £91.563m with 7.5% of the upfront investment fully financed. The acceleration of financing reduces debt costs and refinancing risks.

10 Debt Write Off

- 10.1 The total write-offs during 2021/22 amount to £2,009,001. Of this £524,094 is SWT’s share of the loss. The fact that SWT’s share of the loss is less than the total reflects the fact that for Council Tax and Business Rates we collect on behalf of other organisations and for Housing Benefits we receive a subsidy.
- 10.2 The table below provides a breakdown of debts written off between the General Fund and the Collection Fund. Of this there were four individual customers where individual debts greater than £25,000 were written off (please see confidential **Appendix E**).
- 10.3 The table also provides the corresponding figures for the previous financial year (2020/21) for comparison.
- 10.4 The amounts written off in respect of Council Tax and Business Rates have increased since the previous financial year. During 2021/22 we commenced a project and provided additional resourcing to tackle our backlog of Council Tax (33,000 accounts) and Business Rate (1,262 accounts) arrears totalling £9.6m and £3.3m respectively,

as at mid November 2021. These arrears stretch back over a number of financial years. The approach to tackling the arrears is twofold:

- a) To identify cases where we can take action to recover the debt and commence action. Since starting the project in November 2021 we have collected a total of £1.4m of arrears. Of this figure we estimate that £749k relates directly to the project of which we retain £240k.
 - b) To undertake a 'housekeeping' exercise to identify and write-off cases that are essentially irrecoverable either because of the age of the debt, our not knowing the current address of the debtor, insolvency, all enforcement options being exhausted or because the balance due is uneconomic to pursue.
- 10.5 Whilst the amount written off is a high number we do make an Expected Credit Loss provision within each year's Council Tax for a small proportion of the debt to be written off. Consequently, this amount is already budgeted for. Overall, our collection rates for Council Tax and Business Rates remain high and in excess of 97% of the debt raised.

Table 10: Value of Debts Written Off

	2020/21		2021/22	
	Total £	SWT share of loss £	Total £	SWT share of loss £
General Fund:				
Sundry Debts	21,763	21,763	15,061	15,061
Housing Benefits	22,253	13,352	100,140	60,084
Collection Fund:				
Council Tax	163,963	18,692	1,081,474	124,019
Business Rates	104,957	41,983	812,326	324,930
Total	312,936	95,790	2,009,001	524,094

11 General Fund Earmarked Reserves

- 11.1 The Council sets aside funds for specific purposes in earmarked reserves to be used in future years to meet planned spend on services not yet incurred, and specific contingencies for material financial risks.
- 11.2 **Appendix B** provides a summary of the earmarked reserves and their movement during the year. The total balance of General Fund earmarked reserves at the end of the financial year is £27.990m. The balance is skewed again this year end with the significant transfers of S31 grant received in 2020/21 and 2021/22 for business rates discounts through Government policy leading to funding losses that will hit the General Fund in 2021/22 and 2022/23 and tax income guarantee in 2021/22 to 2023/24 (see section 8 above).

12 General Fund Unearmarked Reserves

- 12.1 The following table summarises the movement on the General Reserves Balance during the year, representing the balance of uncommitted funds held to mitigate unexpected financial pressures and service demands.

Table 11: General Reserve Balance

	£000
Balance Brought Forward 1 April 2021	7,914
Use of Reserves for 2021/22 Base Budget	-1,160
Approved Transfers in 2021/22 for Services	-912
Approved Transfers in 2021/22 for Debt Repayment	-1,000
Approved Returns in 2021/22	400
Outturn 2021/22 revenue budget underspend	2,349
Balance Carried Forward 31 March 2022	7,591
Future Use of Reserve in 2022/23 for LGR	-1,375
Projected Balance	6,216
Recommended Minimum Balance	2,400
Balance above recommended minimum	3,816

- 12.2 The reserve balance as at 31 March 2022 (subject to audit) is £7.591m. This provides sufficient capacity to support the Medium Term Financial Plan which incorporates the planned use of £1.375m of reserves to support the 2022/23 budget.
- 12.3 This leaves a projected balance of £6.216m of uncommitted reserves which is above the risk-assessed adequate minimum balance of £2.4m. In the current circumstances, it is prudent to maintain this headroom to enhance financial resilience and to provide flexibility for any in year pressures such as unforeseen cost increases and income reductions, and to hold funds that are likely to be needed to support transition to and implementation of local government restructuring.

13 Land Charges, Licensing and Taxi Licensing

- 13.1 Under regulations the Council needs to report how its Licencing and Land Charges services perform in the financial year. These services set fees and charges based on estimated reasonable costs and aim to break even each year. However, due to fluctuations in demand and costs the services may report an under- or over-recovery in any one year and the Council therefore transfers any surplus/deficit to a self-financing reserve.
- 13.2 **Land Charges:** During 2021/22 the Council has over-recovered its costs adjusting the self-financing reserve to a year end credit balance of £124,284. During the next round of fees and charges setting adjustments will be made with the view achieving a break-even position on a three-year rolling basis.
- 13.3 **Licencing:** During 2021/22 income targets were realigned for the Licensing Act 2003 fees and unrecoverable costs. Overall, the self-financing reserve has reduced by £59,906 to give a year end debit balance of £8,905. During the next round of fees and charges setting adjustments will be made with the view to achieving a break-even position on a three-year rolling basis.
- 13.4 **Taxi Licencing:** During 2021/22 income targets were realigned to reflect updated volumes and the reserve was adjusted. Overall, the self-financing reserve has reduced by £6,775 to give a year end debit balance of £34,067. During the next round of fees and charges setting, adjustments will be made with the view to achieving a break-even position on a three-year rolling basis.

Table 12: Licensing and Land Charges Self-Financing Reserves

	Balance Brought Forward £	Net Reserve Transfers £	Balance Carried Forward £
Land Charges	-10,737	-113,547	-124,284
Licensing	68,811	-59,906	8,905
Taxi-Licensing	40,842	-6,775	34,067

Note: minus (-) = funds in hand

14 Taunton Unparished Area Fund (Special Expenses)

- 14.1 In previous years the Council set an annual budget for the Unparished Area of Taunton, which was funded through a “Special Expenses” Council Tax charge to households in the area plus funding provided towards the impact of Council Tax Support on the Unparished area tax base. The Council agreed to transfer the management of these funds to the Charter Trustees in 2019/20. The following table summarises the income and expenditure for the Fund in 2021/22.

Table 13: Unparished Area Fund Income and Expenditure

	£	£
Fund balance brought forward 1 April 2021		-57,801
Special Expenses Precept 2021/22		-29,090
<i>Expenditure funded in the year:</i>		
6 bins: Ramshorn Green, Holley Close, Killams (2), Sycamore (2)	5,430	
1 Bench - Blackbrook	947	
Notice Board - Eaton Crescent	515	
Devon and Somerset Fire - Course at Taunton Academy	2,500	
Huish Tigers – grant for equipment	3,973	
Friends of Longrun Meadow – grant for equipment	800	
COACH - grant for defibrillator	500	
Taunton Street Pastors – grant for radio use	648	
Bath Place Traders Association – shopfronts repainting	5,400	
Unlocking Potential Somerset – grant for work in schools in Taunton	24,000	
Southern Sinfonia Orchestra – grant for care home concerts in Taunton	2,600	
GoCreate CIC Corgi Trail	2,000	
Somerset Armed Forces Day – grant towards event	2,000	
Crimestoppers in the West Country – grant for what would you do? programme	2,000	
Total Expenditure		53,313
Fund Balance in hand carried forward 31 March 2022		-33,578

Note: minus (-) = funds in hand

- 14.2 The Fund was generally used to support minor works, worthwhile community activities and individual projects. The balance of funds at the end of the year remains held by the Council. For 2021/22, the Charter Trustees has raised its own precept for civic and mayoralty costs, and the Council has continued to raise special expenses for supporting initiatives and projects in the unparished area. These funds are distinct from the Charter Trustees’ precept.

15 General Fund Capital Programme

- 15.1 The **approved General Fund Capital Programme** at the end of 2021/22 is £165.327m (see **Appendix C**). This consists of £153.899m of prior year approvals plus new budgets approved by Full Council on 18 February 2021 for 2021/22 of £3.117m and for 2022/23 of £2.034m. There were also supplementary budgets of £6.949m approved during the year and £672k of approved budget reductions where budget was no longer required.
- 15.2 The General Fund approved Capital Programme relates to in-year works and longer-term regeneration schemes that will be completed over the next four years. The Council is financing this investment through the Community Infrastructure Levy (CIL) receipts, Capital Receipts, Capital Grants, Revenue Funding and Borrowing.
- 15.3 The **actual spend** on the General Fund Capital Programme during 2021/22 was £69.722m (see **Appendix C**). The major areas of investment related to (a) the completion of the Commercial Investment portfolio (£54.9m), (b) continuing regeneration projects such as Firepool (£1.7m) and Coal Orchard (£2.1m), (c) Coastal Communities Fund grants towards Watchet East Quay development (£1.4m) and (d) a contribution to the cost of M5 Junction 25 major highways improvements (£1.5m). As well as grants to parishes and investment in infrastructure and equipment. The expenditure has been financed using a combination of Capital Grants, Capital Receipts, CIL funding and borrowing.
- 15.4 The capital outturn position includes overspends totalling £683k across a number of schemes (see **Appendix C**).
- 15.5 However, it is also proposed to reduce the approved capital programme budget for reported underspends totalling some £35.312m (see **Appendix C**). Of this £1m was on the Commercial Investment portfolio and £252k on vehicle acquisitions. In addition, in September 2020 Full Council through a confidential report approved a large capital investment of over £33m for town centre regeneration development in Taunton. Agreement for land acquisition was not concluded with the owners for a variety of reasons including purchase and development costs, and the impact of phosphates on new schemes that incorporate overnight accommodation. We are no longer in an active negotiation on the purchase of the site and conclude that the capital programme should be updated to reflect the removal of this scheme (please see **confidential Appendix F** for further information).
- 15.6 Given the recommended reduction in the overall capital programme for budget allocations no longer required it is recommended that Full Council approves a reduction of £35m in the Approved Borrowing Limit within the Capital, Investment and Treasury Management Strategies that were approved by Council in March 2022.
- 15.7 The total capital programme budget to be continued into 2022/23 and future years is £60.977m, before net additions approved by Council in February 2022 (see **Appendix C**). Full Council on 24th February 2022 approved additions of £1.896m that were prioritised on the grounds that they remedy health and safety risk, deliver essential maintenance and essential assets for service delivery; and a reduction of previously approved 2022/23 scheme allocations of £181k, to give an additional net increase in capital budget for 2022/23 of £1.715m. This gives a residual total approved capital budget of £62.692m to be spent in 2022/23 and future years.

16 Links to Corporate Strategy

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

17 Corporate Scrutiny Comments / Recommendations

17.1 This report was considered and the recommendations supported by Corporate Scrutiny on 6 July 2022. The main comments and / or questions related to:

17.2 Further information was requested on the Economic Development Initiatives earmarked reserve. A written response will be provided.

17.3 Further information was requested on individual capital schemes (Taunton Bus Station, Regeneration Project, Employment Land Scheme, Phosphates and Williton Shooting Club). An update was provided by the Deputy Chief Executive & Director Place and Climate Change, with a written response to be provided for two of the schemes.

17.4 The committee went into “private session” to discuss Appendix E and a confidential capital scheme. The report has been updated for the Executive to include an additional confidential Appendix F to provide further confidential information with regards to a budget return.

17.5 The commercial investment portfolio and the source of the funding for the accelerated debt repayment seen in 2021/22.

17.6 A request for information related to the amount spent on consultancy costs during 2021/22. A written response will be provided.

17.7 An explanation of the S31 grants.

Democratic Path:

- Corporate Scrutiny – 6 July 2022
- Executive – 20 July 2022

Reporting Frequency: Annually

List of Appendices

Appendix A	GF List of Carry Forward Requests
Appendix B	GF Summary of Movement in Earmarked Reserves
Appendix C	GF Capital Outturn Position 2021/22
Appendix D	GF Original v Current Budget Position
Appendix E	Confidential - Write Offs Over £25k
Appendix F	Confidential - Supporting Information for Recommendation 2.1f

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Appendix A: List of Carry Forwards
 [* note five require Executive approval]

Request Title	Amount Requested £	Notes
Total Carry Forward	2,074,720	
Development & Place:	366,460	
*Phosphates	181,950	Due to the evolving nature of the phosphates work and the fact that has been a delay in recruiting staff (roles filled in late Nov) budget spend has been delayed with the requirement to role the funds forward to 22/23.
*Strategy & Policy: Local Plan Feasibility	164,510	As a result of team vacancies and Unitary the spend in this area has been delayed. Roles have now been filled but minimal spend was incurred in 21/22. In addition, we are awaiting the Draft Order for Local Reorganisation which will set out the timeline for the adoption of a local plan for the new authority.
Strategy & Policy: Wellington Station feasibility work	20,000	The overall project will now be funded by Network Rail, but there is the likely requirement for additional feasibility works by SWT in 2022.
External Operations & Climate Change:	1,586,810	
Air Source - Market House	14,250	For the installation of energy efficient heating in the Market House that was delayed due to seeking listed building consent.
*Climate Change (CNCR Budget)	450,860	A budget of £500k and the principle of any under spend to be carried forward was approved at FC 26.10.2020. This carry forward is to meet significant commitments to key projects that will run into 2022/23.
Tree Planting	100,000	This was a one-off budget for 2021/22 to further tree planting across the district. The Climate Change Team are working with a partner organisation to identify suitable areas for planting. The tree planting will take place in 2022/23.
*Leisure Maintenance – Wellington Sports Centre	370,000	A new roof replacement has been programmed during 2022/23. This budget will be used to help finance the capital cost of this, so that further borrowing is not required.
Footpath Works	30,000	Works programmed for footpaths in Vivary Park.
Seagull Control Programme	15,000	This will be used to deliver the Seagull Control Programme, approved by the Executive during 2021/22. Due to changes in legislation this work was delayed and will now fall into next financial year.
Hankridge Pond Work	100,000	This was a 2021/22 supplementary budget funded from reserves. Works have been delayed and cannot take place during winter meaning that the spend will fall into 2022/23.

