

## SWT Corporate Scrutiny Committee

Wednesday, 7th December, 2022,  
6.15 pm



Somerset West  
and Taunton

The John Meikle Room - The Deane  
House

[SWT MEETING WEBCAST LINK](#)

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**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

(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 - 32)

To update the Scrutiny Committee on the progress of resolutions and recommendations from previous meetings of the Committee.
- 6. Corporate Scrutiny Committee Forward Plan** (Pages 33 - 34)

To receive items and review the Forward Plan.
- 7. Executive and Full Council Forward Plan** (Pages 35 - 38)

To review the Executive and Full Council Forward Plans.
- 8. Update on Local Government Review (via zoom)**

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

To provide a verbal update on LGR progress. This has been requested as a standing item on the agenda by the Chair, Cllr Sue Buller.
- 9. Corporate Performance Report Quarter 2 - 2022/23** (Pages 39 - 60)

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

Report Author: Malcolm Riches, Business Intelligence and Performance Manager.
- 10. Somerset Innovation Exchange - Outcomes and Opportunities.** (Pages 61 - 64)

This matter is the responsibility of Executive Councillor for Economic Development, Planning and Transportation, Mike Rigby.

Report Author: Gordon Dwyer, Economic Development Specialist.

**11. Access to Information - Exclusion of the Press and Public - Appendix F ONLY**

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

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

**12. General Fund Financial Performance Qtr2 2033/23**

(Pages 65 - 100)

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.



**ANDREW PRITCHARD  
CHIEF EXECUTIVE**

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

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

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

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**SWT Corporate Scrutiny Committee - 2 November 2022**

Present:

Councillors Ian Aldridge, Norman Cavill, Simon Coles, Habib Farbahi, Ed Firmin, John Hassall, Nicole Hawkins, Janet Lloyd, Nick Thwaites (Vice Chair in the Chair), Brenda Weston and Loretta Whetlor

Officers: Chris Hall, Amy Tregellas, Sam Murrell, Lisa Tuck, Joe Wharton, Tim Bacon, Alison Blom Cooper, Graeme Thompson, Kate Murdoch and Jenny Clifford

Alison North (via zoom)

Also Present: Gordon Hollins (CEO of the SCCC) Malcolm Derry (Finance Director of the SCCC) and Jon Bendle (Managing Director of the Somerset Cricket Federation).

(The meeting commenced at 6.15 pm)

**52. Apologies**

Apologies were received from Cllrs Sue Buller (subs Janet Lloyd), Libby Lisgo (subs Brenda Weston), Gwil Wren (who joined via zoom) and Simon Nicholls.

Cllr Sarah Wakefield joined via zoom to give a brief update under Item 9, with officer support provided by Alison North.

Cllrs Dave Mansell and Vivienne Stock-Williams attended via zoom.

**53. Minutes of the previous Corporate Scrutiny Committee**

The minutes of the previous meeting held on 5 October 2022 were confirmed as a true record.

*Prop: Coles / Sec Lloyd Unanimous*

**54. 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 H Farbahi	All Items	SCC	Personal	Spoked and Voted
Cllr J Lloyd	All Items	Wellington & Sampford Arundel	Personal	Spoke and Voted
Cllr N Thwaites	All Items	Dulverton	Personal	Spoke and Voted
Cllr B Weston	All Items	Taunton Charter Trustee	Personal	Spoke and Voted
Cllr L Whetlor	All Items	Watchet	Personal	Spoke and Voted

Cllrs Simon Coles and Janet Lloyd declared a personal interest in Item 8 – as both are members of the Somerset County Cricket Club.

55. **Public Participation**

There were no items of public participation.

56. **Update on the Local Government Review**

Cllr Wakefield provided an update via zoom and was supported by Alison North.

Now that Duncan Sharkey was in post, work was moving at pace to implement Tier 2/3 management level appointments. Some vacancies would be filled internally where there was a natural fit and some slotting in could take place.

Any changes to the organisational or staffing structure would involve consultation with staff and the relevant unions.

There were many workstreams ongoing with masses of work taking place, all looking towards being safe, legal and functioning on vesting day.

The LCN Consultation has now finished, and the team were working through the responses. It was likely that although LCNs would be set up for April 1, they would evolve as there were still questions to be worked through around the regulatory functions such as planning.

6.30pm Alison North left the meeting.

57. **Update on Somerset County Cricket Club (SCCC)**

Corporate Scrutiny welcomed Gordon Hollins (CEO of the SCCC), Malcolm Derry (Finance Director of the SCCC) and Jon Bendle, Managing Director of the Somerset Cricket Foundation to the Committee.

A short presentation took place in which Jon Bendle detailed the community outreach work that is being undertaken to enhance the lives of Somerset residents through participation in cricket. The slides can be viewed [here](#).

Malcolm Derry then provided an overview on the financial status of the SCCC, and the challenges it faces going forward into 2023 and beyond. These slides are available to view [here](#).

Gordon Hollins wrapped up the presentation by saying that the goal of the SCCC was to inspire communities and invest in facilities. The SCCC benefitted from a progressive and experienced Leader of the Board, with a capable team of Directors supporting him. They were currently writing their development strategy which would be looking towards delivery up until 2028.

Comments and questions from the Committee included: -

- Williton Pavilion, (managed by Williton Parish Council) would be a good indoor venue for accommodating cricket outreach work. Likewise, Minehead Eye would be a good point of liaison because the staff there co-ordinate all the youth clubs in the West Somerset area. They also have access to a large indoor space in Minehead.
- Cllr Firmin asked why the 2020-21 accounts had not been published on the SCCC website? Malcolm Derry explained this was an oversight, and he would be following this up to ensure they were displayed ASAP. The 2021-22 accounts would be available from the end of this calendar year.
- It was acknowledged that lack of social mobility was a huge barrier to participating in cricket and other sports in West Somerset. The SCCC were trying to tackle this, but lack of venues and transport was a prohibiting factor.
- The Cricket Federation through their work with the Lord Taverners ECB were looking to expand their SEN delivery across the wider Somerset area, which would include towns such as Wellington.
- It was asked whether the capacity of the SCCC would be increased to accommodate the T20 games, which were always sold out? Gordon Hollins said that the ground development strategy was examining all the options and increasing the stadium space was one avenue to explore. At the present time, all profits were being ploughed back into the development of the club.
- Interest rates and the cost-of-living crisis were going to prove challenging going forward. General utilities were increasing and the projected electricity costs for the spotlights alone were going to eat into the profit margins.
- Outreach work placed a heavy emphasis on being inclusive and making cricket accessible to everyone. It was recognised that upskilling coaching staff, familiarisation and consistency were key components when dealing with SEN and vulnerable players. A lot of the work was about making these participants feel safe in their environment so that it could be extended into their own cricketing communities.

