

SWT Corporate Scrutiny Committee

Wednesday, 7th September, 2022,
6.15 pm



Somerset West
and Taunton

The John Meikle Room - The Deane
House

Members: Sue Buller (Chair), Ian Aldridge, Norman Cavill, Simon Coles, Habib Farbahi, Ed Firmin, John Hassall, Nicole Hawkins, Marcus Kravis, Libby Lisgo, Simon Nicholls, Nick Thwaites, Danny Wedderkopp, Loretta Whetlor and Gwil Wren

Agenda

1. Apologies

To receive any apologies for absence.

2. Minutes of the previous Corporate Scrutiny Committee

To approve the minutes of the previous meeting of the Committee held on Wednesday 3 August 2022

(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.

We are now live webcasting most of our committee meetings

and you are welcome to view and listen to the discussion. The link to each webcast will be available on the meeting webpage, but you can also access them on the [Somerset West and Taunton webcasting website](#).

- 5. Corporate Scrutiny Request/Recommendation Trackers** (Pages 11 - 18)

To update the Scrutiny Committee on the progress of resolutions and recommendations from previous meetings of the Committee.
- 6. SWT Corporate Scrutiny Committee Forward Plan** (Pages 19 - 20)

To receive items and review the Forward Plan.
- 7. Executive and Full Council Forward Plan** (Pages 21 - 24)

To review the Forward Plans for the Executive and Full Council.
- 8. Update on Local Government Reorganisation** (Pages 25 - 26)

Executive Portfolio Holder Report for Local Government Reorganisation – Councillor Sarah Wakefield.

Update report as submitted to Full Council on Tuesday 6 September.
- 9. General Fund Financial Performance Report for Quarter 1 2022/23 (30 June)** (Pages 27 - 46)

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.
- 10. Corporate Performance Report for Quarter 1 2022/23 (30 June)** (Pages 47 - 64)

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

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

A handwritten signature in black ink, appearing to read 'A Pritchard', with a horizontal line underneath.

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. The Committee Administrator will keep a close watch on the time and the Chair will be responsible for ensuring the time permitted does not overrun. The speaker will be allowed to address the Committee once only and will not be allowed to participate further in any debate. Except at meetings of Full Council, where public participation will be restricted to Public Question Time only, if a member of the public wishes to address the Committee on any matter appearing on the agenda, the Chair will normally permit this to occur when that item is reached and before the Councillors begin to debate the item.

If an item on the agenda is contentious, with a large number of people attending the meeting, a representative should be nominated to present the views of a 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. Full Council, Executive, and Committee agendas, reports and minutes are available on our website: www.somersetwestandtaunton.gov.uk

The meeting room, including the Council Chamber at The Deane House are on the first floor and are fully accessible. Lift access to The John Meikle Room, 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. For further information about the meeting, please contact the Governance and Democracy Team via email: governance@somersetwestandtaunton.gov.uk

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SWT Corporate Scrutiny Committee - 3 August 2022

Present: Councillor Sue Buller (Chair)

Councillors Ian Aldridge, Norman Cavill, Simon Coles, Ed Firmin, John Hassall, Nicole Hawkins, Marcus Kravis, Libby Lisgo, Loretta Whetlor and Gwil Wren

Officers: Amy Tregellas (Monitoring Officer), Sam Murrell and Jenny Clifford

(The meeting commenced at 6.16 pm)

23. Appointment of Vice Chair

In the absence of Vice-Chair, Cllr Nick Thwaites it was proposed that Cllr Loretta Whetlor was made Vice Chair for this meeting. *(unanimous)*

24. Apologies

Apologies were received from Councillors Nick Thwaites and Habib Farbahi

25. Minutes of the previous Corporate Scrutiny Committee

The Committee resolved to approve the minutes of the previous meeting held on 6 July 2022, subject to adding the comment from the Chair, Cllr Sue Buller, in respect of Item 9, (Page 8) Connecting Our Garden Communities:

“The officers and PFH concerned ensure that TACC’s proposals are embraced/taken forward by the new Unitary, as a supplement to the LCWIP if appropriate”.

(App Cllr Simon Coles / Sec Cllr Ed Firmin)

26. 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 and Voted
Cllr N Cavill	All Items	SCC & West Monkton	Personal	Spoke and Voted
Cllr S Coles	All Items	SCC & Taunton Charter Trustee	Personal	Spoke and Voted
Cllr M Kravis	All Items	SCC &	Personal	Spoke and Voted

		Minehead		
Cllr L Lisgo	All Items	Taunton Charter Trustee	Personal	Spoke and Voted
Cllr L Whetlor	All Items	Watchet	Personal	Spoke and Voted
Cllr G Wren	All Items	SCC & Clerk to Milverton PC	Personal	Spoke and Voted

No additional declarations were declared.

27. Public Participation

There were no public statements or comments submitted in advance of the meeting by members of the public.

28. Corporate Scrutiny Committee Forward Plan

Members did not have anything to add, although it was noted that there was room on the Forward Plan for items in October and November.

29. Executive and Full Council Forward Plan

It was agreed that the Forward Plans were looking rather bare, with only the usual quarterly reports listed as expected. Members did not make any comments.

30. Corporate Scrutiny Request/Recommendation Trackers

Cllr Farbahi in absentia had submitted some queries that he wanted answered by officers. These questions were in relation to a member briefing. These questions were passed to the Monitoring Officer who will be following up in due course with the Director of External Operations, and then liaising directly with Cllr Farbahi on his return, to establish what the outstanding issues are.

For it to be noted that future answers should be provided within 30 days unless there is a valid reason for delay (sickness, leave or awaiting information). Any reasons should be stated. It was not considered courteous for members to wait 6 months for a reply to questions and was a waste of time for the Governance team who were constantly having to chase the queries up!

Cllr Whetlor queried whether there had been any progress on the feasibility of analysing Firmstep to identify repeat requests for the same address, or where queries could not be cleared in the first instance? Page 29 of the report pack – *Followed up with Business Intelligence Team. Some initial work has been undertaken to investigate this, but it raised several issues that would need to be overcome in order to derive meaningful data. Such issues included, for example, being able to determine if repeat requests were for the same issue or whether subsequent requests were for something new. To analyse the data with this degree of granularity would be very time consuming and other priorities have prevented the work from being progressed so far. However, we are still hoping to revisit this and look into it in more detail when time allows.*

The members briefing on Phosphates was very informative and it looked like good progress was being made to reduce the logjam of applications being held. It was queried about who would be responsible for sending out letters and follow-ups to developers of affordable and social housing about the possibly released applications? *The Phosphates sub-committee is meeting regularly and there is some progress being made to release the held planning applications. Formal communications are likely to be released in the next fortnight but that is subject to Natural England agreeing to the proposed mitigation recommendations made by the Minister before work can proceed.*

Thanks were expressed to Sam Murrell for getting the trackers up to date and organising them to make better reading.

31. **Matters Arising - Updates from Officers on Written Answer Tracker Queries**

At the last meeting, the Committee requested that outstanding items from the written answer tracker were concluded and that officers from Economic Development be asked to attend the August Scrutiny meeting to provide a verbal update on the position.

No officers were present, and no apologies had been submitted. The Committee were very unhappy about the non-attendance and expressed their disappointment. It was asked that their dissatisfaction was formally recorded in the Minutes, and an explanation was provided for the lack of attendance.

The Monitoring Officer agreed to follow this up. It was also put on record that if in the future a written answer is not provided within 30 days, then officers will be required to attend the subsequent committee meeting to provide a verbal update!

(App Cllr Sue Buller / Sec Cllr Libby Lisgo)

32. **Taunton Garden Town Work Update**

Jenny Clifford presented a series of slides on the current work being undertaken in respect of the Taunton Garden Town. These slides can be viewed [here](#).

Councillors complimented Jenny on her presentation and agreed that most had a clearer understanding of what the work entailed.

Councillors raised the following queries: -

Questions were raised about the stewardship of assets once the District Council ceases to exist. How can we future proof them to ensure they are maintained? Who will be responsible – will it be the parishes, and how will it be managed?

The new development of the Garden Town would implement stewardship of assets as part of the planning policy as these new assets were realised. The transfer of historic assets would need to be done on a case-by-case basis as there is no “one size fits all approach”. District Council assets will

automatically be transferred to the Unitary on vesting day (April 1) and then it will be for the Unitary to decide their future. It could be done via transfer to a parish/town council, or other delivery mechanisms such as management company. Various consultations will be undertaken on the different types of assets before a decision is made, to ensure the best possible solution is realised.

Government Funding - Does being on the "Garden Town List" give SWT an advantage when applying for funding and trying to draw down money? What would happen if our known ambitions weren't realised due to a lack of cash-flow, or the funding stream was pulled?

Funding around the Garden Town comes from the Government and Homes England. Taunton is recognised as a garden town community. This earmarks funding specifically for development in Taunton and its suburbs. The Funding comes to SWT and we in turn can distribute it to those developers where there is a need. It also allows SWT to be savvy, in targeting its resources towards those funding streams where there is most chance of success. Homes England is very aware of SWT and its ambitions. There is an emphasis on new developments and not upgrading existing housing. The Government is focussing on new quality design and build. There are currently some issues being experienced due to Phosphates delay, but SWT is lobbying hard to retain the money.

How will the work of the Garden Town be impacted by the Community Governance Review (CGR) and the possible parishing of Taunton into a Town Council? The Monitoring Officer outlined the remaining timeline for the CGR. If it is decided that a Taunton Town Council will become a separate legal entity, then the priorities would be: -

- *1st phase priority of the new town council will be to safe, legal and functioning on vesting day (April 1, 2023). Councillors would be appointed in May 2023, and then decisions would be made about the responsibilities of the new council going forward.*
- *The 2nd phase will be to organise itself around the functions it will plan to undertake as a new authority. This could include a transfer of assets from the the new Somerset Council, which will be the principal authority after April 1, 2023.*

It was agreed that there needs to be better communication when it comes to promoting the vision, especially to people outside of the Council. Most residents are unaware of what the "Garden Town" means and how it affects them. How could this be improved?

Formalising Governance arrangements to include forums, customer panels and encourage broader participation, engagement and representation and thus greater understanding of the Garden Town project going forward. There is also room to engage more via branding and the website.

Who are the statutory consultees?

The parish councils and other public bodies such as police, health authority, SCC are statutory consultees. Any parishing of Taunton which

resulted in a new town council would also mean the creation of a new formal consultee. At the present time, the Chartered Trustees of Taunton would be considered a statutory consulting body.

It was considered essential that Building Regulations are tightened to ensure that all new developments meet a carbon reduction standard. A new planning process has been introduced which means all prospective planning applicants need to fill out a carbon reduction management form when new applications are submitted. If the form does not list adequate carbon reduction measures, then the planning application will fail. Although take-up on this is slow now, it will increase as the new county wide Local Plan for Somerset is developed.

An invitation was extended by Cllr Simon Coles for Jenny to present to the Taunton Chartered Trustees. Marcus Prouse from the Governance team will be following this up to set a date. It was felt that the Trustees would be good ambassadors to champion the Garden Town and promote its work. It was also requested that the slide show was made available in the web library and circulated to the Committee.

At 7.30pm Cllr Gwil Wren left the meeting.

Transport Hub – Mention was made of the previous presentation around Connecting Our Garden Communities. People will still need to rely on motor vehicles when travelling to Taunton, and the infrastructure needs to be able to cope. Benefit may be a transport hub which enables more Active Travel.