Request Title	Amount Requested £	Notes
Vivary Park Bandstand	100,000	There are some subsidence issues requiring structural investigation works which will delay actual refurbishment works into 2022/23.
Stogursey Wall	100,000	Work is in progress and will continue into 2022/23.
COVID Contingency - Leisure	134,700	To fund forecast 2022/23 budget pressure arising due to COVID-19 and to be funded from the remaining COVID grant received in 2021/22.
*COVID Contingency – Somerset Waste Partnership	172,000	Contingency to fund forecast 2022/23 budget pressure due to COVID-19 from the remaining COVID grant received in 2021-22.
Internal Operations:	121,450	
Council Tax Collection (Revenues)	121,450	SMT agreed to fund a debt recovery project for 5 months in 2021/22 and for the whole of 2022/23. The carry forward is the amount to cover salary costs for 3 posts involved in this project for 2022/23.

Appendix B: Summary of Movement in Earmarked Reserves 2021/22

	Opening Balance 1 April 2021	Transfer In	Transfer Out	Closing Balance 31 March 2022
	£'000	£'000	£'000	£'000
Business Rates Retention Volatility	5,375	1,989	-2,011	5,353
Business Rate Holiday S31 Grant	11,695	5,234	-11,118	5,811
Tax Income Guarantee S31 Grant	3,081	416	-999	2,499
Investment Risk Reserve	3,673	151	-673	3,151
General Carry Forwards (GF)	2,112	2,075	-2,112	2,075
Commercial Investment Financing Fund	0	2,173	-173	2,000
Capital Funding Reserve (RCCO)	143	1,270		1,413
Garden Town Fund	870	340	-231	978
Economic Development Initiatives	769	25	-151	643
Homelessness Prevention	164	400		564
Asset Management	687		-168	519
Investment Property Sinking Fund	0	500		500
Community Housing Fund (SHLAA)	533		-36	497
Budget Volatility & Risk reserve	2,400		-2,400	0
Other Smaller Balances	2,342	1,757	-2,111	1,987
Total	33,844	16,330	-22,183	27,990

Note: the net movement in reserves is £5.853m. This is different to table 1 net movement in reserves as some of the transfers to / from Earmarked reserves are undertaken and reported within services and there are also the S31 movements are taken into account and reported through funding.

Appendix C: General Fund Capital Outturn Position 2021/22

General Fund Capital Programme Summary:

	Approved Budget as at 31 March 2022	Actual Capital Outturn 2021/22	Underspend (-) / Overspend on Completed Projects	Underspends – Budget No Longer Required	Remaining Approved Budget (ongoing projects)	Net 2022/23 Budget Additions Approved (Feb 2022)	Total Approved Budget 2022/23 and future years
	£000	£000	£000	£000	£000	£000	£000
Development and Place	146,028	63,193	548	- 34,540	48,843	-	48,843
External Operations and Climate Change	9,672	3,481	110	- 365	5,937	1,667	7,604
Housing & Communities	5,770	701	-	- 58	5,011	228	5,239
Internal Operations	2,110	1,472	25	- 105	557	- 180	377
Hinkley Capital Schemes	857	484	-	- 243	130	-	130
S106 Capital Schemes	890	391	-	- 1	499	-	499
Total GF	165,327	69,722	683	- 35,312	60,977	1,715	62,692

General Fund Capital Programme Detailed Listing:

SWT Capital Programme: Detailed listing	Approved Budget as at 31 March 2022 £000	Actual Capital Expenditure 2021/22 £000	Underspend (-) / Overspend on Completed Projects £000	Underspends – Budget No Longer Required £000	Remaining Approved Budget (ongoing projects) £000	Net 2022/23 Budget Additions Approved (Feb 2022) £000	Total Approved Budget 2022/23 and future years £000
Total Development & Place	146,028	63,193	548	-34,540	48,843	0	48,843
Investment Properties	55,930	54,902		-1,028	0		0
Taunton Bus Station	50	16			33		33
Coal Orchard Construction	2,824	2,132			692		692
Coal Orchard Dev costs	278	43			235		235
Major Transport Schemes	580				580		580
Superfast Broadband (Legacy TD)	380				380		380
Superfast Broadband (Legacy WSC)	170				170		170
Steam Coast Trail	102	4			98		98
Seaward Way	92	20		-27	45		45
Firepool Development	476	66			410		410
Firepool Infrastructure	1,831	1,652			179		179
J25 Improvement Scheme Contribution	1,500	1,500			0		0
Flooding Alleviation	6,000	244			5,756		5,756
CIL - Cycle & Pedestrian Improvements	1,500				1,500		1,500
CIL - Education Provision	4,000	867			3,133		3,133
CIL - Town centre regeneration	1,404	7			1,397		1,397
CIL Grant Transferred to Parishes	433	930	497		0		0
Minehead Esplanade	15			-15	0		0
Heritage at Risk	744	708			36		36
Regeneration Projects	2,926	3		-2,923	0		0
Employment Land Schemes	575	34			541		541
Phosphates	2,000	14			1,986		1,986
Active Travel Cycle & Walking improvements	2,258				2,258		2,258
Taunton Technology Park	0	12	12		0		0
Parking & Access Signage	0	39	39		0		0
CIL - Community Development	500				500		500
Firepool Phase 1 Infrastructure	5,159				5,159		5,159
Firepool Phase 1 Car Parks	10,323				10,323		10,323
Firepool Block 1 Construction	13,431				13,431		13,431
Other Town Centre Regeneration Schemes (Confidential approvals)	30,546			-30,546	0		0

SWT Capital Programme: Detailed listing	Approved Budget as at 31 March 2022	Actual Capital Expenditure 2021/22	Underspend (-) / Overspend on Completed Projects	Underspends – Budget No Longer Required	Remaining Approved Budget (ongoing projects)	Net 2022/23 Budget Additions Approved (Feb 2022)	Total Approved Budget 2022/23 and future years
	£000	£000	£000	£000	£000	£000	£000
Total External Operations and Climate Change	9,672	3,481	110	-365	5,937	1,667	7,604
Closed Church Yards	0				0	50	50
Wellington Sports Centre Replacement Roof	0				0	500	500
Vivary Park Footpaths	0				0	180	180
Brewhouse Theatre Roofing	0				0	200	200
Vehicles Acquisition	404			-252	152	-27	125
Waste Containers	200	116	16		100	26	126
Grants to Parishes Play	15				15	-15	0
Replacement Play Equipment	178	128			50	15	65
SWP Waste Vehicle & Depot Works Loan	822	234			588		588
Deane Depot Plant	46	47	24		23		23
Wellington Leisure Centre Air Handling Unit	252	15			237		237
Watchet East Quay Wall	740	764	24		0		0
Coastal Communities Fund Grant	1,450	1,450			0		0
Orchard Car Park - Rewire and lighting replacement	150	147	-3		0		0
Blue Anchor Coast Protection	3,528	23			3,505		3,505
Watchet, Cleve Hill	50	45			5		5
Compliance for Assets	605	10		-113	482		482
Car Parks Capital Improvements	809	151			658	738	1,396
New Boiler - Crematorium	20	25	5		0		0
Wellington Park Lodge	20				20		20
Watchet Splashpoint Hole	0	44	44		0		0
Litter Bins	113	109			4		4
Elec Vehicle Charging Points	270	173			97		97
Total Housing & Communities	5,770	701	0	-58	5,011	228	5,239
Grants to Registered Social Landlords (RSLs)	850			-58	791	228	1,019
Gypsy Site	109				109		109
Disabled Facilities Grant (DFG)	1,856	517			1,339		1,339
IAC Staffing and Support	408				408		408
North Taunton Equity loans	600				600		600
Energy Efficiency Grants	368	120			248		248

SWT Capital Programme: Detailed listing	Approved Budget as at 31 March 2022 £000	Actual Capital Expenditure 2021/22 £000	Underspend (-) / Overspend on Completed Projects £000	Underspends – Budget No Longer Required £000	Remaining Approved Budget (ongoing projects) £000	Net 2022/23 Budget Additions Approved (Feb 2022) £000	Total Approved Budget 2022/23 and future years £000
Home Maintenance	228				228		228
Homelessness Strategy	1,176	61			1,115		1,115
Prevention Grants	176	3			173		173
Total Internal Operations	2,110	1,472	25	-105	557	-180	377
Members IT Equipment	4				4		4
Community Alarms	50	21			29		29
IT Server Refresh	20				20		20
Resources for Change Programme	333	358	25		0		0
Finance System	14			-14	0		0
SIP	311	273			38		38
PC Refresh Project	389	14			376	-180	196
Microsoft 365 Migration	57				57		57
Community Loan	776	685		-91	0		0
Intranet Project	75	42			33		33
Finance System Licences	80	80			0		0
Total Hinkley Funded Projects	857	484	0	-243	130	0	130
South B/W & North Petherton	251	251			0		0
Bridgwater Town Centre Sup	54	0		-54	0		0
Holford & District Village Hall	76	0		-76	0		0
Watchet Bowling Club	98	88			10		10
Williton Shooting Club	23	0		-23	0		0
Cheddar Parish Council	65	45			20		20
Burnham On Sea & Highbridge Council	200	100			100		100
Empty Homes & LOTS	90	0		-90	0		0
Total S106 Funded Projects	890	391	0	-1	499	0	499
GF C S106 Creech St Michael Vi	6	6			0		0
S106 Watchet Bowling Club	23	23			0		0
S106 Open Door	32	32			0		0
Salvation Army	24	24			0		0
Norton FW playing pitches	524	9			515		515

SWT Capital Programme: Detailed listing	Approved Budget as at 31 March 2022	Actual Capital Expenditure 2021/22	Underspend (-) / Overspend on Completed Projects	Underspends – Budget No Longer Required	Remaining Approved Budget (ongoing projects)	Net 2022/23 Budget Additions Approved (Feb 2022)	Total Approved Budget 2022/23 and future years
	£000	£000	£000	£000	£000	£000	£000
Ruishton PC Outdoor Gym/Fence	27	27			0		0
Wellington CC Nets Project	15	15			0		0
Cotford St Luke Village Hall	5	5			0		0
Compass Construction Ltd	3	3			0		0
Victoria Park Resurfacing	1	1			0		0
North Curry Village Hall	10	9		-1	0		0
Bishops Lydeard play equipment	17	17			0		0
Rufus Strong unspent funds	3	3			0		0
Tottle Developers	32	32			0		0
Minehead TC - 3 Sites New Play	41	41			0		0
Bradford on tone PC	12	28			-17		-17
YMCA Fitness Suite & Com Café	58	58			0		0
Cotford St Luke play panel	1	1			0		0
Williton Memorial Ground	22	22			0		0
Celandine Mead Play Area	37	37			0		0

Appendix D: General Fund Budget Movement for 2021/22 per Cost Centre

Cost Centre	Cost Centre Name	Original Budget £	Approved Changes £	Current Budget £
GENERAL FUND REVENUE ACCOUNT				
Development & Place				
CC000G	Major and Special Projects	396,080	52,250	448,330
PG006G	Firepool	0	41,420	41,420
PG009G	Growth Programme	150,000	-101,150	48,850
PG011G	Regeneration & Infrastructure	1,190	0	1,190
SD001G	Planning Policy	0	39,000	39,000
SD005G	Phosphates	0	77,860	77,860
SG100G	Hinkley	-11,500	0	-11,500
SE005G	Community Infrastructure Levy	-57,000	0	-57,000
SE008G	Conservation & Listed Build	55,150	0	55,150
SE033G	Local Land Charges	-58,150	4,480	-53,670
SE035G	Planning Obligations	69,610	100,820	100,820
SE036G	Planning Admin Footpath Div	137,070	228,160	365,230
SE038G	Planning Applications & Advice	-84,820	0	-84,820
SE045G	Sports Develop & Community	40,000	18,470	58,470
SG005G	Indoor Sports & Recreation	-7,690	0	-7,690
FD000G	Strategy and Policy	797,480	-303,930	493,550
SD002G	Garden Town	118,480	-49,760	68,720
SE011G	Culture & The Arts	202,890	0	202,890
SE015G	Economic Development	551,680	396,520	948,200
		2,300,470	504,140	2,735,000
External Operations & Climate Change				
SG004G	Central Service Overheads	104,380	16,490	120,870
SG006G	Facilities Management	145,810	-6,160	139,650
SE016G	Dog Warden Service	36,010	0	36,010
SE017G	Public Health	513,630	-214,720	298,910
SE021G	Food Safety	21,890	267,980	289,870
SE032G	Licensing	34,540	-82,670	-48,130
SE039G	Pollution Control	-8,120	237,790	229,670
SE040G	Private Sector Housing	215,770	-159,930	55,840
SE043G	Taxi Licensing	-73,610	0	-73,610
SE046G	Welfare Funerals	32,000	0	32,000
FF000G	Localities - Operational Costs	10,710	-10,710	0
SF001G	Grounds Maintenance	289,510	-363,970	-74,460
SF004G	Community Parks & Open Spaces	1,654,500	229,950	1,884,450
SF010G	Litter Bins	140,000	-93,340	46,660
CC001G	Leisure Partnership	535,160	251,210	786,370
CC002G	Building Control Partnership	58,060	0	58,060
CC003G	Street Scene	1,197,060	-154,120	1,042,940
CC006G	Parking Partnership	-4,032,370	141,070	-3,891,300
CC007G	Waste Partnership	4,403,160	170,000	4,573,160
CC009G	Major Contracts	198,520	-12,610	185,910
CC010G	Fleet Management	184,750	58,200	242,950
CC011G	Public Conveniences	0	216,420	216,420