The committee thanked the SCCC for an entertaining and informative presentation.

58. **Firepool Design Guidance and Masterplan**

Cllr Rigby introduced the report which was a consultation document and not a planning application. It provides an overview of the plans, centred around a mixed-use residential scheme and multi-purpose venue including a cinema and bowling alley.

Comments from the Committee included: -

- It was asked whether there would be consultation undertaken with the existing businesses already in Station Road? *There would be an online consultation set up, as well as drop-in sessions for views to be shared. It was recognised that a large part of the consultation work would be around relationship building.*
- The timescales around delivery were very tight – is this likely to be achieved? *It will be delivered in phases, and some work such as the drainage has already started. Most of the future work will be taken forward by the new Somerset Council.*

The Committee moved to note the recommendations to the Executive.

*Prop: Thwaites / Sec: Firmin Unanimous*

7.30pm Cllr John Hassell, Joe Wharton and Tim Bacon left the meeting.

59. **Governance for Taunton Garden Town**

Cllr Mike Rigby introduced the Governance for Taunton Garden Town, and Jenny Clifford explained what the report was designed to achieve.

Homes England has recommended that a governance arrangement is put in place to formally manage the process. It will provide a clearer structure on how policies and procedures interact.

Comments from the committee included: -

- Cllr Coles welcomed the introduction of an Implementation Board
- Cllr Aldridge had concerns around the level of staffing resource required and whether SWT could accommodate this?
- Cllr Cavill stated it was important that any measures implemented by the Board were enforced. As a planning authority SWT needs to exercise due care to ensure that developers conserve the natural environment.
- Cllrs Whetlor/Lloyd stated that the new Shadow Taunton Town Council had not been included as a consultee/stakeholder and this should be recognised and rectified as soon as possible.
- Cllr Farbahi said that SWT was behind on the new homes target. 10k homes still unbuilt from a predicted 17K to be completed by 2028. Phosphates is not helping this situation either.

- Cllr Rigby said that there was a constant rolling programme of bidding for available funding, and very often the timescales were extremely tight. (Sometimes it would literally only be a matter of days!) It was important therefore that bids were prepared so that they could be “oven-ready” and provide a skeleton framework to be worked up and delivered quickly.

The Committee moved to note the recommendations to the Executive Committee.

*Prop: Coles / Sec Whetlor Unanimous*

7.48pm Cllr Mike Rigby and Graeme Thompson left the meeting.

#### 60. **Corporate Scrutiny Request/Recommendation Trackers**

Cllr Lloyd raised that a response had been received by her personally from the SRA, with regard to her query about flooding in Wellington. She was waiting for a further update but was aware that this had not been shared with the wider committee.

It was requested that Cllr Lloyd forward her email to the committee clerk so that the tracker could be updated, and that the other Cllrs awaiting responses do the same.

Cllr Whetlor supported this suggestion, and the Committee agreed.

#### 61. **Corporate Scrutiny Committee Forward Plan**

Cllr Mansell made a request that Corporate Scrutiny review the performance of the planning department in light of recent challenges. He was asked to complete a work request form detailing the requirements of the report he wanted undertaken, so that this could be reviewed at the next Coordinating Scrutiny meeting. If the Chairs of the committees were in agreement, this would be followed up with officers and it could be timetabled into the Forward Plan.

Lisa Tuck confirmed that there would be an update on the Innovation Exchange brought to the December Corporate Scrutiny Committee. (Already noted in the Forward Plan).

No other comments were forthcoming.

The committee noted the Forward Plan.

#### 62. **Executive and Full Council Forward Plan**

The Committee agreed to note the Forward plans. No comments were forthcoming.

*Prop: Coles / Sec: Cavill (Unanimous).*

(The Meeting ended at 8.03 pm)







**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 <b>28 July</b> 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 <u>Phosphates on the Somerset levels and moors</u> (<a href="http://somerwestandtaunton.gov.uk">somerwestandtaunton.gov.uk</a>) 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 style="text-align: center;">Page 14</p>	<p>Corporate Performance Report: High proportion of planning refusals have been overturned by the Planning Inspectorate.</p> <p><i>(Page 266 &amp; 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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<p>06/07/2022</p>	<p>Corporate Performance Summary: Our Environment and Economy <i>(Page 264, Item 1)</i></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>	<p>Mike Rigby / Chris Hall (Econ Regen)</p>	<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.</i></p> <p><i>12 business ambassadors from varying sectors of the economy have also been recruited to act as business ambassadors for the area.</i></p> <p><i>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>	<p>25/07/22</p>	<p>Lisa Tuck</p>
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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"><b>Economic Initiatives EMR (BE019)</b></td> </tr> <tr> <td colspan="2"><b>2022/23</b></td> </tr> <tr> <td><b>Opening Balance</b></td> <td><b>(642,538.36)</b></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><b>Closing Balance</b></td> <td><b>(15,538.36)</b></td> </tr> </table>	<b>Economic Initiatives EMR (BE019)</b>		<b>2022/23</b>		<b>Opening Balance</b>	<b>(642,538.36)</b>	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	<b>Closing Balance</b>	<b>(15,538.36)</b>	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 (<i>Page 322</i>). 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
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<p>03/08/2022</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>	<p>Cllr Mike Rigby / Sarah Ellwood (Project Manager – Active Travel and Regeneration).</p>	<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 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.</p>	<p>08/08/22</p>	<p>Jenny Clifford / Sarah Ellwood</p>
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01/09/2022

General Fund: Financial Performance Report Qtr1

Cllr Lisgo queried how the virements within the External Operations had been arrived at.

Can there be a clearer representation of the variances within that Directorate which clearly show the movement of the budgets? Ref Page 32 of the report. Can a table please be provided?

Can this be circulated to the Committee.

Cllr Benet  
Allen / Internal  
Operations

Chris Hall  
External  
Operations

The table identifies that the £302k virement is made up of some reductions in parking enforcement activity, savings identified in Street Scene, some savings and increased income from Parks and Open Spaces, and some savings and additional income from Bereavement Services. The largest single movement is created by increased income in bereavement services, this is a demand led service and in year changes in income are not uncommon. As a reminder these efficiencies against the budget are being used to support a reduction in income from off street car parking.

**Commercial  
Services  
22-23  
Budget  
Review**

	Parking & Enforcement	Street Scene	Parks and Open Spaces	Bereavement Services
Expenditure Budgets	-£20,040	£60,000	£42,000	-£20,000
Income Budgets	£302,040	£0	£10,000	-£150,000
Net	£282,000	£60,000	£52,000	-£170,000

This table has been added to the Executive report and Scrutiny's comments have been referenced.