Transport is a SCC responsibility and most of their work is around sustainability and de-carbonisation. Active Travel England is a statutory consultee, and their plans are also fed into any development guides. More work around local Active Travel is being undertaken. There will also be a new future transport plan, and SCC is currently working on a bus service improvement plan.

Education Providers/Establishments – what does SWT do around consulting and interacting with the schools/academies around Taunton in respect of the Garden Town? *Jenny advised that this work preceded her employment so she was unsure whether this engagement was carried out.*

Phosphates – It was agreed that there were lots of ambiguities around the phosphate issue which were not going to be easily solved. Reference was made to reading the papers that had been circulated to the phosphates sub-committee for a more up-to-date understanding.

Some comment took place around the Design Guide and the focus on strategic sites. The Government has built up a national model design code and there have been some councils involved in a pilot project to work on this. One of the strategic issues coming out of this work is a requirement for Council's to put a Design Code in place, which ensures that the local characteristics are essential for new development within different areas of the district. The aims of the Design Codes are to raise the quality of new housing design and put in place parameters which new developers are required to respond to.

Cllr Hassall raised a question on the pedestrianisation of East Street conflicting with a proposed bus route. Jenny agreed to follow this up. Answer provided by Sarah Ellwood and progressed on the [Written Answer Tracker](#).

Cllr Cavill said his experience on Monkton Heathfield developments in the past was that developers very often side-stepped the rules to get more housing built and increase their profits. They used various arguments such as losing viability to reduce planning obligations and invariably managed to get away with it! How does the Council make it happen and enforce it?

The design guide has been adopted as supplementary planning guidance, so developers will not get permission if they don't abide by it. It carries substantial weight in the planning decision process. All development and planning applications need to be determined in accordance with the local and neighbourhood development plan.

Cllr Buller stated that Business and Culture should be separated as priorities as are substantially different even though both equally important. There should be an emphasis on improving opportunities via skilling up, levelling up, educating and boosting the economy.

She stressed the importance of making the Building Regulations robust so that they can stand up to the requirements of carbon neutrality and improving eco-friendly initiatives.

New development should be a quality design which enhances the town and welcomes visitors, "Build Better, Build Beautiful". (Nobody is inspired by faceless en-bloc housing).

Members thanked Jenny for her attendance and providing a detailed and comprehensive report.

(The Meeting ended at 8.11pm)

SOMERSET WEST AND TAUNTON COUNCIL
CORPORATE SCRUTINY COMMITTEE RECOMMENDATION TRACKER 2022/23

Date of Cttee	Scrutiny Recommendation	Decision Maker /Directorate Responsible	Final Decision/ Response to recommendation/	Date of response	Implemented?	Officer Comments/Update
06/07/22 Page 11	Prop: Farbahi / Sec: Firmin to bring forward the Catapult report to Corporate Scrutiny in August for the Committee to debate.	Portfolio Holder for Econ Dev, Planning and Transportation – Cllr Mike Rigby	<p>Members have had an opportunity to understand and discuss the report at a member briefing which was conducted on the 8 March 2022. It was agreed that the report would be circulated following that briefing via mod.gov.</p> <p>The report contains general recommendations for all Innovation leaders and businesses in SWT – There is no requirement for SWT Council to make a key or budget decision</p>	20/07/22	No	Following a discussion with the PFH, Cllr Rigby wants the team to focus on the upcoming Innovation Conference and therefore does not support this coming back to Scrutiny for a re-run of the Member briefing, a recording of which is available for anyone who was not present.

Total Recommendations for 22/23:

Agreed:

Agreed in Part:

Not Agreed:

SOMERSET WEST AND TAUNTON COUNCIL
CORPORATE SCRUTINY COMMITTEE WRITTEN ANSWERS TRACKER 2022/23

Date of Cttee	Scrutiny Cttee Request for information	Decision Maker /Directorate Responsible	Response to request for information	Date of response	Scrutiny Officer Comments/Update
01/06/2022	Decision taken under the Emergency Rule – <i>Further information requested regarding costings etc</i>	Cllr Benet Allen / Chris Hall	Questions relating to the Coal Orchard Development. Due to commercial sensitivity these will be made available to Councillors confidentially after the public meeting.	06/06/2022	Answers provided by Joe Wharton and uploaded to MOD.GOV.
01/06/2022	Committee asked for further updates on the phosphate situation. <i>Would like a special Scrutiny meeting to highlight these issues.</i>	Mike Rigby / Chris Hall	<p>A members briefing has been set up to take place on 28 July to look at Phosphates and the current five-year housing land supply. The slides from the briefing will be made available afterwards for those who are unable to attend. Chris Hall has also highlighted that the Phosphates on the Somerset levels and moors (somersetwestandtaunton.gov.uk) webpage does address most of the concerns.</p> <p>The correct platform for debating phosphate issues is the SWT Phosphates Planning Sub-Committee.</p>	08/06/2022	Answers provided by Chris Hall and Sam Murrell.

<p>06/07/2022</p>	<p>Corporate Performance Report: High proportion of planning refusals have been overturned by the Planning Inspectorate.</p> <p><i>(Page 266 & 272 Agenda) Flagged Red.</i></p> <p><i>Can a breakdown be provided on the proportion of decisions that have been overturned by the Planning Inspectorate following appeals from applicants?</i></p> <p><i>A) Can this be split between officer delegated decisions and those that were determined by the Planning Committee.</i></p> <p><i>B) Have any successful appeals resulted in the awarding of costs to the applicant?</i></p>	<p>Mike Rigby / Chris Hall (Planning)</p>	<p>The Local Planning Authority has received 20 appeal decisions from the Planning Inspectorate for the period from 1 January 2022 to 30 June 2022. Of these 6 were allowed (equating to 30% of appeals determined in this period). This compares with the target against which performance is measured corporately of 33% which is the national average of appeals allowed.</p> <p>Of those allowed in this period, two were appeals following decisions by the Planning Committee, one of which resulted in a costs award to the applicant. The quantum is yet to be determined – the process is that the applicant must submit their costs and for the Council to determine whether they are reasonable. In the event of a disagreement, it then goes for independent taxation.</p>	<p>25/07/2022</p>	<p>Answers provided by Julie Harcombe / Rebecca Miller and Alison Blom-Cooper</p>
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06/07/2022	<p>Corporate Performance Summary: Our Environment and Economy (Page 264, Item 1)</p> <p>“A low-carbon, clean, green and prosperous district that attracts high quality employment opportunities and encourages healthy lifestyles”</p> <p><i>Is it possible to provide examples of high-quality companies being attracted to SWT in the last year?</i></p>	Mike Rigby / Chris Hall (Econ Regen)	<p>SWT do not currently measure the number of high-quality employment new businesses moving into the district. However, in January 2022 SWT purchased a licence to a business data platform, which will enable reporting of various statistics relating to business health and growth in the district. The Economic Development Team are exploring the reporting capabilities of the software. Currently, we are unable to provide a figure in response to the question. The Economic Development team with partner organisations, continue to market SWT to inward investors and account manage inward investment enquiries.</p> <p><i>“This period has seen the completion of a new promotional inward investment-focused website for the district and production of an investment video as part of a ‘SWITCH’ campaign, inviting potential investors to switch to Somerset West and Taunton. The campaign highlights the area’s locational, strengths as well as current growth -industries such as healthcare and med-tech, the circular economy, digital and creative, global marine and current construction opportunities in the energy sector. 12 business ambassadors from varying sectors of the economy have also been recruited to act as business ambassadors for the area. A launch event with a key business audience of commercial agents and developers took place in May 2022. This has formed a key part of the delivery of the Marketing and Communications plan for Inward Investment.”</i></p> <p>(Excerpt from Cllr Rigby’s latest PFH report)</p>	25/07/22	Lisa Tuck
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06/07/2022	Can an explanation / update be provided on the Economic Development Initiatives Ear Marked Reserve?	Mike Rigby / Chris Hall (Econ Regen)	<table border="1"> <tr> <td colspan="2">Economic Initiatives EMR (BE019)</td> </tr> <tr> <td colspan="2">2022/23</td> </tr> <tr> <td>Opening Balance</td> <td>(642,538.36)</td> </tr> <tr> <td>Emergency Town Centre Fund</td> <td>50,000.00</td> </tr> <tr> <td>Budget 22/23 Contribution</td> <td>372,000.00</td> </tr> <tr> <td>Provision for Grant</td> <td>80,000.00</td> </tr> <tr> <td>Innovation Districts</td> <td>50,000.00</td> </tr> <tr> <td>Taunton Town Centre</td> <td>50,000.00</td> </tr> <tr> <td>Taunton Together</td> <td>25,000.00</td> </tr> <tr> <td>Closing Balance</td> <td>(15,538.36)</td> </tr> </table>	Economic Initiatives EMR (BE019)		2022/23		Opening Balance	(642,538.36)	Emergency Town Centre Fund	50,000.00	Budget 22/23 Contribution	372,000.00	Provision for Grant	80,000.00	Innovation Districts	50,000.00	Taunton Town Centre	50,000.00	Taunton Together	25,000.00	Closing Balance	(15,538.36)	22/07/22	Kerry Prisco
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06/07/2022	Can further information be provided on what the Employment Land Schemes and Williton Shooting Club capital programmes will be spent on?	Mike Rigby / Chris Hall (Econ Regen)	The Employment Land Schemes capital programme is currently looking at potential employment sites in Minehead, but SMT have deferred any capital expenditure requests until Unitary. The Williton Shooting Club was a Hinkley funded project which was completed historically, and the unused budget was returned last year.	22/07/22	Kerry Prisco																				