SF002G	Bereavement Services	-699,870	-11,590	-711,460
SF007G	Nursery	84,690	-4,640	80,050
SF021G	Trees	177,860	6,960	184,820
SF022G	Play Areas	102,520	7,090	109,610
SF023G	Community Improvement Fund	0	100,000	100,000
SG003G	Asset Management	827,810	189,152	1,016,962
SG008G	Deane House	410,780	40,450	451,230
SG009G	Westpark	135,530	-17,500	118,030
SG010G	Roughmoor Depot	-25,610	3,200	-22,410
SG011G	Brunel Way Depot	36,900	0	36,900
SG012G	West Somerset House	89,700	17,360	107,060
SG013G	Roughmoor Enterprise Centre	16,780	-16,780	0
SG014G	Barnsclose Units	3,770	-3,770	0
SG015G	Lisieux Way	0	-250,650	-250,650
SG016G	Market House	0	-12,480	-12,480
SG017G	Flook House	0	-13,000	-13,000
SG024G	Seaward Way - Minehead	-60,000	0	-60,000
SF005G	Flood Defence & Land Drainage	401,451	229,319	630,770
SF006G	Harbours	87,370	12,110	99,480
SF008G	Coast Protection	11,000	17,230	28,230
SC005G	Emergency Planning	128,590	-30,000	98,590
SD004G	Climate Change	723,110	-191,342	531,768
		8,113,741	561,999	8,675,740

Housing & Communities

CC008G	Housing Partnership	175,620	0	175,620
HS003G	GF Corporate Property Team	329,370	-65,310	264,060
HS023G	GF Housing Strategy Team	107,880	0	107,880
HS014G	GF Housing Enabling Team	153,690	0	153,690
SE022G	Housing Enabling	154,980	0	154,980
HS021G	GF Community Resilience	292,700	-42,000	250,700
SC008G	Shopmobility	43,770	-32,000	11,770
SE007G	Community Safety	128,460	0	128,460
SF003G	Community Grants	215,870	87,000	302,870
HS015G	GF Homelessness Team	735,550	0	735,550
SE026G	Homelessness	642,000	369,990	1,011,990
SE023G	Housing Options	48,400	0	48,400
SF095G	Cuckoo Meadow	0	-25,000	-25,000
		3,028,290	292,680	3,320,970

Internal Operations

CC004G	SHAPE Legal Partnership	410,150	0	410,150
FB000G	Comms and Engage Oper Costs	191,580	-148,660	42,920
FC000G	Governance	406,610	5,700	412,310
FC001G	Strategy	76,500	3,000	79,500
FE000G	People - HR	959,770	85,850	1,045,620
PH003G	Information Management	0	70,360	70,360
PH006G	SIP	0	11,420	11,420
PH007G	MS/0365	0	27,760	27,760
PH009G	Business Analyst Project	0	186,000	186,000
RH000G	Internal Change	272,940	95,670	368,610
SC001G	Register of Elections	64,350	0	64,350
SC002G	Conducting Elections	14,930	0	14,930
SC003G	Learning & Develop	133,300	0	133,300
SC004G	Members	498,540	35,300	533,840

SC006G	Internal Audit	132,320	0	132,320
SC007G	Non-Distributed Costs	1,904,460	0	1,904,460
SC009G	Corporate Management	-1,223,480	-97,560	-1,321,040
SC012G	External Audit Fees	0	97,560	97,560
SE006G	Deane Helpline	-108,890	35,280	-73,610
SE009G	Council Tax Collection (rev)	66,170	32,820	98,990
SE010G	Council Tax Support (Benefits)	77,580	28,880	106,460
SE012G	Customer Contact Centre	1,000,450	78,560	1,079,010
SE018G	Business Intelligence	281,790	59,470	341,260
SE020G	Operational Support	671,530	10,110	681,640
SE029G	Income Control and Sundry Debt	342,910	60	342,970
SE030G	Visitor Centres	-22,480	14,830	-7,650
SE041G	Rent Allowances	-159,930	0	-159,930
SE042G	Rent Rebates	-80,080	0	-80,080
SE059G	Powys Fraud Contract	30,250	0	30,250
SG007G	Health and Safety at Work	80,200	125,800	206,000
SH004G	Insurance	97,030	-20,000	77,030
SH001G	ICT Staff/Operations	1,173,190	-405,950	767,240
SH002G	ICT Communications	350,050	25,910	375,960
SH003G	ICT Systems	551,020	-115,740	435,280
SH006G	ICT Infrastructure	0	406,540	406,540
SH012G	Finance	897,305	131,855	1,029,160
SH014G	Comms and Engagement	234,090	-48,280	185,810
TT000G	Test and Trace Support	0	29,080	29,080
UN002G	Unitary Poll	0	86,000	86,000
		9,324,155	847,625	10,171,780

Senior Management Team

SM000G	Senior Management Team	554,210	0	554,210
SM100G	COVID Contingency	0	-812,700	-812,700
		554,210	-812,700	-258,490

Other Operating Costs & Income

LL001G	Other Operating Expenditure	2,537,450	-29,090	2,508,360
LL002G	Financing/Invest Inc & Exp	-3,609,030	3,327,100	-281,930
LL003G	Capital Grants & Contributions	-9,134,590	9,109,830	-24,760
LL009G	Comm. Inv. Property	0	-3,650,000	-3,650,000
LL010G	Legacy Comm. Inv. Property	0	-486,550	-486,550
LL011G	Collections Fund	0	-5,666,260	-5,666,260
LL012G	Revenue Grants	0	-3,223,480	-3,223,480
SC014G	Special Expenses	0	29,090	29,090
	Somerset Rivers Authority Levy	97,914	0	0
		-10,108,256	-1,499,974	-11,608,230

Transfer to/From Reserves

MM000G	GF MIRS	-13,212,610	-636,860	-13,849,470
		-13,212,610	-636,860	-13,849,470

GF Balance

0 0 0

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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Somerset West and Taunton Council

Executive – 20 July 2022

Oake Woolaway Housing Refurbishments

This matter is the responsibility of Executive Councillor Francesca Smith, Portfolio Holder for Housing

Report Author: Chris Brown, Assistant Director Development & Regeneration, Ian Shoemark, Project Manager

1 Executive Summary / Purpose of the Report

- 1.1 Somerset West and Taunton Council (SWT) owns a number of houses and bungalows in Oake Village of which 12 are Woolaway homes. Woolaway homes are classified as defective non-traditional homes and are the same archetype as those homes being demolished or refurbished in North Taunton.
- 1.2 Ten Woolaway homes will be refurbished using an all walls out and fabric first low carbon approach.
- 1.3 Alternative options to refurbishment have been considered but are not economic and contain risks including the costs of purchasing properties sold under the Right to Buy and the ability to intensify the scheme due to planning constraints.
- 1.4 The scheme will be funded from the Housing Revenue Account (HRA) with a contribution from the Social Housing Decarbonisation Fund (SHDF) Wave 1. The properties will also be included in a SHDF Wave 2 bid. This scheme requires tenants to be decanted on a temporary basis.
- 1.5 The scheme has the support of the portfolio holder for Housing and Executive are being requested to formalise the supplementary budget.

2 Recommendations

That Executive recommends the following to Full Council:-

-Full Council approves the refurbishment and associated works for ten Woolaway homes at Oake which are currently classified as defective non-traditional dwellings.

-Full Council approves a Supplementary Budget as noted in Confidential Appendix C within the Housing Revenue Account Capital Programme, which is planned to be funded primarily through capital borrowing plus available capital grants.

-Full Council delegates authority to the S151 Officer in consultation with the Director for Housing and Communities to determine the final optimum financing arrangements for expenditure incurred.

3 Risk Assessment

3.1 Below are the main risks relating to the proposal:

Risk	Score out of 25 based on probability x impact	Mitigation
Insufficient funds within the HRA approved budget	4 (2x2)	Council in February 2022 approved the HRA budget and capital programme for 2022/23 and a refresh of the HRA 30-Year Business Plan. Whilst this budget approval will increase the current capital budget, the outturn for 2021/22 reports a reduction in previous budget approvals of £11.847m based on 2021/22 underspends. Adding this approval would therefore not adversely affect the overall business plan capital expenditure assumptions. The grant contributions slightly reduced the business plan commitment for this specific investment.
Poor consultation may result in resistance and disconnection from tenants	10 (2x5)	Good communication with tenants, neighbours and the Parish Council will maximise the opportunity for tenant support for the scheme. Early communication is important and housing needs assessments are to be undertaken and decant opportunities are to be identified as close to the tenant's current home as possible.
Limited alternative accommodation for tenants during temporary decanting.	8 (2x4)	Officers have analysed the availability of alternative accommodation to support the decanting of tenants. We have created a route for the contractor which allows all tenants to be temporarily decanted within the estate. Consultation has identified that some households could benefit from a single move to a refurbished property on the estate to better meet their needs. There are currently five voids on the estate and three of these voids will be refurbished under the scheme with the other two being used for temporary decant and site welfare and then demolished in preparation for a new build proposal.
Tenants experience a substandard service as they wait to be decanted	8 (2x4)	Tenants will continue to benefit from the Council's comprehensive compliance, repairs, and maintenance service as they wait for works and whilst they are in temporary accommodation.
Social Housing Decarbonisation Funding (SHDF)	9 (4x2)	SHDF Wave 1 funding has been received to contribute £12k to each of the first four homes. SWT will bid for Wave 2 funding for the remaining six units. Successful bidders for Wave 2 will be informed in January 2023. Wave 1 funding is to be spent by 31 st January 2023. This creates a risk should the low carbon elements of the project not be complete.
Inability to secure a contractor to deliver works within budget	15 (3x5)	Officers have prepared the specification for works and the market will be engaged July 2022 with appointment in September.

Risk	Score out of 25 based on probability x impact	Mitigation
Commercial environment/ economic environment	15 (3x5)	There are several external factors which continue to create difficulties when delivering projects in a timely way. SWT and other landlords have experienced challenges in securing contractors and materials to deliver projects in the most timely and economic way. The service is proposing to go to market in July 2022.

4 Background and full details of the report

- 4.1 SWT owns several houses and bungalows in Oake Village of which 12 are Woolaway homes. Woolaway homes are classified as defective non-traditional homes and are the same architype as those homes being demolished or refurbished in North Taunton. A plan may be found at Appendix A.
- 4.2 Officers have carried out a feasibility study and gained support for its project initiation document from the Director of Housing and Communities at its Housing Programme Board and the Portfolio Holder for Housing. The most appropriate and economic option is for ten of the twelve Woolaway homes to be refurbished and two homes demolished in preparation for a small new build scheme. The feasibility study considered retaining and refurbishing all twelve non-traditional homes however the demolition of two homes has the potential to create four (4) new homes on the same site (appendix A, highlighted in red). The new build scheme will come forward to Members in a separate report at some point in the future.
- 4.3 The ten (10) Woolaway defective non-traditional homes will be refurbished using an ‘all walls out’ and ‘fabric first’ low carbon approach. Properties will be made structurally robust and provided with a minimum 60 year life.
- 4.4 The heat demand for these homes will reduce from circa 190 kWh/m2/yr to circa 39 kWh/m2/yr. Heat demand is used as a more appropriate measure than EPC bands to understand a property’s carbon footprint and potential fuel usage. Heat demand is a key measure being proposed to help the Council’s objective for its housing stock to be zero carbon. A retrofit home (existing home receiving low carbon works) with a heat demand of circa 50 kWh/m2/yr will create the opportunity of renewable heat and power to be more affordable to the tenant as they switch fuel from gas, over the next 20 years, to a system powered by renewable electricity and in so doing create a zero carbon home.
- 4.5 Alternative options to refurbishment have been considered including do nothing, greater demolition with a number of more intensive new build options but these are not economic and contain risks including the costs of purchasing properties previously sold under the Right to Buy scheme and the limited ability to intensify the scheme due to spacial and planning constraints.
- 4.6 The costs of the scheme are accounted for within the Housing Revenue Account (HRA), and it is proposed to fund the costs through a combination of HRA capital resources (e.g. capital borrowing or capital reserves) and capital grant obtained through Social Housing Decarbonisation Fund Wave 1 funding. The properties will also be included in a SHDF

Wave 2 bid to try and secure additional external funding to support the project. This scheme requires tenants to be decanted on a temporary basis.