14/09/22

Chris Hall / Kerry  
Prisco

<p>01/09/2022</p> <p style="text-align: center;">Page 20</p>	<p>Cllr Lisgo/Lloyd: Corporate Performance Report Qtr1 – Can a breakdown be provided of the different Directorate complaints? This is to enable a clearer view on where there may be pressures in the business and tweak out common themes.</p>	<p>Cllr Benet Allen / Internal Operations</p>	<p>Examples of the types of complaints for each directorate are:</p> <p><b>Internal Operations:</b> Council Tax recovery, handling of calls, website issues, claim decisions for discounts/exemptions/benefits and processing times.</p> <p><b>External Operations:</b> Response time to reports, communication on ongoing cases, standard of service and parking machine faults.</p> <p><b>Housing &amp; Communities:</b> Timescales for repairs/upgrades, standard of work, communication issues and perceived lack of action regarding ASB.</p> <p><b>Development &amp; Place:</b> Planning; timescales for decisions, handling of applications and perceived lack of action regarding breaches.</p>	<p>14/09/22</p>	<p>Alison North / Malcolm Riches and Jess Thomas</p>
<p>05/10/2022</p>	<p>Cllr Farbahi: Catapult Report – Which of the 6 recommendations outlined in this report have been taken forward?</p>	<p>Cllr Mike Rigby / Economic Development</p>	<p><u>Please see the supplementary sheet for a full written answer.</u></p>	<p>18/10/22</p>	<p>Chris Hall /Lisa Tuck / Mark Wathen</p>

05/10/2022	Cllr Farbahi: Is the £50K "Innovation Districts" money identified in the Economic Initiatives EMR (BE019) table the money set aside for the Innovation Exchange?	Cllr Mike Rigby / Economic Development	Yes. It cost £35k in total to stage the Somerset Innovation Exchange event. £20k was secured from the Somerset £4m Business Rates Pool pot and so only £15k of SWT funds was utilised to stage the event. Income generated from ticket sales amounted to £1.5k, which further off-set the cost, resulting in a final cost to SWT of only £13.5k.	18/10/22	Chris Hall /Lisa Tuck / Mark Wathen
05/10/2022	Cllr Farbahi: What are the outcomes of the Innovation Exchange? What options are there to expand on this for the new council?	Cllr Mike Rigby / Economic Development	Chris Hall to arrange for a member of the Economic Development team to attend Corporate Scrutiny in December, to provide an update to Members on the outcomes.  <u>Please see the supplementary sheet for a full written answer.</u>	06/10/22	Chris Hall /Lisa Tuck / Mark Wathen
05/10/2022	Cllr Farbahi / Habgood How are legacy assets performing that sit outside the commercial investment portfolio? It is important that these are carried across to the new Authority with clear and transparent performance management.	Cllr Mike Rigby / Economic Development/ Cllr Benet Allen / Internal Resources	The Commercial Investment Report will come to Corporate Scrutiny in January on its route to Full Council in February. An appendix will be added to the report to cover the legacy assets that produce an income. (It will be a table with the name and income per annum).	05/10/22	Chris Hall / Joe Wharton / Harvey Gardner

05/10/2022	Cllr Gwil Wren – could a written update please be provided of the current flood management schemes currently taking place in the Milverton area.	Cllr Dixie Darch / Climate Change	Reply from the SRA can be accessed <a href="#">here</a> .	07/11/22	Chris Hall / Jonathan Stevens
05/10/2022	Cllr Janet Lloyd - can an written update be provided on the current flood management schemes that are going on in the Pinksmoor Area.	Cllr Dixie Darch / Climate Change	Reply from the SRA can be accessed <a href="#">here</a> .	07/11/22	Chris Hall / Jonathan Stevens
05/10/2022	Cllr Dave Mansell - can an written update be provided on the current flood management schemes that are going on in the Wiveliscombe Area.	Cllr Dixie Darch / Climate Change	Reply from the SRA can be accessed <a href="#">here</a> .	07/11/22	Chris Hall / Jonathan Stevens




## **- MILVERTON**

More details as requested by Cllr Gwil Wren about activities funded by Somerset Rivers Authority (SRA) in the Milverton area.

### **Natural Flood Management online auctions 2021-22**

Every year since 2018 Somerset Rivers Authority (SRA) has given grants to successful bidders for works to help stop flooding. Somerset farmers are invited to bid via an auctions website ([www.naturebid.org.uk](http://www.naturebid.org.uk)) for Natural Flood Management (NFM) measures which they believe would work well on their land.

The auctions are organised for the SRA by the Farming & Wildlife Advisory Group SouthWest (FWAG SW). They are reverse auctions. In conventional auctions, bids go up until the highest one wins. In reverse auctions, people who submit lower bids are triumphant.

Manor Farm at Otterhampton successfully bid for grants for better post-harvest maize management across 131.84 hectares of land in several locations, including the parish of Milverton (also the parishes of Cannington, Wembdon, North Petherton, Oake, Nynehead). Watercourse Hillfarrance Brook, catchments Tone and Parrett.

A note on maize management: water running off from compacted maize ground can contribute to localised flooding. Problems can be minimised by encouraging the infiltration of water through soil. Useful techniques include drilling and cultivating fields with a winter cereal or ryegrass, after maize has been harvested. Establishing green cover helps to intercept rainfall and protect the soil surface.

To get the grants they bid for, farmers have to cut their maize before 1 October. This rule is intended to allow for more time, after harvesting, for run-off reduction works to be carried out. If works are left too late, then the soil can simply become too wet for success.

### **Natural flood management grants for capital schemes 2021-22**

At **Lower Lovelynch, near Milverton**, Hillfarrance Brook, works were done to reduce flooding and lessen the amount of soil deposited on a troublesome corner on the B3187 between Wellington and Milverton. Too much water from an uncontained spring was flowing down onto the road.

Works consisted of four main elements:

- Digging a ditch to contain and divert water into an existing culvert to take water into an existing drainage pipe.
- Cutting grips to re-direct water onto grassland to slow its flow, allow for infiltration into the ground and for sediment to settle.
- Extending an existing grassland area and installing a silt trap.
- Installing raised banks to intercept and slow run-off, and stabilising those banks with hedge planting.

## **Drain jetting 2021-22**

125 drains were jetted for the SRA in 2021-22, including 33 in Somerset West and Taunton, and Wiveliscombe Road in Milverton.