06/07/2022	<p>General Fund Outturn Report: Capital Programme (Page 322). Economic Regeneration Initiatives</p> <p><i>Can a list be provided of how much has been spent on consultancy and to whom?</i></p>	Cllr Benet Allen / Paul Fitzgerald	A comprehensive breakdown of consultancy fees has been emailed to the Corporate Scrutiny Committee.	02/08/22	Paul Fitzgerald
<p>03/08/2022</p> <p style="text-align: center;">Page 17</p>	<p>Taunton Garden Town Update: Query from Cllr Hassall regarding possible conflict between introducing a bus lane into East Street Taunton whilst making it a pedestrianised area.</p> <p><i>Is there any update on the current position?</i></p>	Cllr Mike Rigby / Sarah Ellwood (Project Manager – Active Travel and Regeneration).	<p>In 2020, during the closure of East St to general traffic to allow social distancing, SWT embarked on a project to explore possible concept designs for a longer term pedestrianisation of East St. Following highly successful stakeholder workshops in summer 2021, concepts for restricting general traffic on East St to allow safer, more accessible active travel and public realm improvements were created and shared with SWT Executive in October 2021. Further work has been carried out to assess impact on people with protected characteristics under the Equalities Act 2010.</p> <p>Although there are still strong aspirations to offer some form of pedestrianisation on East St, no budget for capital delivery has been assigned. SCC has, however, in recent months been successful in receiving funding for a Bus Service Improvement Plan (BSIP) which is highly likely to impact East St and the surrounding area. SCC colleagues responsible for BSIP have assured SWT officers that the East St</p>	08/08/22	Jenny Clifford / Sarah Ellwood

			proposals will be considered when exploring the potential for bus service improvements for the town centre and we will remain involved in the feasibility work.		
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	CORPORATE SCRUTINY		
Meeting	Draft Agenda Items	Lead PFH/ Lead Officer	Exec Report?
7 September 2022	Update on LGR	PFH Sarah Wakefield	
SRD - 25 August	GF Financial Performance 2022/23 Q1	Kerry Prisco / PFH Corporate Resources - Benet Allen	Yes
Exec RD - 9 Sept	Corporate Performance Report Q1	Malcolm Riches / PFH Corporate Resources - Benet Allen	Yes
Informal Exec RD - 9 August	NO MORE ITEMS		
SMT RD - 27 July			
5 October 2022	Update on LGR - with presentation	PFH Sarah Wakefield / Alison North	
SRD - 23 September	Flooding projects (Scrutiny request Jul 22)	Jonathan Stevens	No
Exec RD - 7 Oct			
Informal Exec RD - 6 Sept			
SMT RD - 24 August			
2 November 2022	Update on LGR (via zoom)	PFH Sarah Wakefield	No
SRD - 21 Oct	Update on Somerset County Cricket Club	CEO Gordon Hollins SCCC	Yes
Exec RD - 4 Nov	Firepool Design Guidance and Masterplan	Graeme Thompson / PFH Planning & Transport - Mike Rigby	
Informal Exec RD - 4 Oct	ANY FURTHER ITEMS TO BE APPROVED		
SMT RD - 21 Sept			
7 December 2022	Update on LGR (via zoom)	PFH Sarah Wakefield	
SRD - 25 Nov	GF Financial Performance 2022/23 Q2	Kerry Prisco / PFH Corporate Resources - Benet Allen	Yes
Exec RD - 9 Dec	Corporate Performance Report Q2	Malcolm Riches / PFH Corporate Resources - Benet Allen	Yes
Informal Exec RD - 8 Nov			
SMT RD - 26 Oct			
4 January 2023			
SRD - 15 Dec			
Exec RD - 6 Jan			
Informal Exec RD - 6 Dec			
SMT RD - 23 Nov			
1 February 2023	Update on LGR (via zoom)	PFH Sarah Wakefield	
SRD - 20 Jan			
Exec RD - 3 Feb			
Informal Exec RD - 3 Jan			
SMT RD - 14 Dec			
1 March 2023	GF Financial Performance 2022/23 Q3	Kerry Prisco / PFH Corporate Resources - Benet Allen	Yes
SRD - 17 Feb	Corporate Performance Report Q3	Malcolm Riches / PFH Corporate Resources - Benet Allen	Yes
Exec RD - 3 March			
Informal Exec RD - 1 Feb			
SMT RD - 18 Jan			

EXECUTIVE

Executive Meeting	Draft Agenda Items	Lead Officer	Unitary/SWT
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	Proposal to increase Taxi Fares	John Rendell	
SMT RD = 27 July			
	NO MORE ITEMS		
19 October 2022	Low Carbon Retrofit Strategy and Action Plan	Chris Brown	
venue =	New Regulatory Services Enforcement Policy 2022-2023	Jo Toogood	
Exec RD = 7 October			
Informal Exec RD = 6 September			
SMT RD = 24 August			
16 November 2022	Connecting our Garden Communities	Graeme Thompson	
venue =	Firepool Design Guidance and Masterplan	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	Firepool Design Guidance and Masterplan	Graeme Thompson	
SMT RD = 18 January			

Items to be Confirmed	RIPA Policy	Amy Tregellas	Unitary

FULL COUNCIL

Meeting	Report Deadline	Draft Agenda Items	Lead Officer	Unitary/SWT
06 September 2022	24 August 2022	PFH Reports		
		Constitution Update - Somersetwide Member Code of Conduct	Amy Tregellas	
		Constitution Update - Standards Procedure	Amy Tregellas	
		Heritage at Risk (confidential)	Joe Wharton	
		Asset Management Lease (confidential)	Jonathan Stevens	
29 September 2022	20 September 2022	Community Governance Review for the Unparished Area of Taunton	Marcus Prouse/Kevin Williams	
Special Meeting		West Monkton and Cheddon Fitzpaine Neighbourhood Plan	Ann Rhodes	
		NO MORE ITEMS		
06 December 2022	24 November 2022	PFH Reports		
		Review of the Commercial Property Investment Activity and Performance Report	Joe Wharton	
		Appointment of Returning Officer for Taunton Parish Council Elections	Marcus Prouse/Kevin Williams	
		Low Carbon Retrofit Strategy and Action Plan	Chris Brown	
		Connecting our Garden Communities	Graeme Thompson	
		Treasury Management 2021/22 Annual Report and Q1 2022/23	John Dyson	
07 February 2023	26 January 2023	PFH Reports		
		Delegation of Returning Officer for Potential Parish Election 2023		
28 March 2023	16 March 2023	PFH Reports		
		Scrutiny Annual Reports x 2		SWT
		Audit and Governance Annual Report		SWT
		Firepool Design Guidance and Masterplan	Graeme Thompson	
ITEMS TO BE CONFIRMED				

Council – 6th September 2022

Report - Cllr Sarah Wakefield Executive member for LGR and CGR

A. Community Governance Review (CGR) - the setting up of Taunton Town Council as a Parish Council.

1. Since my election to the Executive in May I have attended a number of Parish Council meetings with Cllrs Perry and Rigby to witness the explanation of the proposed draft boundaries and the response of the various PC members. I also attended the Working Group meeting on 16 August. I have also had meetings with our Chief Executive and with Lead Officers and with SWT's governance lawyer and officers in the project team.

2. The consultation on the 2nd Stage of the Community Governance Review for Taunton closed on the 26th July 2022. I would like to thank all those who responded and took part in events throughout the six week period. Since the closure of Stage 2 Officers on the project team have been busy collating and analysing the 501 responses which are more than double the 229 who responded in Stage 1. These responses in their entirety (as well as the analysis) have all been encapsulated and presented to members of the Community Governance Review Working Group in the first instance during August.

3. The responses and the Working Group's final recommendations will form part of the Extraordinary Full Council Report and recommendations which will be forthcoming in late September for final decision at both SWT Full Council on 29 September and SCC Full Council on 5 October. Both councils, in accordance with the applicable transitional regulations, are required formally to approve any re-organisation order setting up the new parish council which is proposed to become Taunton Town Council. Work on the governance provisions for the new council has started and this will continue through the next few months including preparing for elections to the new council in May 2023.

B. Local Government Reorganisation - LGR

1. The Unitary programme is currently focussed most keenly on delivery of Tranche 1 of the programme plan (the first of three tranches - the second and third tranches will deliver parts of the programme after vesting day). Tranche 1 effectively includes everything that is required to transfer district services into the continuing authority (which will become Somerset Council) by vesting day - 1 April 2023. All of our council service teams are involved in detailed planning and work within the programme to ensure the safe transfer of our services and staff and the safe and legal shutdown of SWT on 31 March 2023.
2. Another key programme activity is setting the budget for Somerset Council for 2023/24 and our staff are working with all five Councils and colleagues on reviewing all budgets and options for the estimated budget gap (which is currently widening further under inflation pressures).
3. Business as usual for the SWT remains broadly on track through delivery of the corporate plan, however inevitably there are pressures on resourcing through this

period. These pressures are being closely monitored by senior officers on a month by month basis.

4. All Member Briefings for all Councillors across Somerset have been set up by the LGR programme team to occur on a monthly basis and I would encourage all councillors to attend these to understand in more the depth the activities that the programme is undertaking and to ask any questions or raise any issues they may have.
5. I have also participated in the first meeting of the LGR Implementation Board held on 29 July (as a substitute for Cllr Federica Smith-Roberts) and I attended the first meeting of the newly re-constituted LGR Joint Scrutiny Committee held on 19 August. I have had detailed briefings too from our legal officers on the implications and effects of the Section 24 financial restrictions for the county and all district councils in the lead up to unitary. Councillors will have noted that the required Full Council approval has been agreed at all 5 councils to give effect to the Section 24 restrictions. In essence these restrictions mean that district councils may not make financial commitments of certain sizes or lengths (contracts or disposals) and which might fetter the activity of the unitary council going forwards without the consent of Somerset County Council either by its officers (with delegated authority) or the SCC Leader and S.151 officer or by the full council if necessary.

It is clear that everyone involved in working on these difficult and complex projects and unitary workstreams is fully committed to ensuring their success and to the very best outcomes for our residents across our district and Somerset as a whole. It is only fair to say that the detail and sheer volume of work required to achieve these objectives and also to maintain business as usual at SWT is testing at the least and frankly almost overwhelming at worst for our hard-working and dedicated staff. The LGR programme director Alyn Jones has warned that this pressure can only get worse as we approach vesting day and the next few months will be a testing time indeed for everyone. I would like to express my thanks to all our SWT officers who are involved for their dedication and commitment.

Cllr S Wakefield

Report Number: SWT 119/22

Somerset West and Taunton Council

Corporate Scrutiny – 7 September 2022 Executive – 21 September 2022

2022/23 General Fund Financial Monitoring as at Quarter 1 (30 June 2022)

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

1.1 This report provides an update on the projected outturn financial position of the Council's General Fund (GF) for the financial year 2022/23 (as at 30 June 2022 forecast).

1.2 It is well reported that the economic situation is challenging with the cost-of-living crisis, high inflation, and rising interest rates. These factors will hit our communities and businesses, and the Council is also not immune as seen in the latest forecasts. The risks to day-to-day service costs are seen with inflationary pressures of c£750-£850k with rising costs of utilities, energy, fuel etc and a provision for potential staff pay award exceeding budget.

1.3 The headline estimates for **revenue costs** are:

Revenue Budget	£0.326m forecast overspend	Red
General Reserves	£6m forecast balance = favourable compared to £2.4m minimum requirement	Green
Earmarked Reserves	£28m at start of year, forecast to reduce to £12m by year end as funds are used as planned.	Green

1.4 The projected overspend of £0.326m is significant, driven mainly by inflationary pressures. However, it is important to note that this is the first, early forecast for the year with 9 months remaining until year end and it is anticipated that management will control the overall position to remain within budget at outturn. This will be carefully monitored with updates reported to Members on a quarterly basis. The level of General Reserves provides significant resilience to mitigate the risk of overspend if required.

1.5 The current total approved **Capital Budget** is £63.540m and relates to the Capital Programme for continuing and new schemes approved for 2022/23. The budget is profiled with estimated spend totalling £25.195m in this financial year and £38.346 in later years. A net underspend of £0.124m is currently projected against the total budget. Whilst there is an ongoing inflation risk to works not yet under contract, budget managers are not yet forecasting significant pressures for General Fund schemes – this will be kept under review throughout the year.

2 Recommendations

- 2.1 Executive to note the Council's forecast financial performance and projected reserves position for 2022/23 financial year as of 30 June 2022.
- 2.2 Executive to approve budget transfers ("virement") of:
 - a) £473,420 to realign budgets in both Bereavement Services and Grounds Maintenance reflecting the accounting change of the service level agreement.
 - b) £302,040 to realign budgets across Commercial Services to mitigate the forecast pressure on car parking income.
- 2.3 Executive to approve a transfer of £1,200,000 from the Business Rates Volatility Reserve with £1,000,000 to the Investment Risk Reserve and £200,000 to the Investment Sinking Fund.