- 4.7 The scheme has been approved in principle by the Portfolio Holder for Housing. Formal approval for the scheme and Supplementary Budget is required from Full Council.
- 4.8 The properties are the most challenging properties in the district and the cost of resolving the structural problems of these homes is reflected in the substantial work and costs. The Housing service is working on opportunities for new funding such as SHDF Wave 2 and ECO4 to help fund a greater proportion of works going forward to some of our more challenging and expensive to retrofit properties.

5 Links to Corporate Strategy

- 5.1 In 2019, the Council declared a climate emergency and committed to working towards achieving carbon neutrality and climate resilience by 2030.
- 5.2 These properties are defective due to their structure and most are in EPC band E or D. SWT must consider not only the investment in the structure to resolve the defects but investment to achieve 2030 and 2050 low and zero carbon standards.
- 5.3 These properties will be exemplar 'fabric first' homes and examples of what is possible.
- 5.4 The Council have a commitment to the provision of affordable homes. As new home developers have to resolve concerns relating to phosphates in order to obtain planning permission it is increasingly important that the existing affordable homes are retained wherever possible.

6 Finance / Resource Implications

- 6.1 The scheme is expensive due to the 'all walls out' approach in order to resolve structural concerns. The costs estimated costs of the scheme can be found in confidential appendix C. The cost estimates have been obtained by the Councils Employers agent Wellings with Council's direct costs and contingency included. It is recognised that the risk of cost increases is currently significant due to price inflation and stresses in the supply chain and labour markets. The cost estimates include contingencies but the procurement through competitive process will secure a fixed price design and build contract which will mitigate price risk. The delivery of the project will be managed through existing project management resources.
- 6.2 The estimates assume that the 10 units would be void for a period of 6 months each resulting in income loss of approximately £22k. Tenants are decanting on a temporary basis and would remain on a social rent and their secure tenancy will be continuous.
- 6.3 Members are therefore being asked to approve a supplementary capital budget as outlined in Appendix C to be added to the HRA Capital Programme to fund the delivery of an exceptional and extensive refurbishment of 10 Woolaway defective non-traditional homes using an 'all walls out and fabric first' low carbon approach. This scheme is proposed to be delivered during 2022/23 and 2023/24.

- 6.4 The Council has successfully bid for and received SHDF Wave 1 funding which will contribute £12k to each of the first four homes; a total subsidy of £48k towards the scheme. A further bid will be submitted for Wave 2 funding for the remaining 6 units which we hope will provide further subsidy towards this scheme though this will not be confirmed until January 2023. The remainder of the scheme will likely be funded through borrowing whilst options to utilise HRA capital reserves will also be explored in order to optimise the financing arrangements and costs.
- 6.5 The HRA 30-year Business Plan is reviewed on a continuing basis as new information comes to light (e.g. new inflation and borrowing rates) and as new capital schemes are developed. Independent professional advice is also obtained to provide further assurance that new schemes are deliverable and contribute positively to the overall 30 year business plan. The affordability and viability of this scheme on the 30-year business plan has been reviewed and key metrics are being maintained. The impact of the supplementary budget are outlined in Confidential Appendix C.

Unitary Council Financial Implications and S24 Direction Implications

- 6.6 A Section 24 Direction issued by the Secretary of State in May 2022 requires SWTC to obtain consent of Somerset County Council's (SCC) executive to enter capital contracts where the cost is, or terms allow costs to increase to, more than £1,000,000. As the costs of this scheme are projected above this amount then consent will be required to enter a contract if the scheme is approved.
- 6.7 As the scheme is not included in the approved capital budget that was approved in February 2022 a specific consent will be needed. SCC has delegated authority to the SCC Lead Member for Resources in conjunction with the SCC Section 151 Officer for all specific consents between £500,000 and £5,000,000.
- 6.8 In terms of ongoing implications, the works are expected to continue across this year and the first year of the new unitary. Continued management and oversight of the project will therefore continue beyond vesting day. The Council's housing stock and all of the ongoing assets, liabilities, costs and income, and rights and obligations will transfer to the unitary on 1 April. The new council will be required to maintain a Housing Revenue Account for this service, as SWTC does currently.

7 Legal Implications

- 7.1 No legal issues to report.

8 Climate and Sustainability Implications

- 8.1 In 2019, the Council declared a climate emergency and committed to working towards achieving carbon neutrality and climate resilience by 2030.
- 8.2 These properties are defective due to their structure and most are in EPC band E or D. SWT must consider not only the investment in the structure to resolve the defects but investment to achieve 2030 and 2050 low and zero carbon standards.
- 8.3 These properties will be exemplar 'fabric first' homes and examples of what is possible.

9 Equality and Diversity Implications

- 9.1 The existing tenants and community will be retained. Temporary decanting will be provided within the scheme boundaries wherever possible. Tenants needs have been assessed and all customers have completed a Housing Needs Assessment. Tenants do not lose their home and the expectation is that tenants will return to their refurbished home. However, the Council's Decant Policy additional relocation choices during their short decant window. This could include a one move to a refurbished home within the scheme.

10 Social Value Implications

- 10.1 The procurement process will consider the benefit contractors can contribute in terms of social value in particular local labour, use of local contractors and supply chain.

11 Health and Wellbeing Implications

- 11.1 Very low carbon homes which are well insulated, have good levels of airtightness and use ventilation systems are considered healthy homes. The properties at Oake do not currently possess low carbon qualities and the construction techniques continue to encourage cold bridging which is a significant contributory factor for damp and mould in homes. The new specification will make the properties healthier homes, well insulated with improved ventilation.
- 11.2 One three bedroom home will be converted into a four bedroom home. The conversion will be beneficial for the District as large family accommodation is in high demand.

12 Asset Management Implications

- 12.1 The scheme will improve the Council's residential portfolio and the properties will be provided an expected lifecycle to that expected of other council homes.

13 Consultation Implications (if any)

- 13.1 Consultation has begun with the tenants, neighbours, and Oake Parish Council. There has been support and very little concern raised from tenants. Housing needs assessments have been carried out which identify opportunities for households to manage their housing needs better through the decant process and opportunities identified for moves within the scheme.
- 13.2 Communication with tenants and all other parties remain critical and will continue as the proposals are progressed.
- 13.3 Tenants are updated on developments through letters, phone calls, periodic estate visits and presentations at open Parish Council meetings.

14 Scrutiny/Executive Comments / Recommendation(s) (if any)

- 14.1 This paper is not scheduled for community scrutiny due to the timeline for approval and summer recess.
- 14.2 A briefing with the Chair of the Community Scrutiny has been offered.

Democratic Path:

- Executive – 20th July 2022
- Full Council – 6th September 2022

Reporting Frequency: Once Only

List of Appendices

Appendix A	Map of Oake Acres highlighting the homes for refurbishment
Appendix B	Images of the type of works required on the woolaway homes
Appendix C	CONFIDENTIAL Finance Commentary

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Appendix A

Oake Acres, Oake

The plan shows 10 SWT woolway holes in blue circles to be refurbished and 2 homes to be used for welfare and decant during the project and then demolished in readiness for the council to propose a new scheme.



Appendix B

Images from an 'all walls out' woolaway refurbishment. This is a comprehensive renewal of the building and home.

b: "Walls Out" Refurbishment
of PRC Woolaway houses
Illustrations of the construction method

Job No: 080231 Photosheet No: Page 1 of 3

Date : Dec 2021



P1 – Excavation for foundation extension



P2 – New drainage



P3 – New drainage



P4 – Dowel bars into existing foundations



P5 – Staircase running parallel to the front wall (see also P9).



P6 – First floor propping with vertical support to roof rafter



P7 – Ground floor propping (prior to erection of security screening)



P8 – Ground floor propping (prior to erection of security screening)



P9 – Propping on stairs (security screen at ground floor, first floor to be erected)



P10 – Demolition



P11 – Demolition



P12 – External Walls

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

Report Number: SWT 104/22

Somerset West and Taunton Council

Executive – 20 July 2022

Proposed General Consent and Specific Consents process in response to Direction issued under Section 24 of the Local Government and Public Involvement in Health Act 2007

This matter is the responsibility of the Portfolio Holder for Local Government Reorganisation, Cllr Sarah Wakefield

Report Authors: Paul Fitzgerald - Assistant Director Finance, Amy Tregellas – Governance Manager and Monitoring Officer and Kevin Williams – Solicitor and Deputy Monitoring Officer

1 Executive Summary / Purpose of the Report

- 1.1 The purpose of this report is to consider the Secretary of State's Direction restricting certain transactions and made under the Local Government and Public Involvement in Health Act 2007 (the 2007 Act).
- 1.2 The Executive is asked to note the proposed series of General Consents to be granted by Somerset County Council to the four Somerset District Councils to enable the business of existing District Councils to continue to proceed in the run up to Vesting Day for the new Somerset Council on 1 April 2023.
- 1.3 The Executive is also asked to note the proposed process for Specific Consents.
- 1.4 SCC considered and approved the arrangements set out in this report on 15 June 2022 with the General Consents and process for seeking Specific Consents taking effect from 16 June 2022 to 31 March 2023.

2 Recommendations

- 2.1 That the Executive notes the following recommendations that were considered and approved by Somerset County Council Executive on 15 June 2022:
 1. The General Consents that Somerset County Council (SCC) intends to grant to the District Councils under the Direction made under Section 24 of the Local Government and Public Involvement in Health Act 2007 as set out in Appendix 2;
 2. That delegated authority to grant specific consents under the Section 24 Direction will be given to:
 - (i) the SCC Lead Member for Resources in conjunction with the SCC Section 151 Officer for all specific consents between £500,000 and £5,000,000; and
 - (ii) the SCC Section 151 Officer in consultation with the SCC Monitoring Officer and the Section 151 Officers of the District Councils for all specific consents up to £499,999.

3. The intention that SCC Executive approve in principle the specific consent for the proposals set out in Appendix 6 relating to a Levelling Up bid.
4. The intention to delegate authority to the SCC Section 151 Officer to agree minor changes to the General Consents in consultation with the SCC Lead Member for Resources
5. That any specific consents over £5,000,000 will need to be considered by either the Leader of SCC or the SCC Executive

3 Risk Assessment

- 3.1 If no general consent or specific consent process is in place, then many District Council activities supporting corporate actions may be delayed.

4 Background and Full details of the Report

Background

- 4.1 Section 24 of the 2007 Act permits the Secretary of State to issue a Direction against all Authorities being dissolved under a Structural Change Order. Following the making of the new Somerset Council (Structural Changes) Order 2022 the Department for Levelling Up, Housing and Communities (DLUHC) made such a Direction on 10 May 2022. A copy of the Direction and the accompanying letter and Guidance Note is attached as Appendix 1.
- 4.2 Essentially, the Direction will restrict District Councils from entering into revenue contracts and disposals of land over £100,000 or “capital contracts” exceeding £1m (or where the term of such contracts is variable) without the consent of the Executive of the County Council.
- 4.3 The purpose of the Direction is to ensure that the elected Members for the new unitary council have oversight and control of decisions that will financially bind the new authority from 1 April 2023. The newly elected members have oversight of the County Council’s budget and the Executive of Somerset County Council have been asked to consider which decisions they are content with giving a general consent to allow the District Councils to commit the new unitary council to spend.

The Section 24 Direction

- 4.4 The Secretary of State’s Direction provides that the District Councils will need approval of the newly elected Executive from 16 June 2022 for the following transactions:
 - dispose of any land worth over £100,000;
 - enter into any capital contracts over £1,000,000;
 - enter into any capital contract where a term can be varied on how much the District Council pays,
 - enter into any non-capital contract over £100,000 where the contract has a potential to go over 1 April 2023.
- 4.5 The provisions of the legislation and the Direction means that in order to work out the value of contracts, the District Councils have had to look at how much has been spent with an individual/organisation from 1 January 2007 as a cumulative exercise. The implication of this is that a lot of routine contracts will be captured by the Direction.

- 4.6 The Direction also potentially applies to new contracts of employment from 16 June 2022 for the District Councils whereby the continuing salary will be more than £100,000 for the duration of the contract, this means that a number of permanent posts will be captured even though they will be on a relatively moderate salary.
- 4.7 The sanctions for not complying with the Direction and consent regime are severe. Any contracts entered into by an authority without the required consent will be legally unenforceable by, or against, the authority in question and its successor new unitary council, and any transfer or acquisition relating to land will be void.
- 4.8 Accordingly, and in order to ensure a continuance of business in all affected Authorities in the lead up to Vesting Day, it has been acknowledged that a General Consent would be helpful.
- 4.9 Currently the Councils have been working under a local Finance and Assets Protocol where the relevant Section 151 Officers would highlight and review any relevant expenditure which could potentially bind the new unitary authority in the future. As the Secretary of State's Direction came into force on 16 June 2022, the principles behind the Protocol were considered by the SCC Executive on 15 June 2022, and authority given to determine what financial decisions the District Councils can make prior to Vesting Date.