Under existing budgets, Somerset County Council's Highways Department can only afford to jet drains when a bad blockage has occurred. SRA funding allows for earlier preventative maintenance at locations known to suffer problems with flooding. Final selections of drains for jetting are made using local knowledge and professional judgement.

## **Somerset West and Taunton**

### **Grassland sub-soiling 2019-20**

Lower Cothay Farm, in that year's NFM online auctions, won grants for grassland sub-soiling between Nynehead and Milverton (Lower Cothay Farm), Hillfarrance Brook, in total 38.66 ha. Grassland sub-soiling helps to aerate the soil so it can hold more water. Very wet weather made ground conditions unsuitable for grassland sub-soiling in autumn 2019, so all grants were carried over until autumn 2020.

### **Highways referrals 2019-20**

In 'Highways referrals' SRA partners look for answers to highway flooding problems in better management of land nearby. Cases generally involve Somerset County Council's Highways Department and the Farming & Wildlife Advisory Group SouthWest (FWAG SW), with the former referring problems on to the latter. Highways officers may be told about matters by various sources – for example, residents or parish councils – or they may spot issues themselves, when they are out and about. (As indeed may FWAG SW advisers).

One case investigated in 2019-20 was at **Baghay Farm Lane, Milverton**. Run-off and silt from an arable field were causing problems on the road and in residential areas. Large gullies in the field caused by soil erosion were a factor. Appreciating that there were issues, the farmer dug some channels across the field to divert water away from properties and installed a series of temporary bales on the headland to help reduce soil loss on to the road.

### **Grants for equipment and training 2018-19**

The SRA funds grants for equipment and training given to Somerset communities by Somerset Prepared. One of the biggest grants given in 2018-19 went to Milverton.

Milverton Parish Council was given a contribution towards a diesel generator, torches, foil blankets, first aid kits and training, snow shovels, rechargeable floodlights, hi viz jackets and walkie talkies. The equipment is used by the 40 or so volunteers registered to help

with Milverton's Emergency Plan. It helps to improve the resilience of the village's Designated Place of Safety.

### **NFM schemes 2017-18**

This year schemes included one at Bickley Farm, Milverton (watercourse = tributary of Hillfarrance Brook, Tone catchment). A leaky pond was created which can store up to 5000m<sup>3</sup> of floodwater.

### **NFM schemes 2016-17**

The SRA drew on £550,000 of Growth Deal money from the Heart of the SW Local Enterprise Partnership to fund nearly 50 schemes across Somerset. These included one at Houndsmoor Farm, Milverton (watercourse = tributary of Hillfarrance Brook, Tone catchment), where a rainwater harvesting system was installed to manage water from a roofed area of 450m<sup>2</sup> with an outlet to a leaky pond.

### **- PINKSMOOR**

More details as requested by Cllr Janet Lloyd about Pinksmoor Farm activities funded by Somerset Rivers Authority (SRA). These have largely been on the outskirts of Holywell Lake, and are probably best covered in chronological order.

### **Soil visits 2018-19**

The rationale for SRA funding of soil visits by the Farming & Wildlife Advisory Group SouthWest (FWAG SW) is that better soil husbandry helps to reduce the run-off of surface water. Keeping soil in good health also brings obvious benefits to farmers.

Sometimes soil investigations lead on to bigger natural flood management projects. As at Pinksmoor Farm, which had a visit in 2018.

### **Natural flood management online auctions 2018-19**

Every year since 2018 Somerset Rivers Authority (SRA) has given grants to successful bidders for works to help stop flooding. Somerset farmers are invited to bid via an auctions website ([www.naturebid.org.uk](http://www.naturebid.org.uk)) for Natural Flood Management (NFM) measures which they believe would work well on their land.

The auctions are organised for the SRA by the Farming & Wildlife Advisory Group SouthWest (FWAG SW). They are reverse auctions. In conventional auctions, bids go up until the highest one wins. In reverse auctions, people who submit lower bids are triumphant.

Pinksmoor Farm (in the catchment of the Upper Tone) successfully bid for 40 metres of hedge planting on a new bund on the outskirts of Holywell Lake. This planting – which took place in 2019 and was featured on BBC Points West – filled a gap in the lower corner of a field. It has been helping to stop localised flooding.

FWAG SW regarded this as a great example of hedge planting on a bund; they were “very pleased” with it.

Hence partly its selection for appearance on TV with Clinton Rogers.

Hence partly, also, further schemes in subsequent years.

### **Hedge planting on earth bank 2020-21**

**Pinksmoor Farm, Holywell Lake**, 84.6 metres in the corner of a field just outside Holywell Lake, complementing a previous hedge and bank installed with SRA funding from 2018-19’s online auction. Both have helped to reduce road flooding. Upper Tone catchment.

### **NFM auctions 2021-22: hedge planting on earth banks**

**Pinksmoor** near Wellington, Pinksmoor Farm, 69.4 metres of hedge planting on banks in a good cross-slope location and the bottom of a sloped field; parish Wellington Without; watercourse upper Tone; catchment Tone.

### **- WIVELISCOMBE**

More details about SuDS inspection in Wiveliscombe as requested by Cllr Dave Mansell.

The main aims of SRA-funded inspections of Sustainable Drainage Systems (SuDS) are to ensure that SuDS are built in accordance with the exact designs that were approved by local planning authorities, and that they work as they are meant to work. Local planning authorities have the power to enforce changes to constructed SuDS schemes, and where necessary they use this power.

SuDS inspections are carried out by inspectors based within Somerset County Council.

SuDS inspectors check schemes for compliance against 16 different criteria, such as water quantity, design requirements, health and safety, system blockages, water quality, structural components, biodiversity, materials, vegetation and future maintenance arrangements.

The only site in Wiveliscombe that has been inspected is Style Farm, Wiveliscombe. A SuDS inspector made an initial assessment on 29 October 2021 during the construction phase. Most SuDS features - such as the headwall outfall and flow control device – were incomplete.

Photos were taken but no report was produced.

It was on the list to be re-inspected when complete, but we have been told that the inspector is going to be instructed to re-visit the site to check on progress.

**Q.1. Which of the 6 recommendations of the Connected Catapult recommendations have been taken forward? 05/10/2022**

**The recommendations are as follows:**

**1. Treat relationships as the essential glue – being developed and underway**

The Innovation Leadership Group is intended to be led by businesses with Local Authorities providing the secretariat in the initial stage. Since its inception in July 2021, there have been three meetings and a fourth planned for November 2022. Three workshops have also taken place which helped to inform the forward looking Connected Places Catapult action plan for the next year.