3 Risk Assessment

- 3.1 Financial forecasts are based on known information and projections based on assumptions. As such any forecast carries an element of risk. The current forecasts included in this report are considered reasonable given the extra element of risk around inflation being experienced in the current economic operating environment and based on experience it is feasible the year end position could change. It is common for underspends to emerge during the year, reflecting an optimism bias within previous forecasting. There may also be matters beyond the Council's control that affect the final outturn position.
- 3.2 Salient in year budget risks are summarised in section 9 in this report. The Council manages financial risk in several ways including setting prudent budgets, carrying out appropriate monitoring and control of spend, operating robust financial procedures, and so on. The Council also holds both general and earmarked reserves which include contingencies to manage budget risk.

4 Background and Full details of the Report

- 4.1 This report provides the Council's General Fund forecast end of year financial position in March 2022 for revenue and capital expenditure, as at 30 June 2022.
- 4.2 The regular monitoring of financial information is a key element in the Council's Performance Management Framework. Crucially it enables remedial action to be taken in response to significant budget variances, some of which may be unavoidable. It also provides the opportunity to assess any consequent impact on reserves and the Council's Medium Term Financial Plan.
- 4.3 Members will be aware from previous experience that the position can change between 'in-year' projections and the final outturn position, mainly due to demand-led service costs and income levels and where actual costs and income can vary from initial estimates and assumptions. The budget monitoring process involves a detailed review

of the more volatile budgets and a proportionate review of low risk/low volatility budget areas. Budget Holders, with support and advice from their finance business partners, update their forecasts monthly based on currently available information and knowledge of service requirements for the remainder of the year. As with any forecast there is always a risk that some unforeseen changes could influence the position at the year-end, and several risks and uncertainties are highlighted within this report. However, the following forecast is reasonable based on current information.

5 General Fund Revenue Budget 2022/23 Forecast Outturn

- 5.1 The Council's General Fund is currently forecasting an overall net overspend of £326k (1.9% of £17.018m Net Budget). The main reasons for this are shown in tables 1 to 6 below.
- 5.2 The forecast remains volatile and subject to change. It includes a significant number of assumptions about demand for services and the timing of planned spend to meet service objectives. Rising inflation and interest rates adds to uncertainty and risk. There has been an immediate impact on service costs and income, for example a rise in the cost of materials, gas, electric and fuel.
- 5.3 As previously reported, despite the reported pressures and uncertainties summarised in this report, the Council is currently resilient to estimated losses this year.
- 5.4 The following table presents a summary of the revenue budget and current forecast outturn for the year by directorate.

Table 1: General Fund Revenue Outturn Summary 2022/23

	Original Budget £'000	Approved Changes £'000	Current Budget £'000	Outturn Forecast £'000	Variance	
					£'000	%
Development and Place	4,044	117	4,161	4,324	163	3.9%
External Operations & Climate Change	10,037	928	10,965	10,763	-202	-1.8%
Housing & Communities	3,234	0	3,234	3,186	-48	-1.5%
Internal Operations	9,750	103	9,853	10,083	230	2.3%
Senior Management	594	-14	580	583	3	0.6%
Local Government Reorganisation	1,375	0	1,375	1,375	0	0.0%
Provision: Pay Award Shortfall	0	0	0	564	564	100.0%
Net Cost of Services	29,034	1,134	30,168	30,878	710	2.4%
COVID General Grants	0	0	0	0	0	0.0%
Investment Properties	-4,490	0	-4,490	-4,490	0	0.0%
Interest and Investment Income	-516	0	-516	-900	-384	74.3%
Expected Credit Losses	0	0	0	0	0	0.0%
Transfers to Earmarked Reserves	-5,387	-1,234	-6,621	-6,621	0	0.0%
Transfers from General Reserves	-1,375	0	-1,375	-1,375	0	0.0%

	Original Budget £'000	Approved Changes £'000	Current Budget £'000	Outturn Forecast £'000	Variance	
					£'000	%
Capital and Other Adjustments	-248	110	-138	-138	0	0.0%
Net Budget	17,018	10	17,028	17,354	326	1.9%
Funding	-17,018	-10	-17,028	-17,028	0	0.0%
Variance	0	0	0	326	326	1.9%

5.5 A summary of the forecast outturn position is summarised per directorate below.

Development & Place:

The Development and Place directorate has a current net expenditure budget of £4.161m in 2022/23, which plans to deliver a range of services and projects including:

- Strategy, policy development including the Local Plan and implementation of infrastructure projects.
- Planning services Development Management – pre-application advice, applications processing and enforcement and implementation of interim phosphate measures
- Economic development, culture & arts
- Town centre regeneration
- Heritage at Risk 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’)

5.6 The directorate is currently forecasting a net overspend of £163k for the year, largely derived from the use of agency staff due to the difficulty in recruiting to key roles, particularly in Development Management.

5.7 The current inflationary pressure does not have any significant impact on the directorate as there are few premises or transport related costs.

5.8 The directorate’s budget volatility and forecast has been managed via robust contract and financial / budget management by budget holders.

Table 2: Development & Place Forecast Variances

Department Notes	Q1 Variance £'000
<p>Planning: Variance driven by the expectation that staff vacancies will be covered by agency c£118k for the remainder of the year and additional supplementary agency support c£77k. In addition, there are also unbudgeted IT costs relating to the Acolaid infrastructure of £9k. There are potential further cost pressures due to legal fees, which at this stage cannot be quantified.</p> <p>Fee income for Q1 was lower than the budgeted run rate but has been forecast to budget as it historically has been volatile. A portion of planning fee income</p>	166

Department Notes	Q1 Variance £'000
relating to undetermined applications was carried forward from 21/22 to this year. The opportunity may exist to release some of this to offset any shortfall in Q1 income, however, this cannot be confirmed until later in the year. There is a reserve of £50k that can be used to pay for specialist technical advice. This has been fully utilised.	
Other Minor Variances	-3
Total	163

External Operations and Climate Change:

The External Operations and Climate Change directorate has a current net expenditure budget of £10.965m in 2022/23, which plans to deliver 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

- 5.9 The directorate is currently forecasting a net underspend of £202k for the year. This underspend is largely derived from increased income across Assets, active management of costs and the successfulness of the Environment Enforcement Litter Scheme.
- 5.10 Rising inflation is placing financial risk on the council as it sees an increase in the cost of supplies such as utilities and materials. The Directorate has reviewed the pressure placed on its services and included best estimates as part of the quarterly budget review.
- 5.11 The Executive is requested to approve a budget virement of £473,420. It is requested to move the Grounds Maintenance staffing, vehicle and equipment budgets allocated in Bereavement Services to Grounds Maintenance. An internal recharge will then be processed to reflect the Service Level Agreement between Grounds Maintenance and Bereavement Services. Budgets in both areas remain the same.

	22/23 Current Budget Bereavement Services £	22/23 Revised Budget Bereavement Services £	22/23 Current Budget Grounds Maintenance £	22/23 Revised Budget Grounds Maintenance £
Employee	184,470	0	0	184,470

Transport	22,700	0	0	22,700
Equipment	29,540	0	0	29,540
Internal Recharge		236,710		-236,710

5.12 Car Parking: As part of the 22/23 budget setting process, the income budget for car parking was reduced by 25%, £1,476m. During the quarter 1 budget monitoring process, savings have been identified across the Directorate and budgets realigned to further reduce the car parking income budget by £302k. Therefore, in total a £1.778m budget reduction from 2021/22. This is in line with the forecast reduction and changes in usage that the council is seeing across its car parks following COVID-19. The Executive is requested to approve a budget virement of £302,040.

5.13 The directorate is planning to carry forward a budget underspend in the range of £400k to £500k to meet significant commitments to key Climate Change projects that will run into next financial year. The budget for Climate Change will need to be agreed by the new Unitary Council as part of the 23/24 budget setting process.

Table 3: External Operations and Climate Change Forecast Variances

Department Notes	Q1 Variance £'000
Major Contracts: A £60k contingency budget was allocated for the Environment Enforcement Litter Scheme, this budget is currently not required as the income from the Fixed Penalty Notices is offsetting costs. Capitalising salary costs for the Car Park Improvement Scheme has created an underspend of £70k.	-125
Asset Management: There is a forecast increase in income of £277k. This is owing to; new lettings which were unknown at budget setting time £70k, delayed vacation of tenants £75k, transfer of units at Coal Orchard £90k and proactive recovery of proportionate costs, £42k At budget setting time it was assumed that the income and expenditure would balance out for Coal Orchard, however due to the delay in site handover the void costs are forecast to be higher than anticipated, c£140k. Assumptions have been made on the timing of tenant occupancy, therefore this forecast overspend could reduce. Forecast increase in electricity costs across all buildings, £95k. A budget of £50k was identified for bad debt provision, it is predicted that this budget is no longer required. Other minor underspends across maintenance budget lines £30k.	-121
Other Minor Variances	44
Total	-202

Housing & Communities:

5.14 The Housing and Communities directorate has a current net expenditure budget of £3.234m in 2022/23, which plans to deliver a range of services and projects including:

- Housing options include accommodation and support for homelessness and rough sleepers
- 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.

5.15 The directorate is currently reporting a forecast net underspend of £48k.

5.16 We are expecting some volatility particularly in our homelessness service as a legacy of the COVID restrictions and in the knowledge that patterns of substantial community hardship are already starting to become apparent. We have some ability to manage the financial impacts of this by using earmarked reserves of specific Government funding, however we will need to keep this under close review. Aside from this, there is increasing demand from the Homes for Ukraine scheme with many placements due to end from September that will present to the Homelessness Service as well as the relocation of refugees (largely from Syria and Afghanistan) under the government's Resettlement Scheme for Refugees. This is all within the context of substantial pressure on our resources to deliver our ambitions for single homeless customers and our need to decant the Canonsgrove facility, which makes financial certainty challenging.

5.17 The inflationary pressure within this Directorate is minimal and will mainly relate to the cost of materials, contracts and staffing costs to deliver services within the Homelessness function.

Table 4: Housing & Communities Forecast Variances

Department Notes	Q1 Variance £'000
Community Resilience: This underspend is attributable to a number of staffing changes including a secondment that was not backfilled.	-56
Other Minor Variances	8
Total	-48

Internal Operations:

5.18 The Internal Operations directorate has a current net expenditure budget of £9.853m in 2022/23. This delivers a range of support services and corporate projects, as well as budgets for a range of centrally held corporate costs and corporate savings targets. 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

- Administration of COVID and other hardship grant schemes
- 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

5.19 The directorate is currently forecasting a net overspend of £230k for the year. This comprises £30k projected net overspend with respect to the Directorate's operational areas. The net position includes additional income from grant for Housing Benefit administration and new burdens funding which exceeds the original budget. Service-related cost pressures include project management costs and projected overspend in the Taunton Visitor Centre and Deane Helpline. In addition, £200k relates to the corporate efficiency savings target where the programme is in progress, but we will report delivered cashable savings against this target as the year progresses. These points are explained further below.

5.20 Within Internal Operations there are not many utility or transport costs and hence the main impact of inflation is within IT. Within the current forecast, where contract figures are unknown, we have estimated the increase at 6%. However, some of the known increases to date have been 7 – 8.5%. If this was the case for all currently unknown contract figures, then there would be a further cost pressure of £15-20k.