The Proposal

- 4.10 The proposal is that the SCC Executive give a General Consent as drafted in Appendix 2. This Draft has been the subject of consultation with Chief Executives, Section 151 Officers (Chief Finance Officers) and Monitoring Officers within the four District Councils (as they are affected by the Section 24 Direction).
- 4.11 The SCC Executive met on 15 June 2022 and approved the General Consent. The County Council's Section 151 Officer issued Guidance, in conjunction with district councils' Section 151 Officers, to relevant officers in all affected authorities in relation to the Direction itself; the contents of any General Consent; and the processes and procedures for obtaining specific consents where the terms of the particular transaction are outside the limits set.
- 4.12 Legally the requirement for seeking permission as a result of the Direction only applies to the District Councils. The County Council is the decision maker for any General or Specific Consents as it is a continuing authority and therefore acting on behalf of the future new Somerset Council.
- 4.13 The Monitoring Officers of the five councils have reviewed the basis of the General Consent and Specific Consent decision making for the County Council and have concluded these will be treated as non-key decisions. This is because the district councils are taking any required key decisions relating to the actual disposals and / or contracts as they relate to their functions during the transition year.
- 4.14 As set out in the reasons for recommendations and Appendix 2, the proposed delegated authority arrangements ensure the effective and expedient operation of certain matters seeking specific consents. In accordance with Access to Information regulations, decisions taken using those delegated arrangements will be published on the SCC website.
- 4.15 To assist in understanding the potential scale and value of specific consents that may be

required during 2022/23 Appendix 3 sets out Annex A which lists the potential land disposals for specific consents, Appendix 4 sets out Annex B which lists the capital schemes where specific consents are likely to be required and Appendix 5 sets out Annex C where specific consents are likely to be required for non-capital schemes. It should be highlighted that all three appendices include details of schemes where Section 151 Officers of the five councils consider that specific consents are not required.

- 4.16 The estimated total value of likely specific consents during 2022/23 are £3.8m in land disposals, £98.6m in capital schemes and £7.8m in non-capital schemes.
- 4.17 Appendices 3, 4 and 5 also set out the value of schemes where specific consents are not required. These amount to £17.4m in land disposals and £106.4m in capital schemes.
- 4.18 Appendix 6 sets out proposals that are being progressed by Sedgemoor District Council in partnership with Mendip District Council and Somerset West & Taunton Council in relation to two constituency-based Levelling Up Fund bids. Specific Consent approval in principle from the County Council is being sought.

Access to Information Regulations

- 4.19 The accompanying Appendices 3, 4 and 5 contain commercially sensitive information relating to the District Councils' financial and business affairs. It is therefore recommended that this is treated as exempt information. "Exempt information" is defined by Section 100 of the Local Government Act 1972, by Schedule 12A to that Act. In this circumstance it specifically relates to Category 3 – *Information relating to the financial or business affairs of any particular person (including the authority holding that information)*. If Members wish to discuss any of the information contained within the confidential appendices, then a resolution will need to be passed for the meeting to go into confidential session.

5 Links to Corporate Strategy

- 5.1 The Proposed General Consent and Specific Consents process will help to ensure that the Corporate Priorities, as well as business as usual activities of the four Somerset District Councils are not hindered by over burdensome bureaucracy in the lead up to vesting day on 1 April 2023.
- 5.2 This decision is intrinsically linked to the Council's Corporate Strategy for 2020-2024 and the delivery of the Annual Plan for the 2022-23 financial year.

6 Finance / Resource Implications

- 6.1 Prior to Vesting Date of 1 April 2023, the four District Councils within Somerset will continue to operate and make decisions for their residents, businesses and visitors. The Secretary of State has issued a Direction which gives Somerset County Council's Executive the power to veto any relevant financial decision which could bind the new authority in a potentially unfavourable way.
- 6.2 However, to enable the District Councils to continue to function it is suggested that there will be many decisions that will be made by the District Councils which should continue without requiring individual permissions to be sought from the SCC Executive.
- 6.3 The granting of a general consent will provide the opportunity for the SCC Executive to

concentrate on the relevant decisions that will need political oversight without creating additional bureaucracy by needing to approve every individual decision by the District Councils.

6.4 The lack of a general consent does not mean that the associated financial commitment cannot be made. It simply means that if there is not an automatic consent, approval will need to be sought. The relevant District Council will need to put forward their rationale for consideration and approval.

6.5 Any such request would initially be considered by the County Council's Section 151 Officer but, to ensure a collaborative and inclusive approach, it is intended that he will consult with the District Councils' Section 151 officers to consider the request(s). This provides the opportunity to objectively consider the relative merits of any request through peer review.

7 Unitary Council Financial Implications and S24 Direction Implications

7.1 This report sets out the Unitary Council Financial Implications and S24 Direction Implications.

8 Legal Implications

8.1 Following the making of the new Somerset Council (Structural Changes) Order 2022 the Department for Levelling Up, Housing and Communities (DLUHC) made a Section 24 Direction on 10 May 2022. The Direction is made under the Local Government and Public Involvement in Health Act 2007.

8.2 This report sets out the legal position with regards to the District Councils being able to enter into contracts from 16 June 2022 up until 1 April 2023. The report also sets out how the SCC Executive intends to use its transitional powers to give General Consents under the provisions of the Direction made on 10 May 2022 under the Local Government and Public Involvement in Health Act 2007 in the form set out in Appendix 2 to this report.

9 Climate and Sustainability Implications

9.1 None arising from this report

10 Safeguarding and/or Community Safety Implications

10.1 None arising from this report

11 Equality and Diversity Implications

11.1 None arising from this report

12 Social Value Implications

12.1 None arising from this report

13 Partnership Implications

13.1 None arising from this report

14 Health and Wellbeing Implications

14.1 None arising from this report

15 Asset Management Implications

15.1 None arising from this report

16 Data Protection Implications

16.1 None arising from this report

17 Consultation Implications

17.1 None arising from this report

Democratic Path:

- **Corporate Scrutiny Committee/Community Scrutiny Committee – No**
- **Cabinet/Executive – Yes – this is for the Executive to note**
- **Full Council – No**

List of Appendices

Appendix 1	Department for Levelling Up, Housing and Communities (DLUHC) Direction and accompanying letter dated 10 May 2022
Appendix 2	LGR in Somerset Spending Protocol and General Consent – approved by SCC Executive on 15 June 2022
Appendix 3	Confidential as commercially sensitive – list of potential land disposals for specific consents
Appendix 4	Confidential as commercially sensitive – list of the capital schemes where specific consents are likely to be required
Appendix 5	Confidential as commercially sensitive – list of specific consents which are likely to be required for non-capital schemes
Appendix 6	Levelling Up bid

Contact Officers

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Department for Levelling Up,
Housing & Communities

Chief Executives of Somerset councils

Paul Rowsell CBE
*Head of Governance Reform &
Democracy Unit*

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10 May 2022

Dear Chief Executives,

I wrote to you on 17 March to inform you that the Secretary of State was minded to issue a direction under section 24 of the Local Government and Public Involvement in Health Act 2007, which would require, from the date of coming into effect of the direction, that those councils in Somerset to be dissolved on 1 April 2023 must seek consent of the person specified in the direction before entering into certain contracts or land disposals.

The Secretary of State has considered the representations he received regarding the intended approach and has confirmed his decision, which is to issue a direction. The date of coming into effect has been amended to 16 June 2022 as requested. I enclose a copy of the direction in its final form, accompanied by the explanatory note.

We look forward to continuing to work with you all, to ensure the establishment of a successful Somerset Council delivering the quality of services and effective local government which the people of Somerset deserve.

Yours sincerely,

P ROWSELL

Direction made under section 24 of the Local Government and Public

Involvement in Health Act 2007

In exercise of the powers under section 24 of the Local Government and Public Involvement in Health Act 2007 ("the Act"):

1. The Secretary of State directs each authority listed in Column A of the attached Schedule, being an authority which is to be dissolved by virtue of an order made under section 7 of the Act, that it may not, without the consent of the authority(ies) listed in Column B of the attached Schedule, from the date in Column C:

- a) dispose of any land if the consideration for the disposal exceeds £100,000;
- b) enter into any capital contract-

under which the consideration payable by the relevant authority exceeds £1,000,000; or

which includes a term allowing the consideration payable by the relevant authority to be varied;
- c) enter into any non-capital contract under which the consideration payable by the relevant authority exceeds £100,000, where-
 - (i) the period of the contract extends beyond 1 April 2023; or
 - (ii) under the terms of the contract, that period may be extended beyond that date.

Signed by the authority of the Secretary of State



PAUL ROWSELL

A senior civil servant in the Department for Levelling Up, Housing and Communities

Date: 10 May 2022.

Schedule

Column A - authorities to be wound up and dissolved on J April 2023	Column B - authorities specified under section 24 of the Act as the person whose written consent is required for the matters specified at article J (b) of this direction and the body through which that power is exercised	Column C - date effective from
Allerdale Borough Council	Cumberland Shadow Authority, power to be exercised by the executive of that council	30 June 2022
Carlisle City Council	Cumberland Shadow Authority, power to be exercised by the executive of that council	30 June 2022
Copeland Borough Council	Cumberland Shadow Authority, power to be exercised by the executive of that council	30 June 2022
Barrow-in-Furness Borough Council	Westmorland and Furness Shadow Authority, power to be exercised by the executive of that council	30 June 2022
Eden District Council	Westmorland and Furness Shadow Authority, power to be exercised by the executive of that council	30 June 2022
South Lakeland District Council	Westmorland and Furness Shadow Authority, power to be exercised by the executive of that council	30 June 2022
Cumbria County Council (in respect of decisions relating to the area of one or more of Allerdale Borough Council, Carlisle City Council or Copeland Borough Council)	Cumberland Shadow Authority, power to be exercised by the executive of that council	30 June 2022
Cumbria County Council (in respect of decisions relating to the area of one or more of Barrow-in-Furness Borough Council, Eden District Council or South Lakeland District Council)	Westmorland and Furness Shadow Authority, power to be exercised by the executive of that council	30 June 2022
Craven District Council	The council of the county of North Yorkshire, power to be exercised by the executive of that council	23 May 2022
Hambleton District Council	The council of the county of North Yorkshire, power to be exercised by the executive of that council	23 May 2022
Harrogate Borough Council	The council of the county of North Yorkshire, power to be exercised by the executive of that council	23 May 2022
Richmondshire District Council	The council of the county of North Yorkshire, power to be exercised by the executive of that council	23 May 2022
Ryedale District Council	The council of the county of North Yorkshire, power to be exercised by the executive of that council	23 May 2022
Scarborough Borough Council	The council of the county of North Yorkshire, power to be exercised by the executive of that council	23 May 2022
Selby District Council	The council of the county of North Yorkshire, power to be exercised by the executive of that council	23 May 2022
Sedgemoor District Council	The council of the county of Somerset, power to be exercised by the executive of that council.	16 June 2022
Mendip District Council	The council of the county of Somerset, power to be exercised by the executive of that council.	16 June 2022
Somerset West and Taunton District Council	The council of the county of Somerset, power to be exercised by the executive of that council.	16 June 2022
South Somerset District Council	The council of the county of Somerset, power to be exercised by the executive of that council.	16 June 2022

Control of Contracts

Explanatory Note

1. This explanatory note accompanies a direction made under section 24 of the Local Government and Public Involvement in Health Act 2007 (the Act) and must be read in the context of sections 24 to 30 of that Act.

Context

1. Proposals for restructuring local government are being implemented by Structural Changes Orders in Cumbria, North Yorkshire and Somerset.
2. The Cumbria (Structural Changes) Order 2022¹, which came into force on 18 March 2022, establishes two unitary councils from 1 April 2023, and provides for:
 - the abolition of the existing county and district councils in Cumbria,
 - transitional arrangements for implementing the structural change, and
 - elections to the two new unitary councils in shadow form in May 2022.

The existing county and district councils remain responsible for delivering their respective functions until 1st April 2023 when the two unitary councils take on the role of providing both county and district services across their defined area.

3. The North Yorkshire (Structural Changes) Order 2022² which came into force on 18 March 2022, establishes a single unitary council in North Yorkshire from 1 April 2023, which is to be a continuing authority of North Yorkshire County Council, that is the body corporate of the existing county council with a new name and new membership. The Order provides for:
 - the abolition of the district councils in the area,
 - transitional arrangements for implementing the structural changes, and
 - elections to the new unitary council, in transitional form, in May 2022.

The district councils in North Yorkshire remain responsible for delivering their respective functions until 1st April 2023 when the unitary council takes on the role of providing both county and district services across the area.

4. The Somerset (Structural Changes) Order 2022³, which came into force on 18 March 2022, establishes a single unitary council in Somerset from 1st April 2023, which is a continuing authority of the county council, that is the body corporate of the existing county council with a new name and new membership. The Order provides for:
 - the abolition of the district councils in Somerset,
 - transitional arrangements for implementing the structural changes, and
 - elections to the new unitary council, in transitional form, in May 2022.