The initial constitution of the Group has involved key cluster/sector leads, County and District Councils (SWT/Sedgemoor), Barclays, Tech South West, Singers, Bridgwater and Taunton College and the HotSW LEP.

The ILG were represented on the steering group of the Innovation Exchange conference and with the organisations represented at the conference, national, sub-regional as well as local relationships have been taken forward, all committed to continue to work with Somerset.

**2. Create mechanism for distributed ownership and leadership – future planning for the new Unitary**

Although this was an SWT initiative, decisions regarding Governance and its operation will need to be determined by the executive of the new Unitary Council. The new Council will need to consider input from the innovation LGR working group and work with the appropriate representation of people and organisations on any future group.

Discussions have been also held with Yeovil College and with the Somerset economic development officers group as part of ongoing LGR discussions who are keen to adopt a distributed hub and spoke model of the innovation district.

**3. Build up a customised proposition grounded in the region's DNA – tender draft and approach being prepared**

The start of identifying a customised proposition grounded in the DNA was first undertaken by EiBC and shared through the science and innovation audit and the framework document produced in 2021.

A proposal is being taken to the November meeting of the ILG regarding the next steps in terms of delving deeper into the businesses within the clusters to further hone the DNA and the unique characteristics of businesses represented in the area.

In parallel, collective work is being undertaken on the Somerset inward investment website, strategy and propositions which is being informed by the innovation district work.

#### **4. Create real focal points and avoid dilution – being implemented**

The three physical innovation centres of the Somerset Energy Innovation Centres (SEIC) in Sedgemoor, the Digital Innovation Centre on Firepool in Taunton (DIC) and the iAero innovation centre in Yeovil represent the key entry gateways to the Somerset innovation ecosystem.

An organisation will imminently be appointed to deliver the initial phase of a three year innovation ecosystem and business support linked to these 3 physical centres, but intended to connect with other public and private sector support and cluster networks across Somerset, wider than just the occupants of the physical centres.

#### **5. Learn and practice new roles and habits for Local Government – for the new Unitary**

One of the actions proposed was to commit some dedicated resource/capacity to support the running of the Innovation Leadership Group and its future Governance and operating model.

As under point 2, this is a discussion for the Executive under the new Unitary authority after April 2023.

#### **6. Consolidate effort into clear phases with stage gates to ensure real progress – see Connected Places Catapult first year action plan in the report**

The clear phases have been set out in the action plan at the end of the Connected Places Catapult report.

The first major one of establishing an annual innovation exchange has been successfully completed.

**Q.2. Is the £50k “Innovation Districts” money identified in the Economic Initiatives EMR (BE019) table the monies set aside for the Innovation Exchange conference? 05/10/2022**

Yes.

It cost £35k in total to stage the Somerset Innovation Exchange event. £20k was secured from the Somerset £4m Business Rates Pool pot and so only £15k of SWT funds was utilised to stage the event. Income generated from ticket sales amounted to £1.5k, which further off-set the cost, resulting in a final cost to SWT of only £13.5k.

**Q.3. What are the outcomes of the Innovation Exchange? What options are there for the new Council to expand upon this?**

The initial aims of the event were set out as:

- To showcase / raise awareness of Somerset’s innovation assets, activities, and support services, among local businesses, partners and stakeholders, and with Government.

- To strengthen innovation networking and knowledge sharing among Somerset’s businesses in order to increase collaborative opportunities.
- To build Government awareness of, engagement with, and investment in, innovation activities within Somerset.

The outcomes are set out against each individual aim in the table below:

<b>Aim</b>	<b>Outcome</b>
<p>Showcase / Raise awareness of Somerset’s innovation assets, activities, and support services, among local businesses, partners and stakeholders, and with Government.</p>	<p>Engagement of:</p> <ul style="list-style-type: none"> <li>• 32 speakers</li> <li>• 8 session leads</li> <li>• 23 Expo and showcase exhibitors</li> </ul> <p>Pre-event marketing campaign focusing on:</p> <ul style="list-style-type: none"> <li>• Businesses exhibiting at the event</li> <li>• Business representatives speaking at the event</li> <li>• Themed sessions at the event such as skills and finance.</li> </ul> <p>Further awareness raising through partners within the County such as Somerset Chamber of Commerce, SWT, Somerset County Council and other key SW stakeholders.</p>
<p>Strengthen innovation networking and knowledge sharing among Somerset’s businesses in order to increase collaborative opportunities.</p>	<p>Collaborative opportunities were increased through:</p> <ul style="list-style-type: none"> <li>• Dissemination of pre-event newsletter and connections and engagements made pre-event over social media</li> <li>• Dissemination of information and knowledge through the content of the event</li> <li>• Provision of delegate contact list at the event to facilitate networking</li> <li>• Connections, networking and knowledge sharing among the businesses that attended the event.</li> <li>• Data gathered from event feedback survey to be utilised as a tool to assist with planning future interventions</li> <li>• Contact list of delegates for engagement in future innovation activity</li> <li>• Commitment from Innovate UK to commit local contact to work with us more closely in Somerset and for the speaker to sit on the Innovation Leadership Group and further follow up with Connected Places Catapult</li> </ul>
<p>Build Government awareness of, engagement with, and</p>	<p>The event attracted engagement, participation and endorsement from: Government organisations:</p>

<p>investment in, innovation activities within Somerset.</p>	<ul style="list-style-type: none"> <li>• Innovate UK</li> <li>• Innovate UK Edge</li> <li>• Department for International Trade</li> <li>• Centre for Connected and Autonomous Vehicles</li> </ul> <p>Non-governmental organisations with specific interest in innovation:</p> <ul style="list-style-type: none"> <li>• Tech South West</li> <li>• Connected Places Catapult</li> <li>• Bridgwater and Taunton College</li> <li>• Yeovil College</li> </ul>
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In addition, the event has acted as a vehicle to:

- Demonstrate that the Council is committed to supporting Innovation as part of ambitious plans to accelerate the growth of the innovation economy and create a thriving and connected peer to peer business destination .
- Demonstrate that Taunton/Somerset is forward thinking and a place in which to confidently invest.
- Act as a call to action for businesses to get involved.
- Help shape the most appropriate activity to take forward to develop innovation across Somerset in line with business need.

**Actions to take forward with partner organisations:**

1. Short term action plan being progressed with the ILG contained within the action plan in the report.
2. Support launch and integration of the innovation support service (ecosystem) with the Innovation District and Digital Innovation Centre.
3. Supporting the Digital Innovation centre Governance and operating model and driving business occupation and events.
4. Undertake the mapping of the sectors/clusters to identify the differentiation factors if any.
5. Review the outcomes of the Innovation Exchange and plan for future events/webinars.
6. Review opportunities arising from Shared Prosperity Fund for bids.
7. Future Governance and operational model to be determined under new Unitary.