Table 5: Internal Operations Forecast Variances

Department Notes	Q1 Variance £'000
Internal Change: Forecast variance mainly due to Service Efficiency and Improvement Programme (SEIP) project management costs to December. Funding options are being explored to mitigate this cost.	78
Benefits: £73k of this underspend results from receiving a greater amount of administration grant, Verify Earnings and Pensions (VEP) and new burdens than budgeted for. We may need to utilise some of this budget underspend later in the year to ensure we have sufficient resourcing to deliver to the required DWP standards. In addition, there is a £28k staff underspend due to reduction in some contracted hours and reduced pension contributions.	-100
Customer Services: The visitor centre is forecast at £31k overspent. We don't know how much the market will bounce back yet. Based on last year's income we're estimating we will recover 50% of our target budget, which corresponds with a 50% expected spend on items for resale. Electricity prices are rising quickly, we've estimated our spend but this could be higher due to the expected increase in October. The	116

Department Notes	Q1 Variance £'000
Deane Helpline is forecast at £81k overspent (Staffing £72k). Some of the allowances agreed for one part of the team together with all the additional payments for holiday pay were agreed after budget setting and therefore some of the additional costs were not included in the budget for 22/23. The rest of the potential staffing overspend is being looked at in more detail.	
Finance: Centrally funded pension costs projected £30k below budget and staff savings £29k.	-69
Other Minor Variances	5
Total	30

5.21 Reported within Internal Operations are corporate savings budgets regarding staff vacancies and service efficiencies.

Savings Targets

Department Notes	Q1 Variance £'000
Efficiency Savings: Whilst significant efficiencies are being delivered the budget requires cashable savings to be realised, which are currently below target. This will continue to be targeted through the programme to reduce this variance.	200
Total	200

Senior Management Team (SMT)

5.22 The SMT has a current net expenditure budget of £580k in 2022/23. This budget line holds the costs of the senior leadership team (Chief Executive and Directors) plus a small contingency to support strategic priorities arising in-year. A very minor variance to budget is forecast at the end of Quarter 1.

Local Government Reorganisation (LGR)

5.23 This one-off budget of £1.375m provides for SWTC costs related to LGR in Somerset. This includes £1m for a contribution to the LGR Implementation held by Somerset County Council (£912k budgeted contribution plus £88k contingency) plus £375k to provide for additional capacity to support transition costs incurred by SWTC because of the programme. This is currently forecasting to budget.

Pay Award 2022

5.24 The 2022/23 approved budget assumed a 2% pay award. The forecast outturn position provided by services (reported above) include this 2% assumption.

5.25 A further financial pressure based on an additional 3% pay award has been estimated at £564k for the General Fund, recognising recent pay settlements in the public sector all exceeding 2% (teachers, police, NHS). Local Government pay is subject to

negotiation between the employers' associations and unions – this process is ongoing. This provisional forecast based on an average 5% is a prudent finance officer's 'best guess' for financial forecasting purposes, without prejudice to these ongoing negotiations.

5.26 Actual costs will be reflected across all service budgets once settlement is reached and implemented.

Other Costs, Income and Reserve Transfers

5.27 As well as budgets allocated to directorates for the delivery of services, several budgets are reported 'below the line' as centrally held/corporate items. This area includes items such as:

- Investment properties net income
- Other interest costs and income
- Accounting provisions for Expected Credit Losses (commonly known as bad debt provisions)
- Transfers to and from general and earmarked revenue reserves
- Capital accounting adjustments including capital debt repayment, revenue financing of capital costs, and transfers to and from capital reserves

5.28 A net underspend / income surplus of £384k is currently being forecast for the year, predominantly due to a more favourable interest payable and investment income position.

5.29 Investment Properties are forecasting a shortfall in income due to voids £103k, which has largely been offset by a reduced interest cost with the balance of £17k to be made up from the risk reserve. On the Legacy Investment properties, repair and maintenance costs are forecast to be £30k higher than budget, and this will be funded from the risk reserve.

Table 6: Forecast Variances

Department Notes	Q1 Variance £'000
Interest Payable and Investment Income: Treasury management activities have generated some good value for money. Concerted action has been taken to mitigate treasury risks highlighted in earlier reports. So, whilst the cost of interest on borrowing has been contained by careful timing and profiling of new external borrowing, interest receivable on the investment of cashflow and contingency balances has benefitted from increasing money market interest rates and continued strong performance in longer-term investments. Close attention continues to be placed on markets and on cashflows, which remain susceptible to volatility, movements and changing circumstances. Any impacts will continue to be reported throughout the forthcoming financial year.	-384
Total	-384

General Reserves

- 5.30 The opening general reserves balance as at 1 April 2022 is £7.592m, representing unearmarked reserves held to provide ongoing financial resilience and mitigation for unbudgeted financial risks.
- 5.31 As part of the budget setting proposals to Full Council on 24 February 2022 and the Financial Strategy agreed by the Executive in July 2021, £1.375m of current reserves will be used to fund a contribution towards the Local Government Reorganisation (LGR) costs. Further approved (or proposed) allocations to / from general reserves are shown in the table below.

Table 7: General Reserve Balance

	Approval	£000
Balance Brought Forward 1 April 2022		7,592
2022/23 Original Budget Transfers from Reserve	Council – 24/02/2022	-1,375
Current Balance		6,217
Transfer to Coal Orchard Warranty Earmarked Reserve	Council – 05/07/2022	-185
Released Earmarked Reserves	S151 / SMT – 10/08/22	197
Balance After In-Year Approvals		6,229
Forecast – 2022/23 Projected Overspend		-326
Projected Balance 31 March 2023		5,903
Recommended Minimum Balance		2,400
Projected Balance above Minimum Reserve Balance		3,503

- 5.32 Although reserves are currently projected to be above the minimum reserves balance, Members are advised that significant financial risks remain not least the transition to the unitary council and the need for ongoing financial sustainability measures in future. It is strongly recommended by the S151 Officer that reserves are maintained above the recommended minimum to provide flexibility and resilience in the medium term, with any future use in the current financial year prioritised to any unavoidable and unfunded financial pressures only.

Earmarked Reserves

- 5.33 The General Fund Earmarked Reserves brought forward balance for 2022/23 is £28m. This balance is forecast to reduce by c£16m this year as funds are utilised to offset the Business Rates Collection Fund Deficit; for capital financing purposes; and funding of service costs and grant-funded activities. A remaining balance at year end of c£12m is currently projected of which c£9m mitigates financial risks related to business rates funding and property investments.
- 5.34 The original net budgeted/approved and projected transfers from earmarked reserves in 2022/23 is £12.929m.
- 5.35 The following table details those reserves with balances greater than £500,000.

Table 8: General Fund Earmarked Reserves

	<i>Info: Budgeted Transfers £000</i>	Balance 1 April 2022 £000	Transfers To Date £000	Forecast Transfers £000	Balance 31 March 2023 £000
Business Rates Holiday S31 Grant	-6,645	5,811	0	-5,811	0
Business Rates Volatility	-718	5,353	-718	-2,034	2,601
Investment Risk	0	3,151	0	953	4,104
Business Rates Losses S31 Grant	-897	2,499	0	-897	1,602
Investment Financing Fund	-2,000	2,000	-2,000	0	0
Capital Funding	-738	1,413	-738	-76	599
Sub-Total Risk Reserves	-10,998	20,227	-3,456	-7,865	8,906
General Carry Forwards	-900	2,075	-900	-1,175	0
Garden Town Fund	-213	978	-213	-365	400
Economic Development Initiatives	-372	643	-372	-271	0
Homelessness Prevention	-113	564	-113	-60	391
Asset Management	-280	519	-280	-239	0
Investment Assets Sinking Fund	0	500	0	200	700
Other Smaller Balances	-53	2,484	-194	-701	1,589
Sub-Total Other Reserves	-1,931	7,763	-2,072	-2,611	3,080
Total	-12,929	27,990	-5,528	-10,476	11,986

5.36 Earmarked reserves are set aside for a specific purpose and are reviewed on a regular basis. This quarter £197k of earmarked reserves are proposed to be released and returned to General Reserves as they are no longer required for their original purpose. This relates to (1) £65k that was set aside in anticipation to fund Recycle More that has been fully funded by the Somerset Waste Partnership, (2) £50k for staff parking income previously set aside but now forms part of the base budget, and (3) £82k of carry forward items that had already been budgeted for in the 2022/23 base budget.

6 Business Rates and Investment Reserves

6.1 Business rates reserves are held to manage risk and manage accounting timing differences between financial years that are a feature of the Business Rates Retention (BRR) funding system.

6.2 The S151 Officer has reviewed the recently update projected balance in the Business Rates Volatility Reserve compared with the risk of funding volatility now that SWT has reduced its BRR funding budget to the Safety Net. In this scenario the risk of adverse variance to budget is reduced. The S151 Officer therefore recommends that £1.2m is reallocated to increase resilience to investment risk and investment management costs with £1m added to the Investment Risk Reserve and £0.2m added to the Investment Assets Sinking Fund. This supports ongoing financial resilience and forms a further step in mitigating risk following the external auditor's recommendation in December 2021 relating to investment and borrowing risks. It also means the planned increases in transfers to these reserves over the next 3-4 years can be reduced thus reducing the

projected budget gap within the MTFP. These proposed transfers are reflected in the forecast column in Table 8 above.

7 General Fund (GF) Capital Programme

- 7.1 The current Capital Programme Budget is £63.540m in total (see **Appendix A**). This consists of £60.977m of previously approved schemes from prior years and £1.715m of new schemes approved in February 2022, as well as in year approvals of £981k of supplementary budgets and £132k of budget returns.
- 7.2 In-year supplementary budgets include (1) Development & Place: £775k for Coal Orchard additional costs approved by Full Council on 5th July 2022, (2) External Operations: £40k for Litter Bins and £70k for Vivary Park Footpaths, both approved by the Deputy Chief Executive & Director Place and Climate Change and the Assistant Director - Finance (S151 Officer), as well as £262,280 for Blue Anchor Coast Protection, approved by Full Council on 5 July 2022, and (3) S106 funded projects that have commenced.
- 7.3 In-year budget returns include £132k in Internal Operations mainly with respect to change projects where there has been an underspend.
- 7.4 The current high inflation rate creates an inherent risk within the ongoing projects and those for which the budgets have been approved but have not yet commenced.
- 7.5 The Council plans to finance this investment through Capital Receipts, Capital Grants, Revenue Funding and Borrowing (see **Appendix B**).
- 7.6 The General Fund Capital Budget relates to schemes which are estimated to be completed over the next four years. The current annual profiling of approved budget is summarised in **Appendix C**.
- 7.7 Financial performance to date against this profiled spend for this financial year can be found in **Appendix D** with an update from each directorate provided below. Overall, the Council is currently not forecasting any carry forwards and is forecasting a net underspend against profiled budget for 2022/23 of £124k mainly due to the delay of IFRS16 and the requirement to capitalise vehicle lease contract. Year to date actual spend is 5% of the total budget mainly due to the Firepool Drainage and Levels contract award still in progress, works forecast to take place in quarter 3 for Blue Anchor and contract award still in progress for the Carpark capital improvements project.
- 7.8 **Development and Place:** The capital programme includes development and regeneration projects. These budgets are governed via the Directorate and Programme Boards before being reported to Full Council. The Coal Orchard project is expected to complete in the autumn, the Phosphate following land proposal is being reviewed by Legal and the Firepool Drainage & Levels contract award is currently in progress. Work continues on the Flood mitigation interventions on the left bank of the Tone River and at

Firepool Lock. The overspend relates to continuing contamination testing at the Lisieux Way site which need to continue into the summer of 2023.