¹ <https://www.legislation.gov.uk/ukdsi/2022/9780348231359/contents>

² <https://www.legislation.gov.uk/ukdsi/2022/9780348231380/contents>

³ <https://www.legislation.gov.uk/ukdsi/2022/9780348231366/contents>

The district councils in Somerset remain responsible for delivering their respective functions until 1st April 2023 when the unitary council takes on the role of providing both county and district services across their defined area.

5. It is essential that all the affected local authorities (which are subject to this direction) are able to continue delivering high quality services to the public and run their day-to-day business in the period prior to 1 April 2023.
6. It is also of great importance that the authorities that have general transitional duties under the structural changes orders of preparing for and facilitating the transfer of functions to the new unitary authorities are able to discharge their duties effectively.
7. Therefore, in these three areas, the Secretary of State considers that the body with general transitional duties should have a say on agreements to be entered into, including in consideration of whether those agreements will be in the best interests of the new council or the residents of the area, and ensuring agreements do not undermine or diminish the benefits or savings anticipated as a result of unitarisation or which may have an effect on the financial position of the new council. As specified in the schedule to the directions, the consenting bodies for the councils to be abolished by the structural changes orders are for Cumbria the two shadow councils, and for North Yorkshire and Somerset, the newly elected councils of the two continuing authorities.
8. The Secretary of State has, therefore, made the direction to ensure that the implementation process can proceed on a clear and sound basis.

Specified person/authority whose consent is required

9. The direction specifies which person is required to give consent in relation to the matters covered in the direction. The schedule to the directions sets out, for each of the councils that will be abolished by one of the structural changes orders, who is the person specified for giving consent for all matters and how that power is to be exercised.

Cumulative amounts and general consents

10. Under this direction, from the date set out in Column C of the schedule to the direction, the consent of those specified in the schedule will be required for the entry into any contract falling within paragraphs 1.c) of the direction. This may include routine contracts that authorities enter into on a regular basis. In order to ensure these can continue unhindered, as appropriate, the consenting body may issue general consents for types or categories of contracts which it may specify.
11. Under section 26(2) of the Act, such general consent may be given:
 - a. in respect of a particular contract, or in respect of contracts of any description;
 - b. unconditionally or subject to conditions.
12. In practice, this means that the consenting body could, for example, issue a general consent for all non-capital contracts with a value not exceeding £100,000 which are for similar descriptions of matter (such as all social care contracts, or all leisure or cultural services contracts) or it could give consent in relation to contracts relating to specific programmes or projects.
13. Paragraph 3 of the direction should be read in conjunction with sections 27(2) and (3) of the Act. The capital and non-capital contract value thresholds of £1,000,000 and

£100,000 respectively are cumulative where multiple contracts are entered into with the same organisation, or individual, or of a similar description, and the consent requirement may therefore apply to many 'business as usual' contracts. Moreover, provisions in the Act were drafted to apply in the first instance to the programme of unitarisations underway in 2008/9. Therefore, accumulation of amounts, for the purpose of calculating the value of contracts to which a direction may apply, date back to 1 January 2007.

14. Whether or not a contract relates to another of the 'same or similar description of matter' will be a question of fact and degree in each case. So, a contract to sweep the streets might not be in the same category as park maintenance services, although both are broadly environmental services, but a contract for the supply of office chairs may well fall within the same category as another contract for the supply of other office equipment.
15. New contracts of employment come within the scope of this direction and as a category of contracts relating to a similar matter, i.e. employment, the threshold of £100,000 may be reached quite quickly.

Interaction with other consent regimes

16. As stated in section 26(4) of the 2007 Act, the issuing of a consent by a consenting body in relation to this direction does not remove any requirement on any authority to seek separate consent from any relevant person under any other applicable consent regime.

In the event of a disagreement

17. In the event that the person seeking consent and the person whose consent is required under this direction fail to reach agreement as to the value of any consideration which might be covered by the direction, in accordance with section 26(6) of the Act, the matter is to be referred to the Secretary of State so that the value may be determined.

Appendix 2 - Local Government Reorganisation in Somerset

Spending Protocol and General Consent 2022/23

- 1.1 A new Somerset Unitary Council will come into existence on the 1 April 2023 and all of the financial resources and commitments from the predecessor Councils will transfer to the new Somerset Council at this date. It is important, therefore, that decisions and actions taken in the existing Councils are made against the background of avoiding adverse financial pressures for the new Council where possible.
- 1.2 On the 10 May 2022 the Secretary of State for the Department of Levelling Up, Housing and Communities (acting through a Senior Civil Servant) gave a direction under Section 24 of the Local Government and Public Involvement in Health Act 2007 (the “S24 Direction”), coming in to effect on the 16 June 2022 (S24 Effective Date”), that the four District Councils (“the District Councils”) in Somerset are required to seek the consent of Somerset County Council (“the County Council”) before they:
1. Dispose of any land if the consideration for the disposal **exceeds £100,000**.
 2. Enter into any capital contract under which the consideration payable by the relevant authority **exceeds £1,000,000**; or which includes a term allowing the consideration payable by the relevant authority to be varied.
 3. Enter into any non-capital contract under which the consideration payable by the relevant authority **exceeds £100,000**, where:
 - a. the period of the contract extends beyond 1 April 2023; or
 - b. under the terms of the contract, that period may be extended beyond that date.
- 1.3 The above financial thresholds are hereafter referred to in this Protocol and General Consent as the “S24 Thresholds”. **Section 27 allows aggregation of these limits for disposals and contracts after 31 December 2006. The S24 Direction makes it clear that aggregation of the limits will apply. This Protocol and General Consent shall therefore be construed accordingly.**
- 1.4 The Secretary of State considers that the County Council’s Executive should have a say on agreements to be entered into by the four District councils, including consideration of whether those agreements will be in the best interests of the new Council or the residents of the area, and ensuring agreements do not undermine or diminish the benefits or savings anticipated as a result of unitarisation or which may have an effect on the financial position of the new Somerset council.
- 1.5 It is important that the financial pressures for the new Council are minimised to give the best possible start and that any residual financial pressures are identified at the earliest opportunity. In that way, effective financial planning can begin during 2022/23 for 2023/24 and beyond.
- 1.6 Each Council has a Section 151 Officer (“S151 or S151’s”) who has responsibility for the stewardship of the Council’s finances. Their duty is obviously to their employing Council. However, they also have a wider fiduciary duty concerning public funds. To ensure that the financial interests of the new unitary Council are protected but also to ensure that the District Councils are able to continue to operate in an agile manner without significant delays and risks to decision-making this Protocol and General Consent has been agreed and recommended for approval by the S151’s and Monitoring Officers (or their deputies).
- 1.7 The LGR Finance workstream shall formally take on the key role of ensuring application of this Protocol and General Consent and assisting with the application of the Section 24 Direction and processing of applications from the four District Councils.

1.8 This Protocol and General Consent will come into effect on 16th June 2022 and expire on the 31st March 2023 and will supersede and replace the Finance and Assets Protocol agreed by the Councils in February 2022.

1.9 Principles

The following principles shall apply: -

- A. The District Councils remain responsible for taking day to day decisions for spending on service delivery within agreed revenue and capital budgets for 2022/23.
- B. The District Councils are committed to ensuring that the new unitary Council (“the Unitary”) is in the best possible financial position.
- C. The District Councils should not enter into any new financial or asset-related expenditure beyond those specifically agreed within their approved budgets or create any new liabilities above the S24 Thresholds without the agreement of the County Council.
- D. The intention is for each District Council to undertake all business as usual and project activities that are within the revenue and capital budgets and funding arrangements agreed by each Council in February 2022.
- E. For the avoidance of doubt the term “*funding arrangements*” means approved budgets, approved use of reserves, undertaking borrowing, use of grants, use of capital receipts, use of provisions and contingency budgets that have been agreed in the budget or treasury management reports approved by the District Councils at their February/March 2022 budget meetings and those previously approved that carry forward into the 2022/23 financial year.
- F. That the agreed Protocol to control spending needs to be agile to avoid introducing delays in delivery and risks to decision making.
- G. It is recognised that there may be situations that arise that will need practical application of flexibilities whilst remaining within the spirit of this Protocol. Examples of this may include emergency response , unforeseen additional costs on capital schemes (where there is already commitment to deliver) and opportunities to bid for external funding, including where there may be some form of contribution from one or more of the councils. Rather than try to legislate for all possible eventualities, this Protocol will rely upon the principles set out, alongside the S24 Thresholds, as the basis for discussion where there are such scenarios. Trying to determine a set of “hard rules” for all scenarios is likely to be impractical, if not impossible, and an escalation approach has been set out should it be required.

1.10 For the purposes of this Protocol any “new expenditure” is deemed to be expenditure that arises outside of any existing approved 2022/23 revenue and capital budgets. Expenditure is calculated as the total life cost of any project excluding recoverable VAT. Any expenditure on a project or scheme which has been broken down into parts (whether through separate contracts or otherwise) must be aggregated.

1.11 Expenditure includes but is not limited to: purchase, disposal and transfer of assets, new contracts with significant on-going financial commitments, new capital schemes (including those with on-going financial commitments) and grants. For the

avoidance of any doubt such expenditure excluding recoverable VAT must exceed the S24 Threshold for it to be subject to the consent of the County Council.

- 1.12 Key financial decisions taken by the five authorities must include and record consideration of the financial implications of the decision for the Unitary.

2. Budget Monitoring

- 2.1 Each Council is responsible for monitoring its own 2022/23 Budgets and reporting in line with its own Constitution and management arrangements. The Section 151 Officer of each District Council will report any matters of concern to the Somerset County Council's Section 151 Officer as they are identified. This will ensure that all Councils and Section 151 Officers have a clear understanding of the overall financial picture and associated risks. A summary of these will be reported to the LGR Implementation Team and periodically to the Executive. It remains the responsibility of each sovereign council to manage their resources and budget variances for the financial year ending 31 March 2023.

- 2.2 A high-level review of the 2022/23 budgets for the 5 existing Councils will be conducted by the County Council's Section 151 Officer and the Section 151 Officers of the District Councils, including understanding all capital commitments and future borrowing requirements.

3. General Consent

- 3.1 General Consent is hereby granted to the District Councils to enter into new contracts (over £100k for revenue and over £1m for capital) and to dispose of land (over £100k) where the following criteria are met:

Entering into new contractual arrangements:

1. Entering into new revenue funded contracts (over £100k excluding recoverable VAT) which can be funded from within the individual Council's 2022/23 approved revenue budget **and** where the contract does not enable extensions beyond vesting day. This could be a contract for goods or services.
2. Any contract required as an essential response to a civil emergency, for example response to flooding.
3. Entering into new staffing contracts which can be funded from within the 2022/23 approved revenue budget **and** which comply with the agreed LGR staffing protocol.
4. **General Fund:** Entering into new capital funded contracts (over £1m excluding recoverable VAT) for projects/programmes that are included in the 2022/23 approved capital budget **and** can be funded from financing sources included within the budget reports and/or Treasury Management Strategies agreed by the Councils in February/March 2022. Such contracts can extend beyond vesting day **if** the individual project has an approved phased budget, and no revenue implications beyond 1st April 2023 e.g. a housing development scheme, decarbonisation programme, regeneration project.
5. **Housing Revenue Account:** Entering into new capital funded contracts (over £1m) for projects/programmes that are included in the 2022/23 approved capital budget/HRA Business Plan **and** can be funded from financing sources included within the budget reports and/or Treasury Management Strategies agreed by the councils in February 2022. Such contracts, e.g. social housing development scheme, housing stock decent homes works such as replacement windows, can extend beyond vesting day if within the approved budget for the contract and within HRA business plan value for money and affordability limits.

6. Points 1, 3, 4 and 5 above to include budgets previously approved before February 2022 that carry forward into the 2022/23 financial year (e.g. slippage of unspent but approved capital and revenue budget from 2021/22 into 2022/23).
7. Entering into a contract that relates to the operation of prudent treasury management and complies with the district councils' approved treasury management and investment strategies, prudential indicators, and treasury management practices, where any borrowing does not exceed £5m and 365 days. In the event of any long-term borrowing exceeding £5m and exceeding 365 days specific consent of the County Council S151 Officer is required.
8. Entering into a contract that is outside the existing approved budget but is fully funded by external grants / contributions, unless the grant conditions require match funding exceeding the S24 Threshold (not included in the agreed budget) and/or pose potential significant risks and significant obligations on the Unitary exceeding the S24 Threshold. Town Deals is an example of expenditure which would be included in the general consent as it is externally funded

Land disposals:

9. Disposals of council dwellings or grant or renewal of leases (over £100k) under the Right to Buy legislation and disposal of other housing revenue account assets in line with approved budgets, financial strategies and business plans.
10. All lease rental agreements for investment properties (over £100k and continuing past vesting day) at market value.
11. All lease rental agreements for non-investment properties (over £100k and continuing past vesting day) where the rental value secured is at least that contained within the approved rental income budget or within the Business Case previously agreed by the Council prior to issue of the S24 Effective Date. .
12. Completion of land and property disposals (over £100k) that are already approved through the District Council's governance arrangements prior to S24 Effective Date and in line with the 2022/23 approved budget and capital strategy. All capital disposal or land sales outside of those identified will need specific consent.