	<b>CORPORATE SCRUTINY</b>		
<b>Meeting</b>	<b>Draft Agenda Items</b>	<b>Lead PFH/ Lead Officer</b>	<b>Exec Report?</b>
<b>7 December 2022</b>	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	Innovation Exchange Update	Chris Hall / Lisa Tuck / Mark Wathen	
SMT RD - 26 Oct			
<b>4 January 2023</b>	Review of the Commercial Property Investment Activity and Performance Report	Chris Hall / Joe Wharton / Harvey Gardener	Yes
SRD - 15 Dec	Planning Performance Update	Cllr Mike Rigby / Chris Hall / Principal Planning Officer	
Exec RD - 6 Jan			
Informal Exec RD - 6 Dec			
SMT RD - 23 Nov			
<b>1 February 2023</b>	Update on LGR (via zoom)	PFH Sarah Wakefield	
SRD - 20 Jan			
Exec RD - 3 Feb			
Informal Exec RD - 3 Jan			
SMT RD - 14 Dec			
<b>1 March 2023</b>	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	Chair's Annual Report	Cllr Sue Buller	
Informal Exec RD - 1 Feb			
SMT RD - 18 Jan			



**EXECUTIVE**

<b>Executive Meeting</b>	<b>Draft Agenda Items</b>	<b>Lead Officer</b>
<b>21 December 2022</b>	GF Financial Performance 2022/23 Q2	Kerry Prisco
<b>venue =</b>	HRA Financial Performance 2022/23 Q2	Kerry Prisco
Exec RD = 9 December	Corporate Performance Report Q2	Malcolm Riches
Informal Exec RD = 8 November	Connecting our Garden Communities	Graeme Thompson
SMT RD = 26 October	Wellington Place Plan – Approval to go out for Public Consultation	Sarah Povall
<b>18 January 2023</b>	NTWP - Purchases	Jane Windebank
<b>venue =</b>	Local Labour Agreements	Hattie Winter
Exec RD = 6 January		
Informal Exec RD = 6 December		
SMT RD = 23 November		
<b>15 February 2023</b>	Taunton Garden town: Delivering our Vision	Jenny Clifford
<b>venue =</b>		
Exec RD = 3 February		
Informal Exec RD = 3 January		
SMT RD = 14 December		
<b>15 March 2023</b>	GF Financial Performance 2022/23 Q3	Kerry Prisco
<b>venue =</b>	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	Taunton Heat Network Feasibility Study	Matt Parr/Graeme Thompson



**FULL COUNCIL**

<b>Meeting</b>	<b>Report Deadline</b>	<b>Draft Agenda Items</b>	<b>Lead Officer</b>
<b>06 December 2022</b>	<b>24 November 2022</b>	PFH Reports	
		Low Carbon Retrofit Strategy and Action Plan	Chris Brown
		Treasury Management 2021/22 Annual Report and Q1 2022/23	John Dyson
		Polling District Review	Elisa Day
<b>07 February 2023</b>	<b>26 January 2023</b>	PFH Reports	
		Connecting our Garden Communities	Graeme Thompson
		Review of the Commercial Property Investment Activity and Performance Report	Joe Wharton
		Appointment of Returning Officer for May 2023 Elections	Marcus Prouse/Kevin Williams
<b>28 March 2023</b>	<b>16 March 2023</b>	PFH Annual Reports	
		Scrutiny Annual Reports x 2	Chair of Committee
		Audit and Governance Annual Report	Chair of Committee
		Sign off of all SWT Minutes	
		Firepool Design Guidance and Masterplan	Graeme Thompson
		Wellington Place Plan – Adoption	Sarah Povall



# **Somerset West and Taunton Council Scrutiny Committee – 7<sup>th</sup> December 2022**

## **Corporate Performance Report - Quarter 2 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 6 months of the 2022/23 financial year. The report includes information for a range of key performance indicators and provides an update on progress against the council's annual plan commitments for the year. The report also includes the key business risks for the council.

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

### **2. Recommendations**

Members are asked to note the Council's performance report.

### **3. Risk Assessment**

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

### **4. Background and Full details of the Report**

As part of the Council's commitment to transparency and accountability this report provides an update on performance. The Covid pandemic and economic climate continue to have an impact and the Council's response to these issues is being achieved in addition to the regular day-to-day responsibilities. In addition, services are increasingly having to focus on the transition to the new unitary council from 1 April 2023.

Specifically, the report provides:

- A progress update against the actions to deliver the Council's Annual Plan at the end of the first six months of the financial year,
- The position in respect of our key performance indicators at the end of September,
- 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. The year, the plan was in video format and identified 23 Priorities.

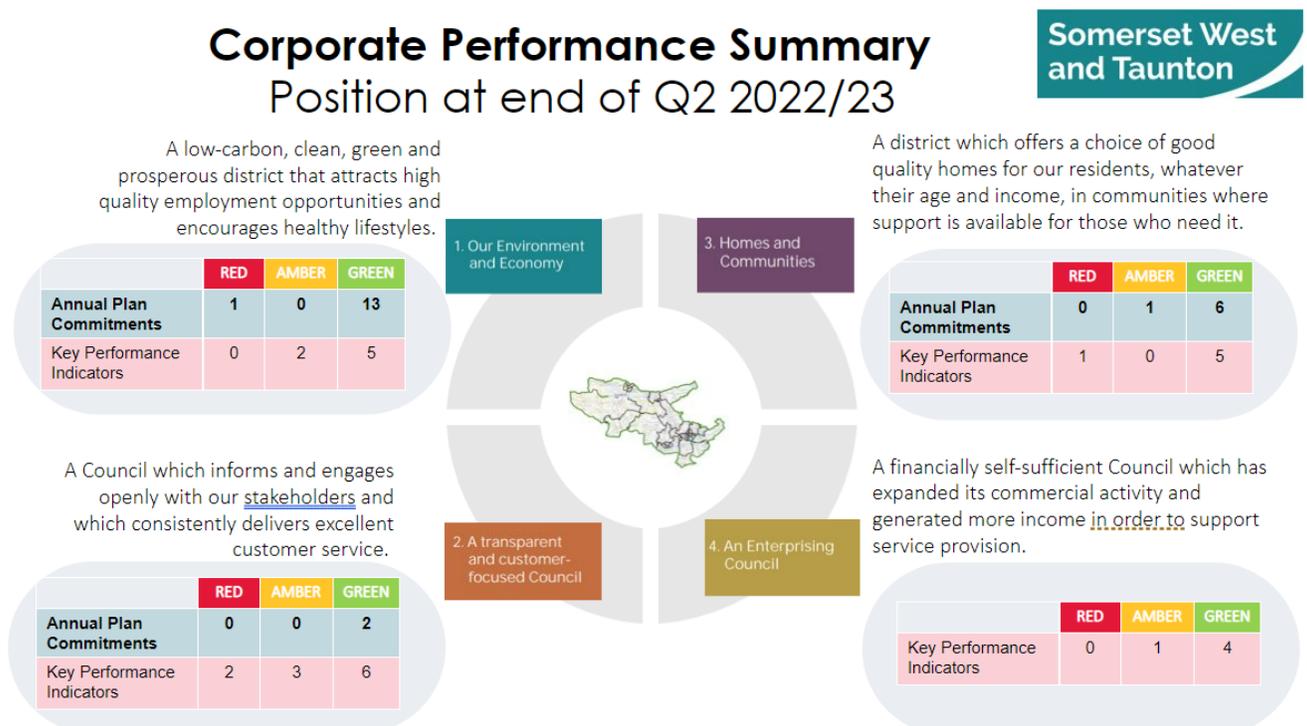
This year will see the transition of Somerset West and Taunton into the new Somerset Council, and as we have completed our commercial investment acquisitions in 2021/22 we have no specific actions for 'An enterprising council'. The income generated from the commercial acquisitions is monitored through one of the Key Performance Indicators (KPIs) which looks at whether the target income for commercial investment is being achieved.