- 7.9 **External Operations and Climate Change:** The capital programme spans a diverse range of activities that also, in part, span across two financial years. The Directorate has a robust programme management system to ensure the capital schemes are tracked and spent in a timely manner. There is a reported underspend of £137k which is mainly due to the implementation of a new accounting standard (IFRS16–Leases) being deferred, meaning the finance lease costs for the fleet contract will be accounted for in revenue.
- 7.10 **Housing and Communities:** The capital programme has been updated to reflect the Single Homelessness and Rough Sleeper Accommodation Strategy & Delivery Plan. The strategy identifies the demand for additional accommodation, splits this down by specific need, and puts in place an end-to-end process of interventions, from early help through to tenancy support. The delivery plan looks at the accommodation and support requirements and identifies how these may best be delivered, whether that is through partner providers (preferred) or whether this is through direct intervention by SWT. RSAP grants are front-loaded and therefore we plan to use this first and our Better Care Fund has slipped to next year.
- 7.11 **Internal Operations:** The capital programme relates to the annual PC refresh upgrades and alarms for the lifeline service are profiled here. The current forecast is to spend the budgets.
- 7.12 **Hinkley:** The Hinkley funded projects are expected to be completed in the current year.
- 7.13 **S106 Schemes:** The S106 projects relate to schemes on which costs have been incurred in the current year as per the obligations under the S106 agreements.

8 Risk and Uncertainty

- 8.1 Budgets and forecasts are based on known information and the best estimates of the Council's future spending and income. Income and expenditure over the 2022/23 financial year are estimated by budget holders and then reported through the budget monitoring process. During this process risks and uncertainties are identified which could impact on the financial projections, but for which the likelihood, and/or amount are uncertain. The Council carries protection against risk and uncertainty in several ways, such as insurances and maintaining reserves. This is a prudent approach and helps to mitigate unforeseen pressures.
- 8.2 The following general risks and uncertainties have been identified:
- 8.3 **Pay Award:** As mentioned above in Section 5, the budgets have been set based on 2% pay award for 2022/23. In light of recent public sector pay award announcements, the forecast assumes an average of 5% i.e. 3% over budget. Each 1% increase costs approximately £190k to the General Fund. Pay negotiations for local government are in progress and it is feasible that costs may further exceed budget. The most recent offer

put forward by the National Employers, of an increase of £1925 on all NJC pay points 1 and above, would add a further £140k pressure to the General Fund.

- 8.4 **Inflation:** The current economic operating environment is placing financial risk on the Council in terms of rising inflation increasing the cost of supplies such as utilities and materials. The Council is seeing price increases on our corporate contracts of c60% on electricity, c80% on gas and c45% on fuel. However further variances may come to light during the year based on levels of usage in these areas. There is also uncertainty to the inflation to be seen on other contracts such as IT systems and maintenance works where contracts are still out to tender. Directors have undertaken an impact assessment of the inflationary pressure placed on their services and included best estimates as part of their quarterly review.
- 8.5 **Insurance Premiums:** The Council's insurance policies are due for renewal on 1 August 2022. Premiums are affected by inflation as well as risk, thus high inflation which may lead to an adverse variance to budget. The renewal falls just eight months ahead of the Unitary Vesting Day, with the risk that an additional premium may be payable for a shorter policy period. The position will be confirmed in the Q2 report.
- 8.6 **Recruitment:** There are a number of vacancies across the Council and assumptions have been made as to when these vacancies will be filled. The Council is experiencing recruitment issues (as seen country-wide) therefore assumptions and forecasts may change, in addition to higher agency costs to cover roles where permanent recruitment is not successful.
- 8.7 **Pensions:** Employers' obligation to review auto-enrolment to pension schemes is reviewed every three years with the next auto-enrolment due in October 2022. We will need to auto-enrol staff not currently in the pension scheme unless they opt out. This may lead to higher pension costs in the second half of the year.
- 8.8 **Unitary Council:** The transition to the new Unitary places a significant demand on management and staff. This may lead to additional costs to deliver the transition and ensure day to day services are maintained at satisfactory performance standards. It could also slow down spending in some areas as priorities and capacities adjust during the transition period.
- 8.9 **Fleet Contract / IFRS16 Leases:** CIPFA has delayed the implementation of IFRS16 however we could have chosen to adopt this early but due to the implementation of the Unitary Council all Somerset Councils have made the decision to delay adoption. Therefore, where SWT had budgeted for the lease as a capital cost these now fall to revenue. The services hope to absorb this cost through in-year underspends and delays in receiving new vehicles.
- 8.10 **Business Rates (Risk):** There are inherent risks and uncertainties within the Business Rates Retention system, both in terms of income volatility and accounting timing differences between financial years. The Council holds earmarked risk reserves to mitigate in year pressures. As the 2022/23 budget was reduced for the anticipated decommissioning of Hinkley Point B nuclear power station, which accounts for almost 20% of the current tax base, the risk should be reduced this year. The first reactor was

switched off in July and the second on 1 August 2022. The Valuation Office Agency will need to advise the resulting changes to the rateable value, and we will then assess the impact on our business rates retention funding estimates.

- 8.11 **Council Tax (Risk):** There are inherent risks and uncertainties within the Council Tax collection system, especially in light of the current economic climate and the risk of non-payment. An increased impairment allowance has been applied for 22/23 in light of this. This will have an impact on the Collection Fund for the General Fund budget in future years through the Surplus or Deficit recovery. Regular review of statistics will be undertaken to monitor the situation.
- 8.12 **Development Management:** Due to the volatility of planning income, which is significantly demand led, it is difficult to forecast the full year income impact accurately.
- 8.13 **Homelessness:** This is a demand led service supporting a variety of complex needs. This service has received further Homelessness Prevention Grant and Rough Sleeper Initiative Government funding in 2022/23. The position needs to be kept under review pending the delivery of the Homelessness Strategy including the planned decant from the Canonsgrove site.
- 8.14 **Revenues & Benefits:** The position on rent allowances/rent rebates could change significantly (approximately £200k-£300k either way) because of recoupment and debt impairment adjustments. We can calculate these at a given point in time but are unable to reliably forecast what these will be at year end as the financial implications are volatile.
- 8.15 **New Burdens:** SWT is expected to receive more New Burdens Grant Funding during the year for example for the implementation of the energy rebate scheme. This will increase our revenue income, but final grant amounts are not yet known.
- 8.16 **Interest and Investment Income:** UK economic volatility will continue to present a risk of variations in interest receivable. In addition, cashflow forecasts remain difficult to predict with certainty in respect of the timing and progress of capital projects and in relation to the receipt and application of large grant funding. Careful daily monitoring and management of the Council's overall liquidity mitigate this risk as far as possible. Meanwhile, the risk of exposure to rising interest rates on borrowing, previously reported, has been contained for the current year leading up to the new Unitary Council.
- 8.17 **Forecasting Assumptions:** It is conceivable that, whilst budget holders are optimistic that they will spend all their budget, experience shows an increase in underspends often reported in the last quarter of the financial year. The pace of spending may also reduce as capacity and delivery of priorities is affected by local government structural change.
- 8.18 **Fluctuation in demand for services:** We operate many demand-led services and the levels of demand do not always follow a recognisable trend, which may lead to fluctuations in costs and income compared with current forecasts.
- 8.19 **Year-end Adjustments:** There are certain items that are not determined or finalised until the financial year-end. For example, the final assessment of provisions required for bad debts and final allocations of support service recharges. These can result in potentially significant differences to current forecasts.

9 Links to Corporate Strategy

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

10 Unitary Council Financial Implications and S24 Direction Implications

10.1 The main considerations within scope of this report is the impact of in-year financial performance on year end reserve balances that will transfer to the new unitary council on 1 April, and potential impact of variances on future budget estimates. Reserves are currently projected to remain above the minimum requirement. Finance officers and budget managers will feed in ongoing and future risks and implications through the budget setting process for 2023/24.

11 Partnership Implications

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

12 Scrutiny Comments / Recommendations

12.1 The report will be considered by Corporate Scrutiny on 7 September 2022. A summary of the comments and recommendations discussed will be provided here for the Executive to consider.

Democratic Path:

- **Corporate Scrutiny – 7 September 2022**
- **Executive – 21 September 2022**
- **Full Council - No**

Reporting Frequency: Quarterly

List of Appendices

Appendix A	Approved Capital Budget
Appendix B	Capital Financing of Total Approved Budget
Appendix C	Annual Profiling of Approved Capital Budget
Appendix D	Profiled Capital Budget for 2022/23 Vs Forecast Capital Outturn for 2022/23

Contact Officers

Name	Kerry Prisco
Direct Dial	01823 218758
Email	k.prisco@somersetwestandtaunton.gov.uk

Name	Paul Fitzgerald
Direct Dial	01823 217557
Email	p.fitzgerald@somersetwestandtaunton.gov.uk

Appendix A: General Fund Approved Capital Budget

SWT Capital Programme	Prior Year Slippage	Current Year Approval Feb 2022 Budget Setting for 2022/23	Total Approved Budget	Current year Virements	Current Year Supplements	Current Year Returns	Revised Current Year Approved Capital Budget
Development and Place	48,843,459	0	48,843,459	0	775,006	0	49,618,465
External Operations and Climate Change	5,937,107	1,666,800	7,603,907	0	110,000	0	7,713,907
Housing & Communities	5,010,529	228,063	5,238,592	0	0	0	5,238,592
Internal Operations	557,231	(180,000)	377,231	0	0	(132,460)	244,771
Hinkley Capital Schemes	130,005	0	130,005	0	0	0	130,005
S106 Capital Schemes	498,603	0	498,603	0	96,051	0	594,654
Total GF	60,976,934	1,714,863	62,691,797	0	981,057	(132,460)	63,540,394

Appendix B: Capital Financing Plan of Total Approved Budget

SWT Capital Programme	TOTAL CAPITAL FINANCING	Capital Grants CIL	Capital Grants	Section 106 Agreements	Capital Receipts	General Fund RCCO	Other Earmarked Reserves	Borrowing
Development and Place	49,618,465	12,286,578	13,018,025	1,986,000	1,186,099	50,000	98,400	20,993,364
External Operations and Climate Change	7,713,907	0	3,534,605	0	1,434,770	1,040,000	814,146	890,386
Housing & Communities	5,238,592	0	4,369,853	374,791	385,446	0	0	108,502
Internal Operations	244,771	0	0	0	244,768	0	0	4
Hinkley Capital Schemes	130,005	0	130,005	0	0	0	0	0
S106 Capital Schemes	594,654	0	0	594,654	0	0	0	0
Total GF	63,540,394	12,286,578	21,052,488	2,955,445	3,251,082	1,090,000	912,546	21,992,255

Appendix C: General Fund Annual Profiling of Approved Capital Budget

SWT Capital Programme	Total Approved Budget	Planned Capex 2022/23	Planned Capex 2023/24	Planned Capex 2024/25	Planned Capex 2025/26
Development and Place	49,618,465	15,895,788	17,021,402	10,631,942	6,069,333
External Operations and Climate Change	7,713,907	5,737,381	1,976,526	0	0
Housing & Communities	5,238,592	2,592,192	1,343,916	708,686	593,798
Internal Operations	244,771	244,768	0	0	0
Hinkley Capital Schemes	130,005	130,005	0	0	0
S106 Capital Schemes	594,654	594,654	0	0	0
Total GF	63,540,394	25,194,787	20,341,844	11,340,628	6,663,131

Appendix D: Profiled Capital Budget for 2022/23 Vs Forecast Capital Outturn for 2022/23

SWT Capital Programme	Planned Capex Budget 2022/23	Expenditure YTD	Forecast Outturn 2022/23	Variance; - underspend + overspend	- Slippage c/f	In Year - Underspend + Overspend
Development and Place	15,895,788	663,483	15,908,788	13,000	(0)	13,000
External Operations and Climate Change	5,737,381	444,645	5,600,544	(136,837)	0	(136,837)
Housing & Communities	2,592,192	(17,676)	2,592,192	(0)	(0)	0
Internal Operations	244,768	7,359	244,768	(0)	0	(0)
Hinkley Capital Schemes	130,005	0	130,005	0	0	0
S106 Capital Schemes	594,654	97,911	627,984	1	1	0
Total GF	25,194,787	1,195,722	25,104,280	(123,837)	0	(123,837)

Somerset West and Taunton Council Corporate Scrutiny – 7th September 2022

Corporate Performance Report - Quarter 1 2022/23

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 first 3 months of the 2022/23 financial year. The report includes information for a range of key performance indicators and 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.