3.2 To aid interpretation the following are examples of financial activities **that can be carried out** by the District Councils without needing the consent of the County Council

- New use of earmarked reserves and reserves not included in the agreed budget (unless they are to fund new contracts above the S24 financial limits **and** which are outside of the general consent criteria).
- Raising new **and/or** changing 2022/23 fees & charges tariffs.
- Meeting staffing needs (new contracts) that have funding available within the agreed budget and follow the LGR recruitment protocol.
- Debt write-offs of any value in line with the existing Councils' approved constitutions, financial procedures and accounting policies.

4. Specific Consent

4.1 To aid interpretation, the following are examples of financial activities that **are not** included in the general consent set out in paragraph 3 above and which will require the approval of the County Council:

1. Granting of leases/easements/other rights over non-investment property where the consideration is more than £100k and which are not included/or are

significantly different than the agreed revenue budget or in a business case previously agreed by the District Council prior to the s24 Effective Date.

2. Freehold sale of assets (over £100k), for all assets including investment assets, where these have not been previously agreed by the District Council prior to the S24 Effective Date. A list of potential disposals are included in Annex A
3. Community transfers of assets over £100k where these have not been previously agreed by the District Council prior to the S24 Effective Date.
4. General Fund capital projects over £1m where no contract has been signed, it has revenue implications beyond vesting day and/or increased risk for the New Council. Examples from 2022/23 district Council Capital Programmes are included in Annex B

5. Procedure for obtaining County Council consent

- 5.1 Where the S24 Thresholds apply and the expenditure does not fall within any of the General Consents at Paragraph 3 above, the following procedure shall apply: -
- 5.2 The S151 Officers shall agree a template for obtaining consent from the County Council (the "Application").
- 5.3 Applications for consent shall be submitted to the County Council's S151 officer using an agreed form.
- 5.4 In the absence of the County Council's S151 Officer the Application will be considered by the County Council's Deputy S151 Officer or the County Council's Chief Executive.
- 5.5 The S151 Officer (or the Chief Executive or Deputy S151 Officer in their absence) shall have delegated authority to give consent to Applications for the disposal of land the entering into of a capital contract or the entering into of a non-capital contract over the length of the contract up to £500,000 excluding taxation or recoverable VAT. Any application to be dealt with by the S151 Officer shall be considered, and the consent decision issued in writing expeditiously within five working days of the Application.
- 5.6 The S151 Officer (or the Chief Executive or Deputy S151 Officer in their absence) and the relevant Executive Lead Member shall have delegated authority to give consent to Applications for the disposal of land, the entering into of a capital contract or the entering into of a non-capital contract over the length of the contract up to and including £5 million excluding taxation or recoverable VAT. Such Application to be considered and the decision issued in writing expeditiously within five working days of the Application.
- 5.7 Applications seeking consent for the disposal of land with consideration or best value, the entering into of a capital contract or the entering into of a non-capital contract exceeding £5 million excluding taxation or recoverable VAT shall be determined by the Executive or where urgency demands by the Leader of the County Council .
- 5.8 It is recognised by the Councils that delays in applying for consent or responding to Applications may jeopardise a proposal. In the circumstances the S151 Officers shall work together in good faith to achieve a timely process which, whilst compliant with the decision-making rules, enables decisions in relation to Applications to be made as expeditiously as possible.

- 5.9 Applications for consent shall be determined by the County Council expeditiously and the outcome notified to the relevant District Council in writing.
- 5.10 Any decisions shall be taken in accordance with *The Local Authorities (Functions and Responsibilities) (England) Regulations 2000 (SI 2000 NO. 2853)* (as amended).

6. Escalation

- 6.1 In the event of any difference in opinion in relation to the interpretation of this Protocol and General Consent as regards those decisions delegated to the County Council S151 Officer, the relevant S151 Officers shall in the first instance consult with their own Chief Executive. If a consensus is unable to be reached, the matter shall be referred to the Executive for consideration.

7. Review

- 7.1 This Spending Protocol and General consent will be kept under review by the Executive and amended if required.

Annex A – Potential Land Disposals in excess of £100k

Annex B – Capital Projects over £1m

Annex C – Non capital schemes over £ 100,000

Annex D – Levelling Up Bid – specific consent application

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

ANNEX D

COMMITTEE:	Executive
DATE:	1 st June 2002
SUBJECT:	Update and approval to submit two Levelling Up Fund (LUF) submission to Government on or before 6 th July 2022.
REPORTING OFFICER:	Nathaniel Lucas/Stuart Houlet
CONTACT:	Nathaniel.lucas@sedgemoor.gov.uk/Stuart.Houlet@sedgemoor.gov.uk
PORTFOLIO HOLDER:	Cllr Gill Slocombe.
WARDS AFFECTED:	Wards inclusive of the Wells and Bridgwater and West Somerset Parliamentary Constituencies.

EXECUTIVE SUMMARY

This report provides an update to the Executive Members in relation to the current position of the two constituency based LUF bids (Wells Constituency and Bridgwater and West Somerset Constituency) that are currently being prepared by Sedgemoor District Council in partnership with Mendip and Somerset West and Taunton District Councils respectively.

In addition this report seeks approval from the Executive to submit both LUF bids on, or before the 6th July deadline and asks for delegated powers for future decision making in relation to both bids prior to the submission deadline to be given to the Deputy Chief Executive (Doug Bamsey) in consultation with the Leader, Portfolio Holder for Inward Investment & Growth, Section 151 Officer and Monitoring officer.

RECOMMENDATION(S)

This report recommends the following: -

- Executive Members note the progress of both LUF constituency based bids.
- That the Executive Approves the submission of a Levelling Up bid for the Wells Constituency to the Department for Levelling Up, Housing and Communities on, or prior to the 6th July deadline, subject to the support of James Heapey MP, and delegates future decisions relating to this to the Deputy Chief Executive (Doug Bamsey) in consultation with the Leader, Portfolio Holder for Inward Investment & Growth, Section 151 Officer and Monitoring officer.
- That Executive Approves guaranteeing necessary match funding for the above bid of up to £900K through borrowing secured against s.106 contributions and that it commits £200k of received CIL as match funding if necessary. All other funding opportunities will be explored to ensure that both the amount and duration of any borrowing is kept to a minimum.
- That the Executive Approves the submission of a Levelling Up bid for the West Somerset

Constituency to the Department for Levelling Up, Housing and Communities on, or prior to the 6th July deadline, subject to the support of Ian Liddell Grainger MP, and delegates future decisions relating to this (including as appropriate the entering into an options agreement to provide the necessary certainty in respect of the deliverability of the scheme in relation to the bid process) to the Deputy Chief Executive (Doug Bamsey) in consultation with the Leader, Portfolio Holder for Inward Investment & Growth, Section 151 Officer and Monitoring officer.

REPORT SIGN OFF:	Seen by:	Name	Date (or Not Applicable)
	Monitoring Officer	Melanie Wellman/Steve Hellard	23/05/2022
	S151 Officer	Alison Turner/Alison Monteith	23/05/2022
	Health & Wellbeing	Teresa Harvey/Dave Baxter	12/05/2022
	People Team	Helen Thomas	23/05/2022
	Trade Union(s)	i.e. Unison	N/A
	Procurement	Joanna Hutchins	12/05/2022
	Customer Access	Jerry Milton	N/A
	Council Land	Tim Mander	N/A
	Senior Manager	Stuart Houlet	11/05/2022
	Executive Member	Leader of Council/Deputy Leader of Council	23/05/2022
	Relevant Board	i.e. Housing Programme Board	N/A
	Reputation Management/PR	Claire Faun	
	Risk & Equalities	Angela Farmer	13/05/2022
	Climate Change	Anna Mears	23/05/2022
Consultation	See section 14.1		

1. Purpose of Report

- 1.1 To update Executive Members on progress in preparing two Levelling Up Bid submissions for the Wells and Bridgwater & West Somerset Constituencies and to seek ratification from the Executive to secure delegated powers for the Deputy Chief Executive (Doug Bamsey) in consultation with the Leader, Portfolio Holder for Inward Investment & Growth, Section 151 Officer and Monitoring officer to undertake future decisions relating to both LUF submissions ahead of the 6th July 2022 deadline.

2. Background

- 2.1 The £4.8bn Levelling Up Fund for investment in infrastructure was announced in the 2021 Budget intended to be rolled out over 4 years (21/22 to 24/25). Bids for the first round had to be submitted by June of last year and aimed largely at oven ready schemes (the County Council were successful with the existing A38/Dunball highway improvement scheme). Guidance for the second round of the fund has recently been published and the submission date of noon on the 6th July this year confirmed. Bids for capital funding can be up to £20m and are based on MP constituencies with the expectation of MP backing for the bid. Sedgemoor has been given the highest priority and along with it £125k capacity funding to support bid submissions.
- 2.2 Officers have been working closely with Mendip District Council (MDC) and Somerset West & Taunton (SW&T) in progressing and preparing the bids for the two constituencies in Sedgemoor. For the Bridgwater & West Somerset Constituency (Ian Liddell Grainger) work is underway to support a bid for a project around the former Bridgwater hospital building (Grade II Listed) that would see its re-purposing as a Health and Social Care Centre of Excellence as well as funding towards the Tidal Barrier. For the Wells Constituency (James Heapey) the bid will focus on a package of interventions to support regeneration in Highbridge and Shepton Mallet and the re-imagining of sustainable tourism focussed on public realm improvements and traffic management within Cheddar Gorge and accessibility linkages within the wider tourism area.
- 2.3 The proposals have been the subject of a number of briefings with the relevant Members and both MPs and further engagement over the next few weeks and leading up to the submission of the bids is planned, including public consultation. Both MPs are supportive of the approach being taken.
- 2.4 Both bids are included within the BAU project list as existing projects to be handed over in April 2023 (if successful).

3. Current Position

Bridgwater & West Somerset Constituency Bid

- 3.1 For the Bridgwater & West Somerset bid, focussed on the former Bridgwater Hospital, a partnership approach is being taken with a wide range of specialist organisations from across Somerset. Partner organisations include: - Somerset County Council, Somerset West and Taunton Council, Bridgwater Town Council,

Innovate UK, Public Health Somerset, NHS, Integrated Care System, Private Sector Care Providers and Bridgwater and Taunton College and colleges across the county.

- 3.2 Sedgemoor are leading this partnership and have taken a 3-pronged approach to delivering the LUF submission by progressing 3 procurements in addition to SDC Officer time. They are as follows: -
- Bid Writer/Project Manager – PER Consulting appointed to this role.
 - Needs Analysis/Evidence Base – EIBC appointed to this role.
 - Design and Feasibility (up to RIBA Stage 2) – B2 Architects appointed
- 3.3 PER Consulting and EIBC are engaging with partners, and have developed a Programme Board made up of Senior Officers from key partner organisations (which has now met twice) and arranging workshops with key partners to understand their requirements in relation to a centre of this scale. This in turn will guide the design and feasibility work which includes a condition survey of the building and cost estimates to take the building from its current position through to the delivery of a Health and Social Care Centre of Excellence.
- 3.4 As well as developing the concept for the centre of excellence, understanding what this would consist of and the feasibility of re-using the former hospital building, work with partners is also focussed on understanding the outreach element of health and social care delivery that would spin out from the centre. Options are currently being considered for other facilities that could form part of a hub and spoke approach, that would support opportunities to improve healthcare access for rural communities through innovation and digital technology etc. The outreach aspect of the centre was an area of particular interest emphasised by the MP at our previous briefing.
- 3.5 The former hospital building remains in private ownership and there are significant concerns regarding the continued decline of the building and the owner's ability to maintain it in a secure and weatherproof state. Although as the Local Planning Authority the Council does have formal enforcement powers, to date informal discussions have addressed immediate concerns by securing remedial action. It is acknowledged by all parties that securing an appropriate active use for the building is central to addressing its long-term future.
- 3.6 Deliverability is a key element of a LUF submission to Government and the fact that the building is in private sector ownership means SDC and partners are seeking an appropriate options agreement with the owner to ensure that the building will not be sold in advance of the outcome of the bid being known. Not only does this provide certainty of the building to Government, but it also highlights partner commitment on the basis that it is expected that a number of partners will support the options agreement.
- 3.7 Alongside the Health and Social Care Centre of Excellence a proportion of the funding pot will be allocated as partnership funding towards the Bridgwater Tidal Barrier. The Barrier is the Council's key infrastructure priority and has recently been granted the necessary consents for construction through the Transport Works Act Order. The barrier will protect Bridgwater from the risk of flooding over the next 100 years,

including the hospital site that is immediately to the east of the River Parrett and at significant risk of flooding without this scheme. Options being explored in relation to the Barrier project include the early delivery of the control building at Express Park and the associated riverside park.

- 3.8 To achieve a successful LUF submission one of the key criteria is 10% match funding (preferably linked with a private sector contribution). Therefore a £20m submission will require £2m of match funding. Discussions on the HPC workforce uplift between EDF Energy and SDC have facilitated a contribution from EDF Energy of £1m plus indexation (approx. £1.4m) (as an early payment from the Community Fund) towards urban regeneration projects in Bridgwater Town Centre. This has been approved by the Hinkley Programme Board (subject to being legally secured as a side letter to the supplemental S106 agreement) to be allocated to support the development of the centre of excellence. Other sources of potential match funding include Barrier funding, COMF funding and a mix of SDC and SW&T funding as well.
- 3.9 The outputs of these workstreams will culminate in the production of an outline business case for the project to support the submission of a bid in July. As the bid progresses and the partnership matures, we will continue to keep the MP closely updated/involved. A summary of the detail of the proposed bid will be provided at the Executive Briefing meeting.