Progress against a range of 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 6 months of the 2022/23 financial year for the 23 commitments in the Annual Plan and our Key Performance Indicators.

Each commitment has been rated as either Red, Amber or Green to indicate whether we are on schedule. Full details of the progress to date against each of the KPIs and the Annual Plan actions can be found in appendices 1 & 2 below.

In summary this indicates that of the 23 Annual Plan commitments, 21 are Green, 1 is Amber and 1 is Red. Of the Key Performance indicators, 20 are Green, 6 are Amber and 3 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 6 months of the 2022/23 financial year. The table includes a “direction of travel” arrow to show whether performance has improved, worsened, or stayed the same, since the end of June.

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 6 months of the year is 74%, which is below the target of 90%.

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

Directorate	Number of complaints (Apr-Sept)	Number of complaints answered in 10 working days	Percentage of complaints answered in 10 working days
Internal Operations	127	111	87%
External Operations	111	82	74%
Development and Place	31	25	81%
Housing and Communities	170	106	62%

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.
- 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 continued in detail, for example weekly follow up on cases within Housing.
- Within Housing the average response rate of 62% above, is not indicative of recent improvements in complaint response times. Performance in August and September has improved significantly, but the average figure of only 62% is held back by poor performance earlier in the year.
- Within Housing we have recently undertaken a six monthly assessment against the Housing Ombudsman complaint handling code and published those results to our website. Compliance with the mandatory requirements is 92% and 94% for best practice requirements. Further details can be found [Self Assessment Form complaints \(somersetwestandtaunton.gov.uk\)](https://www.somersetwestandtaunton.gov.uk) .
- Learning from complaints and complaint trends are continuing to drive new initiatives. In Housing, for example, a working group is looking at damp and mould issues, repair call handling has changed and deep dive activity is being undertaken with other authorities to compare performance and share good practice.

We continue to monitor 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.

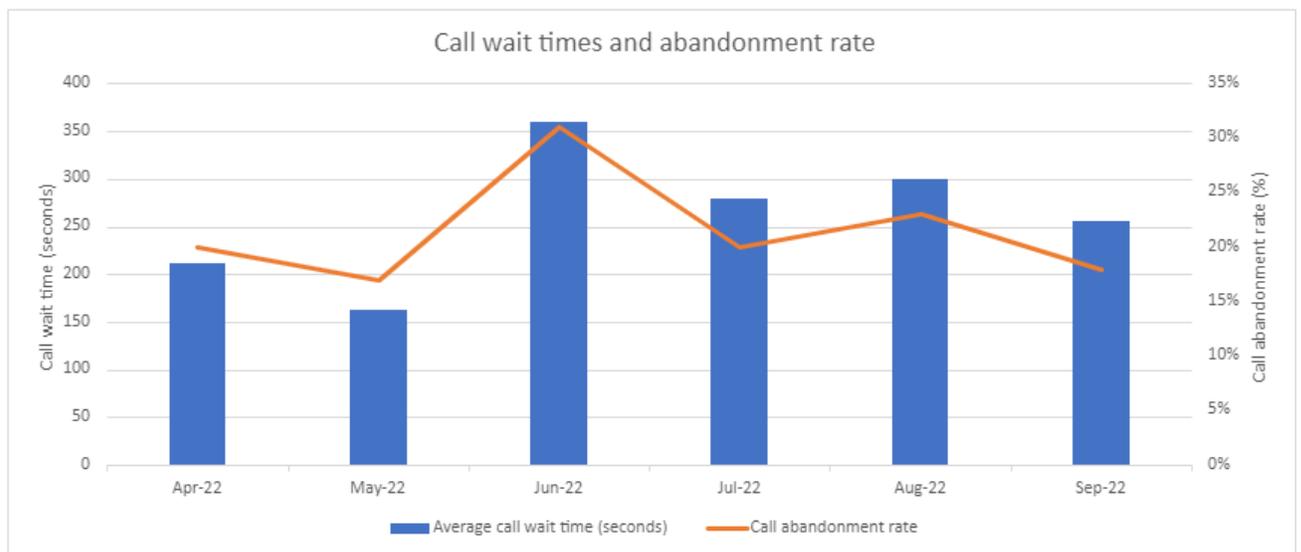
Our target is to answer all calls within 60 seconds. This is an ambitious target when compared with many other organisations where it is not uncommon to be waiting longer than 5 minutes. There is a clear relationship between the number and length of calls and the levels of staff resourcing required to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

***Average processing times of new Housing Benefit claims:***

Performance for processing new Housing Benefit claims for the period April to Sept has averaged 19.13 days, which is slightly worse than the target of 19 days. Over the past 3 months, performance has been much improved, and averaged 15.7 days, but the year to date average performance is longer than target due to the issues in Quarter 1. This resulted 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 and much better performance over the past 3 months.

### ***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 and performance for the year was 7.2 days, 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 Q2 performance, the forecast for the year would be 7.9 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. In 2021/22, the figure for the year was 8.9. The Q2 performance is 6.47, suggesting a forecast for the year of 12.9. 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 reported fly tipping incidents responded to within 5 working days***

Performance for the year so far has been 76%, which is lower than the target of 80%. Although the majority of incidents have actually been collected in the required 5 working days a change in the contractors management team led to delays in the closing of the incidents on the CRM system.