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 Councils 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:

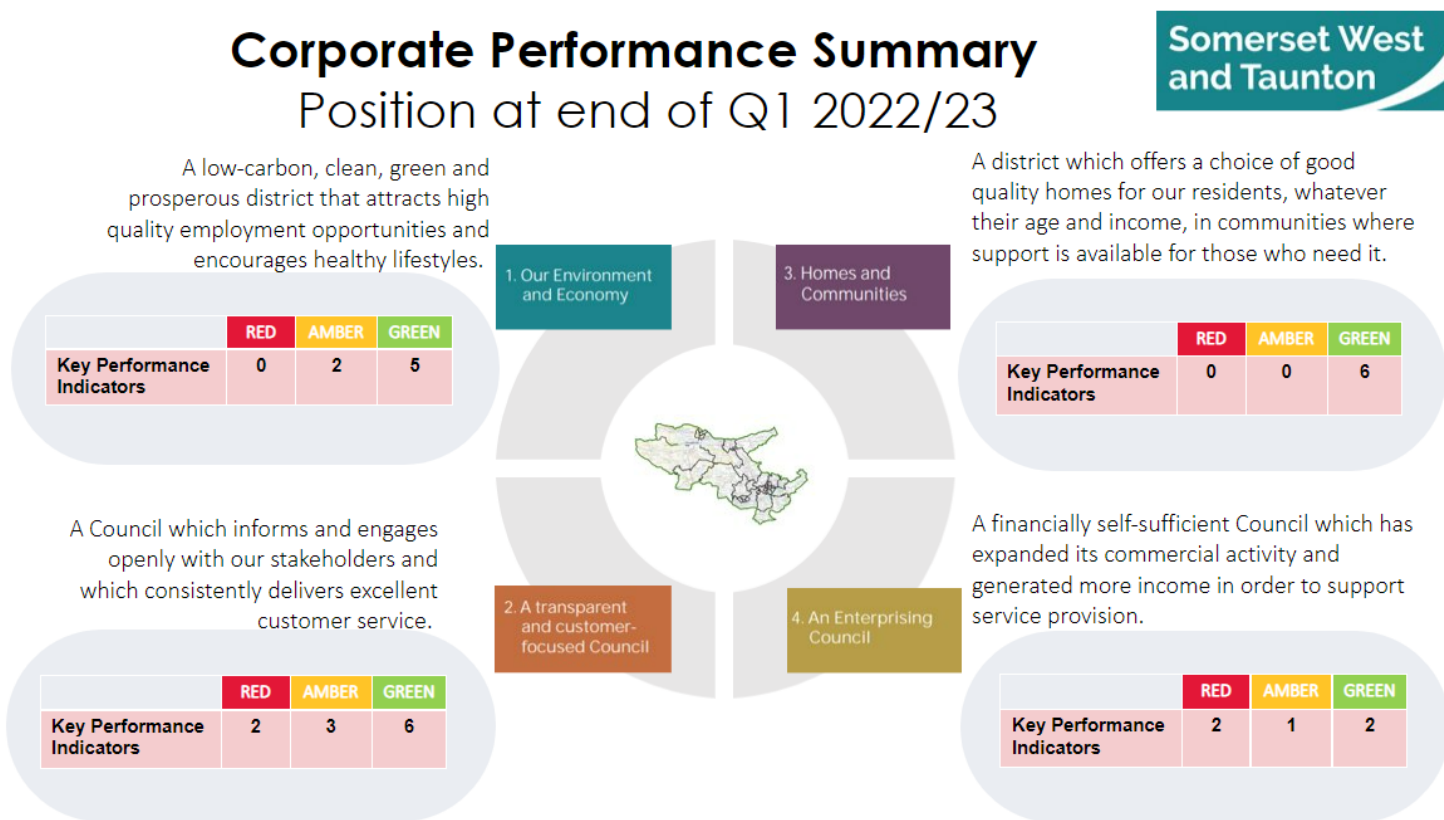
- The position in respect of our key performance indicators at the end of the quarter 1 (30th June).
- A summary of the Council's key business risks and issues together with the current status of the actions being taken to respond to them.

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 strategic priorities, and progress for the implementation of the Annual Plan will be reported for the mid-year position at the end of September.

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 the corporate priorities to indicate how they support the delivery of the Corporate Strategy.

The graphic below provides an overview of performance for the first 3 months of the 2022/23 financial year for the Key Performance Indicators. Further details are provided in Appendix 1. Of the Key Performance indicators, 19 are Green, 6 are Amber and 4 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 the first 3 months of the 2022/23 financial year. Where appropriate, the table includes a “direction of travel” arrow to show whether performance has improved, worsened, or stayed the same, since the end of March.

For the majority of indicators, the target has either been met or, in many cases, has been exceeded. 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 first 3 months of the year is 76%, which is below the target of 90%.

The breakdown of the complaints response times across the Directorates is detailed below:

Directorate	Number of complaints in the quarter	Number of complaints answered in 10 working days	Percentage of complaints answered in 10 working days
Internal Operations	81	73	90
External Operations	61	48	79
Development and Place	11	10	91
Housing and Communities	72	40	55

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. The demands of LGR transition are also having an impact here. In addition, this is particularly of note in areas where vacancies have been difficult to fill, and sickness and holiday periods have led to further capacity reductions.
- *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. For example, the Housing Ombudsman reported a 230% increase in the number of complaints reported for the period April to June 2021 from the same period in the previous year.

We have and are actively taking steps to improve our performance on response times. These steps include:

- We have trained additional staff within the Customer Services team in the processes for initially triaging complaints and distributing them to the relevant services. This is helping to speed up the process for getting the complaints to the relevant officers.

- Refining and re-writing elements of the IT software (Firmstep) that manages the complaints process to make the routing of complaints easier. These changes have been implemented in the live system and are working as expected.
- Training is ongoing across the organisation to build both capacity and improve the quality of responses to complaints.
- Response times in Housing have been directly affected by extended vacancies in key posts (Case Manager Complaints, Maintenance Manager and Capital Programme Manager), staff sickness as well as leave all of which reduces available capacity to investigate and respond. The response percentage has increased since April to 68% for June 2022. 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. The Housing Ombudsman Code self-assessment has been completed (as reported to the Tenants' Strategic Group July 2022) and work towards 100% compliance with the code by October 2022 is underway.
- 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, inflation and the worsening economic climate all of which will continue to make this a challenging target.

Average call wait times:

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.

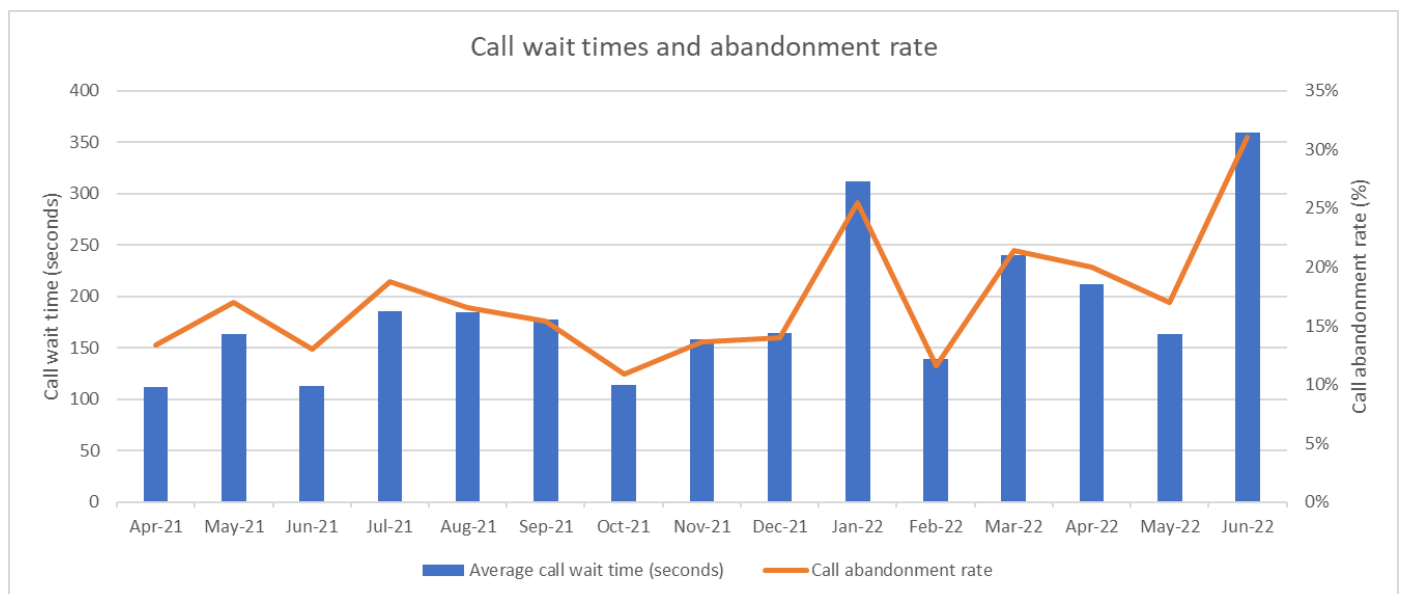
This target has proved extremely challenging over the past year, which has seen increases both in the number of calls we are receiving and the duration of calls. This trend has continued into the current year. During the first quarter of this financial year

we received 60,000 calls, which represented a 5% increase on the same period for the previous year. In addition, the average duration of the calls received during quarter 1 this year has increased by 18%.

The increase in calls is driven:

- In part by business as usual activity (Council Tax bill issue in March 2022 and garden waste renewals), which are tending to generate more calls post-Covid; and
- By the Council Tax Fuel Rebate scheme announced by Government earlier in the year. This affected circa 60,000 properties. The delay between the Government communicating their intention in March 2022 and our actually being able to commence payments coupled with the requirement for a substantial number of people being required to apply for a rebate has inevitably driven up call volumes.