Wells Constituency Bid

- 3.10 The Wells Constituency bid aims to address a number of historic issues including under investment in town centres and infrastructure, social deprivation, weakened local economy and decline in the tourism industry. For Shepton and Highbridge this means supporting opportunities for regeneration through new employment, housing and improved community facilities. For Cheddar the bid will be focussed on substantially enhancing the tourism offer (which over time has significantly degraded), making much more of its natural assets and linking these through active travel.
- 3.11 Stantec have been commissioned to draw up the main elements of the bid which include (for Highbridge and Cheddar):
- Highbridge Regeneration Framework - will identify regeneration projects to be delivered by the bid as well as providing a vision for the future to support further funding bids. The Framework will include the potential for urban realm improvements to Bank Street/Market Street and the Station, cycling infrastructure improvements, investment in flood defences and new and extended community facilities at Trowbridge Close
 - Cheddar Gorge Public Realm Strategy - sets a framework for seeking improvements to public realm within the Gorge to support and enhance visitor environment and experience.
 - Cheddar Accessibility Strategy – identifies a number of interventions that can improve user connectivity within the village and within the wider tourism area including integrated cycle routes, extension of the Strawberry line and supporting sustainable travel between leisure and tourism destinations.

- 3.12 The high-level detail of the bid has been discussed with the MP on two previous occasions and received support in principle which provides comfort in respect of direction and the feedback received has helped to shape the above documents.
- 3.13 Again, given the need for match funding there is a need to engage with relevant private sector partners to ensure the 10% requirement for match can be achieved. This is likely to be in the order of £1.3m for the proportion of the bid within Sedgemoor. However, given the nature of the bid is focussed on bringing forward development it is anticipated that this will be achievable. There are a number of financial contributions that have been secured through s.106 contributions that include for example funding for flood defences, funding for a new multi-use games area (MUGA), direct contributions for Highbridge regeneration, and contributions towards new or improved cycle and pedestrian routes. Some of these s.106 contributions may however not have been received before the current end of the delivery period in 2024 as they are triggered by completions of committed housing. It is therefore potentially possible that the Council might need to provide match funding in advance of these funds from either its Community infrastructure levy funds or through borrowing secured against these s.106 contributions.

Relevant discussions with owners and developers, alongside wider public engagement and consultation will continue throughout May and beyond with a view to ideally securing the required match funding without any need for borrowing. It will however be necessary at the time of submitting the bid to effectively guarantee the necessary match funding.

This report confirms that there is in excess of £2m of Community Infrastructure Levy funding available to spend immediately and significantly more than this amount also secured but not yet received. Growth at Highbridge and Cheddar will have generated CIL in excess of £2m net and whilst this is not ring fenced to the area where development has taken place, there is clearly a strong case for a proportion of this to be used to support the LUF bid delivery if successful. Current spend priorities include active travel, public transport and public realm across the district, all elements that form part of the LUF bid and so an appropriate use of CIL. Committing if necessary small proportion of the Council’s current CIL in order to secure up to £20m of Government investment maximises the value and impact of this funding.

Match funding opportunities at the current time are identified as follows,

- Funding received and available to spend £200K
- S.106 funding secured but not yet received £728K
- S.106 funding (less certain) £120
- Land (currently unknown if this can be used) £180K
- Third party investment TBC
- Community infrastructure £200k

It is suggested therefore that up to £200k of CIL be committed to the LUF bid and that borrowing against the identified s.106 contributions of up to £900K be

confirmed for the purposes of submitting the application for LUF.

Request for delegated decision making

3.14 As with any funding submissions to Government timescales are tight. To support the two bids outlined above delegated decision powers are requested as part of this report and the Executive Members are asked to: -

- Approves the submission of a Levelling Up bid for the Wells Constituency to the Department for Levelling Up, Housing and Communities, subject to the support of James Heappey MP, and delegates future decisions relating to this to the Deputy Chief Executive (Doug Bamsey) in consultation with the Leader, Portfolio Holder for Inward Investment & Growth, Section 151 Officer and Monitoring officer.
- Approves the submission of a Levelling Up bid for the West Somerset Constituency to the Department for Levelling Up, Housing and Communities, subject to the support of Ian Liddell Grainger MP, and delegates future decisions relating to this (including as appropriate the entering into an options agreement to provide the necessary certainty in respect of the deliverability of the scheme in relation to the bid process) to the Deputy Chief Executive (Doug Bamsey) in consultation with the Leader, Portfolio Holder for Inward Investment & Growth, Section 151 Officer and Monitoring officer.

Support for this proposal will enable Officers to develop the funding submission between the 1st of June and the submission date and negate the need to bring the final bids back to Executive Members as the next Executive meeting is on the 6th July which is the final day that both bids can be submitted.

4. Equality Implications

4.1 As per the EIA (see appendix 2) this paper seeks ratification to submit two funding applications to Government. Therefore at this stage there are no impacts on the protected groups, however SDC Officers recognise that should the bids be successful there will be a requirement to revisit the EIA, as the schemes that make up the bid move through the different design stages and into delivery.

5. Options

5.1 Delegated responsibility options

Option 1 (preferred option) – Approve the submission of the two LUF bids and allow for delegated decision-making powers as outlined in the recommendations section. This approach will enable any subsequent decisions post 1st June Executive to be undertaken outside of the official governance process thus mitigating any delays in achieving the 6th July submission deadline.

Option 2 – Approve the submission of the two LUF bids but decline the request for delegated decision-making powers. By taking this approach it will hamstring SDC Officers ability to obtain final sign off to submit the two bids on the basis that the next Executive meeting is not until the 6th July which is the final day for submitting the two bids.

Option 3 – Not approve the submission. This will mean that Sedgemoor District Council will not be part of the LUF process and therefore will not be able to access up to £40m of external Government funding.

5.2 Match funding options

Option 1 (preferred option) – Approve the allocation of £200k of CIL funding and the borrowing by SDC of up to £900k against the identified s.106 contributions as match for the purposes of submitting the Wells Constituency LUF bid. This approach ensures that the Wells Constituency Bid will meet the match funding criteria and that any liability taken on by the Council will be repaid as S106 contributions are made available.

Option 2 – Approve the allocation of £1.1m of CIL funding as match to support the submission of the Wells Constituency LUF bid. This approach negates the need for the Council to borrow against S106 contributions but puts pressure on the total CIL funding pot that as identified earlier in the report sits at in excess of £2m.

Option 3 – Not approve either route to match funding and risk the successful submission of Wells Constituency LUF bid to Government in July.

6. Link to Corporate Priorities

6.1 The two submissions referenced in this report have the potential to access up to £40m of external Government Funding that links in with the corporate priorities as follows: -

Growth and Infrastructure –

- Both bids will enable significant investment into areas of Sedgemoor improving public realm and supporting the improvements of Town and Village Centres.
- In addition both bids will support specific sectors in Sedgemoor and across the wider County: -
 - The Wells Constituency bid will support the tourism industry across Sedgemoor enabling it to grow and mitigate against the negative impacts Covid-19.
 - The Bridgwater and West Somerset Constituency bid will directly support the Health and Social Care sector in Sedgemoor, across the County and beyond by providing training and career opportunities to individuals to access the sector which is under resourced.

Health and Wellbeing –

- The Wells Constituency bid will encourage more active travel through its improvement to public realm making walking and cycling the preferred option as apposed to the car in many cases.
- The Bridgwater and West Somerset Constituency bid will provide much needed resources to the Health and Social Care sector that will enable better care for residents of Sedgemoor and by proxy will improve health and wellbeing.

7. Finance Comments (Section 151 Officer)

- 7.1 The report includes the financial implications of supporting the two Levelling up bids, if members approve the recommendations the funding is available within the CIL fund to provide the match funding required as part of the bid. Due to the timing of this bid and the value it is likely to fall under the requirements of the Section 24 Direction and will need to be presented to the New Council for approval before the bid is submitted. The detail of how the Section 24 process will operate is currently being developed and an essential requirement is that the process is agile to ensure decisions can be made in a timely manner.

8. Legal Comments (Monitoring Officer)

- 8.1 The Levelling Up funding application will be subject to the Council entering into a funding agreement with the government and to certain criteria being met. The funding agreement will need to be approved by the legal section. If approved, the funding must be spent in accordance with that criteria. Any procurement exercises required as a result of the above projects must be conducted in accordance with Contract Procedure rules.

Due to the value of this bid, the Council will need (due to Local Government reorganisation and the S24 Direction issued by the government which is due to come into force on 16th June 2022) to seek the consent of the County Council prior to submitting the funding bid. However, it is anticipated that this will be covered by a General Consent that the County Council will issue. This is being considered by the County Council on 15th June 2022.

9. Health and Wellbeing Comments

- 9.1 The allocation criteria for levelling up funds, and initiatives are slanted towards boosting financial and physical infrastructure capital, hence the proposed levelling up bids include urban realm improvements, cycling infrastructure improvements, investment in flood defences, improvements to public realm, Bridgwater Tidal Barrier and Bridgwater Hospital Health and Social Care Centre of Excellence. However, if successful, attention should also be focused on the financial/physical, human, social, and natural themes that could emerge from such improvements. Action to improve

health and reduce inequalities should be a component part of the levelling up bids. To improve health and reduce inequalities genuinely aligns priorities with levelling up population health.

10. Climate and Sustainability Implications (if any)

- 10.1 The recommendations in this report do not have any direct impact on delivering SDC carbon reduction targets as this paper seeks ratification to submit two external funding bids.
- 10.2 Should the bids be successful the projects that make up the submission to Government have the potential to deliver significant positive climate and sustainability outcomes. The scale of these outcomes will only become clearer as the projects are developed further through the subsequent design and feasibility stages. It should be noted though that climate change and sustainability will form a central part of the development of these projects should the submissions be successful.

11. Risk Management Implications

NB: This template must be completed and not applicable, none or leaving blank are not acceptable

What are the negative impacts/risks in this report	What are the positive impacts/risks in this report	What are you going to do about the impacts? What actions will be put into place?	Outcome <u>Low risk</u> – Green <u>Moderate to high risk</u> – Amber <u>High/very high risk</u> - Red
The bids submitted do not meet the themes set by Government in terms of types of projects put forward in the bids.		The LUF prospectus has been reviewed by SDC Officers and partners (including consultants tasked with producing the bid) and all projects being put forward meet themes outlined within the LUF prospectus.	Green
MPs do not support the Bids		MPs have been engaged through out the development of the bids and will continue to be engaged with ahead	Green

		of the submission on July 6 th .	
	Bridgwater and West Somerset Bid builds on the success of the Bridgwater Town Deal and the investment in the town centre.		Adds value to the Town Deal investment that is underway and shows strategically that investment in Bridgwater is linked up.
An appropriate level of match funding not secured to support the funding submissions.		Identify a suitable mix of match funding sources from a range as outlined in section 3.13 including commitment from the Local Authority	Amber

FURTHER GUIDANCE IS INCLUDED AT THE END OF THIS AGENDA TEMPLATE (also if you need further guidance please contact Angela Farmer)

12. Economic Development Implications

12.1 Economic Development Implications in relation to this paper are limited on the basis that this paper seeks ratification to submit two LUF bids to Government. Should these bids be successful there are wide ranging and positive outcomes from an economic perspective. These include but are not limited to: -

- Access to employment through the creation of a Health and Social Care Centre of Excellence.
- Support for the Tourism industry across a large area of Sedgemoor that will assist tourism based businesses as they come out of 2 year global pandemic, as well as creating new jobs within the tourism sector.

13. Conclusion

13.1.0 This report seeks approval from Executive Members to submit two LUF bids into Government that if successful will deliver wide ranging socioeconomic benefits to a large swath of Sedgemoor. In order to achieve the tight deadlines set by Government and ensure that the bids have the right level of senior sign off before being submitted, this report also seeks approval from Executive Members for delegated responsibility for future decisions in relation to the two LUF bids to the Deputy Chief Executive (Doug Bamsey) in consultation with the Leader, Portfolio

Holder for Inward Investment & Growth, Section 151 Officer and Monitoring officer. Ratification of this approach will ensure that the bids are submitted in a timely manner putting Sedgemoor in the best possible position to secure up to £40m of external Government funding.

14. Consultation

14.1 Consultation to date has been with the following individuals, groups and organisations: -

- Highbridge regeneration group
- Cheddar regeneration group
- CEO and Leader of Sedgemoor District Council
- Full Council inclusive of all Members of Sedgemoor District Council
- MP for Wells Constituency (James Heapey)
- MP for Bridgwater and West Somerset (Ian Liddell-Grainger)
- NHS
- Public Health Somerset
- Integrated Care System

Consultation will continue to take place going with individuals, groups and organisations outlined above and in addition further consultation will take place with residents and businesses within Sedgemoor.

15. Appendices

15.1 To be added.