The chart below shows the call wait times and the abandonment rate for the previous year and the first quarter of 2022/23. There is a clear correlation, and it is recognised that when call wait times are longer, the number of people who abandoned their call increases. The spike in January resulted from a post-Christmas increase in calls, which is not uncommon, combined with staff resourcing issues at that time. The spike in June resulted from a combination of increased calls regarding Council Tax Fuel Rebates and garden waste renewals.



Locally we have continued to face resourcing challenges. Turnover within our customer service teams is higher than the average. This is a nationally recognised issue and not unsurprising given the nature of the work and the fact that, in our case, this is very much an entry point into the organisation. However, we are now also experiencing significant difficulties in being able to recruit, which again is a national problem.

In addition, a number of the senior staff within Customer Services are also having to spend increasing amounts of time focussing on the transition of the various elements of the service into the new unitary council. Customer services is one of the critical functions that needs to transition smoothly so this work is vital, but obviously will potentially distract from their ability to focus on immediate operational issues.

Actions have and continue to be taken to improve our call answering capacity and speed. These are summarised below:

- Additional agency staff were recruited to assist with the initial phase of the Council Tax Fuel Rebate enquiries;
- We utilised the services of a specialist external call handling services (Agilisys) to help with the application process;
- Two additional temporary posts are being added to the structure for the remainder of the financial year. The purpose of these posts is to provide additional resilience to help us work through the frequent occurrences of staff turnover; and
- We are currently looking at the backfill requirements to enable the senior staff to fully engage with the unitary transition programme.

The figures for July, whilst still high, are showing a small reduction in the volume of calls when compared to the previous three months. This is probably reflective of the fact that we have completed the Fuel Rebates process. Early indications for August are suggesting this reduction in calls is ongoing, although August is normally a relatively quiet month.

Average processing times of new Housing Benefit claims:

Performance for processing new Housing Benefit claims for the period April to June has averaged 21.82 days, which is worse than the target of 19 days. This results from an increase in workload elsewhere in the Benefits service to which we had to divert resourcing (specifically an increase in Universal Credit work items following annual uplifting) and increased workload resulting from LGR transition activities. In May we recruited a temporary Senior Case Manager whose focus will be on managing and maintaining business as usual service delivery. This enables other senior staff within the team to focus on the LGR transition activities.

The immediate focus for the new manager has been on ensuring the team prioritise those new claims and changes of circumstance where the customer has provided all the evidence and information we need to make a decision. This has resulted in a significant reduction in average processing times for June (20.03 days). The figures for July indicate that we are now processing within target.

Sickness Absence (average days sickness per employee)

Although current performance is rated as Amber, the target of 7.2 days sickness per employee for the year is aspirational and ambitious yet is very nearly being reached. Particularly given the make up of our workforce which includes a reasonable proportion of manual work. The unprecedented impact of the pandemic on working patterns over recent years has made it more challenging to set meaningful targets for sickness due to the issues with looking at trends in data from previous years. In 2021/22, this target was met, which was a significant achievement given that levels of sickness in previous years had been much higher.

Undoubtedly home working is a positive factor in reducing sickness absence. We are very close to achieving this target again, and based on Q1 performance, the forecast

for the year would be 7.6 days. Sickness data is closely monitored by Directorate management teams on a monthly basis and will be kept under review.

Staff Turnover

The target for the year is to be under 12%, which is very aspirational, and is very close to being met. The Q1 performance is 3.31, suggesting a forecast for the year of 13.2. While not giving cause for concern at this stage, the data is monitored by Directorate management teams on a monthly basis and will be kept under review.

Risks to increased turnover include;

- The Local Authority sector is rapidly losing pace on pay with other employers. Whilst historically an increased salary is an outcome rather than a driver of job change. The current economic climate is likely to drive behaviour as employees feel the impact of inflation.
- Other employers (including the NHS) matching the flexibility that was previously a key selling point for Local Authorities.
- Post pandemic, employers are far more relaxed about staff living a considerable distance from their work base. This has resulted in employees moving to jobs with London salaries yet remaining in Somerset.
- There is some evidence of employees moving between districts to maximise their income. Indeed, one authority is offering incentives to planning staff to move to them.
- Job security related to LGR is a factor and this risk will heighten when news of the size of the MTFP gap becomes more widely known.

% of planning appeals that have had the decision overturned:

The number of planning appeals is generally low (there have been 40 in the past 12 months) which is why the indicator looks at performance over the past 12 months. Because of the low numbers, it only takes a few appeals to have a big impact on the percentage. Of the 40 appeals, 16 have had the decision overturned by the Planning Inspectorate. During Quarter 1 of 2022/23, 5 appeal decisions were received. Of these, 1 decision (20%) was overturned which is below the target of 33%.

% of other planning applications determined within 8 weeks or an agreed extension of time:

Performance for March to June has been 75% which is lower than the target of 80%. This is due to workloads, staff sickness, vacant posts and the lack of extensions of time agreed.

Forecast budget variance for General Fund, Forecast budget variance for Housing Revenue Account, Forecast level of reserves for Housing Revenue Account.

Detailed commentary for these indicators is provided in the finance reports.

4.3 Risk Management update

The quarterly Corporate Performance Reports 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 2. 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 June there were 5 Key Business Risks (with a score of 15 or higher) on the risk register which are shown in Appendix 3.

As of the end of June the Corporate Issues Log contained 2 Issues which are shown in Appendix 4.

Appendices 3 and 4 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.

Democratic Path:

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

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

List of Appendices

Appendix 1	Key Performance Indicators Report
Appendix 2	Risk Scoring Matrix
Appendix 3	Corporate Risk Register – Key Business Risks
Appendix 4	Corporate Issues

Contact Officers




Name	Richard Sealy	Name	Malcolm Riches
Direct Dial	01823 217558	Direct Dial	01823 219459
Email	r.sealy@somersetwestandtaunton.gov.uk	Email	m.riches@somersetwestandtaunton.gov.uk

SWT Performance report 2022/23

Link to Corporate Strategy	Full definition	Target 2022/23	Quarter 1	Direction of Travel	Denominator	Quarter 1	Numerator	Quarter 1
Transparent & Customer Focused	% of complaints responded to in 10 working days	90%	76%	↓	Total number of complaints received	228	Number of complaints responded to within 10 working days	174
	% of FOI requests responded to in 20 working days	75%	89%	↓	Total number of FOI requests received	112	Number of FOI responded to within 20 working days	100
	% of calls to Deane Helpline answered in < 60 seconds	90%	96%	↑	Total number of calls to Deane Helpline in the month	85467	Number of calls answered in under 60 seconds	82127
	Average call wait time (secs) for the last month	60 secs	359	↓				
	Cumulative percentage of the amount of Council Tax collected*	97%	33.81%	↑	Total amount of Council Tax to be collected by the 31st March	£114,325,449	Amount of Council Tax collected in the year so far	£38,696,094
	Cumulative percentage of the amount of Business Rates collected*	95%	31.67%	↑	Total amount of Business Rates to be collected by the 31st March	£54,052,048	Amount of Business Rates collected in the year so far	£17,119,920
	Average processing times of new Housing Benefit claims	19 dys	21.82	↓	Number of new Housing Benefit claims received	168	Total number of days	3666
	Average processing times for changes in circumstances for Housing Benefit claims	9 dys	7.11	↓	Number of new Housing Benefit Change of Circumstances received	1988	Total number of days	14127
	% of Licensing applications process within required timescales	90%	90%	↓	Number of licensing applications processed	494	Number of licensing applications responded within timescales	445
	Sickness Absence - average days sickness per employee (target is for the year)	7.2 dys	1.9	↓	Total working days lost for all employees (cumulative)	1148.5	Number of FTE staff	604
Staff Turnover (target is for the year)	< 12	3.31	↓	Total number of staff	604	Total number of leavers	20	
An Enterprising Council	Forecast budget variance for General Fund	£0	£326k					
	Forecast budget variance for Housing Revenue Account	£0	£745k					
	Forecast level of uncommitted reserves for General Fund.	£2.4m	£6.093m					
	Forecast level of reserves for Housing Revenue Account.	£2m	£2.468m					
	On target for Commercial Income Generation	£4.0m	Yes					

Link to Corporate Strategy	Full definition	Target 2022/23	Quarter 1	Direction of Travel	Denominator	Quarter 1	Numerator	Quarter 1
Environment & Economy	% of reported fly tipping incidents responded to within 5 working days	80%	80%	↓	Number of fly tipping incidents	189	Number of fly tipping incidents responded to within 5 days	152
	% of service requests for street cleansing actioned within 5 working days	85%	85%	↓	Number of service requests for street cleansing	294	Number of service requests actioned within 5 working days	250
	% of major planning applications determined within 13 weeks or within agreed extension of time**	75%	83%	↓	Total number of major planning applications received	6	Total number of major planning applications determined within 13 weeks or agreed extension	5
	% of minor planning applications determined within 8 weeks or agreed extension of time**	65%	69%	↓	Total number of minor planning applications received	91	Total number of minor planning applications determined within 8 weeks	63
	% of other planning applications determined within 8 weeks or an agreed extension of time**	80%	75%	↓	Total number of other planning applications received	173	Total number of other planning applications determined within 8 weeks or an agreed extension	130
	% of planning appeals that have had the decision overturned	33%	40%	↑	Number of appeals received (last 12 months)	40	Number of appeals where the decision is overturned (last 12 months)	16
	% Play area inspections completed to schedule	100%	100%	↔	Play areas to be inspected	1644	Inspections carried out	1644
Homes and Communities	Current tenant arrears at the end of month %	2.72%	2.61%	↑				
	Number of families in B&B over 6 weeks (position at the end of the quarter)	0	0	↑				
	Average re-let time in calendar days (key to key)	49 dys	44	↑	Total Number of dwellings let following void process	81		
	% of housing dwellings with a valid gas safety certificate (LGSR)	100%	100%	↔	Total number of dwellings requiring a valid gas safety certificate	1330	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%	100%	↔				
	Completion of housing emergency repairs within 24 hours	100%	100%	↑	Total number of emergency housing repairs	467	Total number of emergency housing repairs completed in 24hrs	467

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 current figures appear well below target, but these are cumulative totals.

** 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 2

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 3 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	Green	Green
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	Green	Amber
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	Amber	Amber
CR35	Impact of conflict in Ukraine	Cause: The conflict in Ukraine increases the unpredictability, which may have an impact on a number of aspects of the Council's business. Impact: This may impact on oil/gas supply, other supply chains, add to inflationary pressures, which will add to further cost of living. This will have a knock-on impact on other workloads, inc homelessness where our capacity to respond is already a challenge as the system is under pressure.	Apr-21	4	4	16	Alison North	Amber	Amber
CR36	Cost of living crisis	Cause: With the increase in the cost of living, there will be an increased growth in demand for key services (Revs and Bens, Debt Recovery, inc rent arrears etc). Impact: This will have a knock-on impact on other workloads, inc homelessness where our capacity to respond is already a challenge as the system is under pressure.	Apr-21	4	4	16	Alison North	Amber	Amber

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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

Appendix 4 Corporate Issues

REF	Issue details					
	Name	Summary of the issue	Date added	Owner	Mitigation plan development status	Mitigation plan implementation status
CI 9	Phosphates	Management of phosphate levels in Tone catchment, particularly regarding impact on planning applications.	Nov-20	Alison Blom Cooper	Amber	Amber*
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	Green	Amber

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>