### ***% of communal areas with a Fire Risk Assessment (FRA) in place and FRA Review complete (where applicable)***

FRA in communal areas at the end of September had slipped to 98.39%, below the target of 100% which has been achieved for much of the year. This reduction was due to 8 properties (one hall, seven communal areas). Our contractors schedule of attendance following the summer programme on shared roof properties overran and has delayed the autumn/winter programme for the month of September. Our in-house specialist will be trialling new software and will be conducting the assessments required in the interim to ensure compliance is delivered and an Officer has been assigned to complete. The outstanding FRA's were undertaken during October and performance returned to 100%.

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

Performance for April to September has averaged has been 78% which is slightly 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 Housing Revenue Account,***

Detailed commentary for this indicator 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 3. Risks with a higher score are likely to have a more detailed mitigation plan. Issues are things which have already happened, so they are not scored in the same way as risks, but they have a RAG status which relates to the severity of the issue.

As of the end of September there were 6 Key Business Risks (with a score of 15 or higher) on the risk register which are shown in Appendix 4.

As of the end of September the Corporate Issues Log contained 2 Issues which are shown in Appendix 5.

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

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

## 5. Links to Corporate Strategy

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

## 6. Finance / Resource Implications

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

### Democratic Path:

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

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

### List of Appendices

Appendix 1	Key Performance Indicators Report
Appendix 2	Annual Plan actions update
Appendix 3	Risk Scoring Matrix
Appendix 4	Corporate Risk Register – Key Business Risks
Appendix 5	Corporate Issues

### Contact Officers

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## Appendix 1

SWT Performance report 2022/23								
Link to Corporate Strategy	Full definition	Target 2022/23	Quarter 2	Direction of Travel	Denominator	Quarter 2	Numerator	Quarter 2
An Enterprising Council	% of complaints responded to in 10 working days	90%	74%	↓	Total number of complaints received	439	Number of complaints responded to within 10 working days	324
	% of FOI requests responded to in 20 working days	75%	89%	↔	Total number of FOI requests received	235	Number of FOI responded to within 20 working days	209
	% of calls to Deane Helpline answered in < 60 seconds	90%	96%	↔	Total number of calls to Deane Helpline in the month	174010	Number of calls answered in under 60 seconds	167390
	Average call wait time (secs) for the last month	60 secs	256	↑				
	Cumulative percentage of the amount of Council Tax collected*	97%	61.45%	↑	Total amount of Council Tax to be collected by the 31st March	£114,492,323	Amount of Council Tax collected in the year so far	£70,349,940
	Cumulative percentage of the amount of Business Rates collected*	95%	65.63%	↑	Total amount of Business Rates to be collected by the 31st March	£46,753,884	Amount of Business Rates collected in the year so far	£30,686,903
	Average processing times of new Housing Benefit claims	19 dys	19.13	↑	Number of new Housing Benefit claims received	300	Total number of days	5738
	Average processing times for changes in circumstances for Housing Benefit claims	9 dys	6.87	↑	Number of new Housing Benefit Change of Circumstances received	3810	Total number of days	26185
	% of Licensing applications processed within required timescales	90%	91%	↑	Number of licensing applications processed	898	Number of licensing applications responded within timescales	814
	Sickness Absence - average days sickness per employee (target is for the year)	7.2 dys	3.96	↑	Total working days lost for all employees (cumulative)	2379	Number of FTE staff	600
Staff Turnover (target is for the year)	< 12	6.47	↑	Total number of staff	2404	Total number of leavers	39	
Forecast budget variance for General Fund	£0	-£218k	↑					
Forecast budget variance for Housing Revenue Account	£0	£341k	↑					
Forecast level of uncommitted reserves for General Fund.	£2.4m	£8.348m	↑					
Forecast level of reserves for Housing Revenue Account.	£2m	£2.702m	↑					
On target for Commercial Income Generation	£4.0m	Yes	↔					

Link to Corporate Strategy	Full definition	Target 2022/23	Quarter 2	Direction of Travel	Denominator	Quarter 2	Numerator	Quarter 2
Environment & Economy	% of reported fly tipping incidents responded to within 5 working days	80%	76%	↓	Number of fly tipping incidents	371	Number of fly tipping incidents responded to within 5 days	283
	% of service requests for street cleansing actioned within 5 working days	85%	86%	↑	Number of service requests for street cleansing	639	Number of service requests actioned within 5 working days	549
	% of major planning applications determined within 13 weeks or within agreed extension of time**	75%	80%	↓	Total number of major planning applications received	15	Total number of major planning applications determined within 13 weeks or agreed extension	12
	% of minor planning applications determined within 8 weeks or agreed extension of time**	65%	72%	↑	Total number of minor planning applications received	152	Total number of minor planning applications determined within 8 weeks	110
	% of other planning applications determined within 8 weeks or an agreed extension of time**	80%	78%	↑	Total number of other planning applications received	361	Total number of other planning applications determined within 8 weeks or an agreed extension	282
	% of planning appeals that have had the decision overturned	33%	33%	↑	Number of appeals received (last 12 months)	36	Number of appeals where the decision is overturned (last 12 months)	12
	% Play area inspections completed to schedule	100%	100%	↔	Play areas to be inspected	3288	Inspections carried out	3288
Homes and Communities	Current tenant arrears at the end of month %	2.72%	2.59%	↑				
	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	177		
	% 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%	98%	↓				
	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 Annual Plan Commitments update

Corporate Priority Area	Ref	Annual Plan Commitments 2022/23	Update on position at the end of September 2022	RAG
Our environment and economy	1	The roll out of further electric vehicle charge points	The SWT EVCP Installation project is now complete.  7kw fleet chargers installed at Wellington Depot x 2, Deane House x 2 and Killkenny x 1 22kw public chargers installed at Wood Street car park, Castle Street car park and Belvedere Road car park in Taunton, North Street car park in Wellington, North Street car park in Wiveliscombe, Williton Central car park, Swain Street car park in Watchet, North Road car park in Minehead and Porlock Central. There are also Instavolt 50kw chargers located at Blackbrook Leisure Centre in Taunton, Alexandra Road car park in Minehead and Exmoor House car park in Dulverton.	Green
	2	Switch our pool car fleet to electric	Two vehicles currently delivered and being used. There are a further 11 vehicle being delivered in November as part of scheduled replacements. There are two vehicles that are not currently suitable to move to EV as they are emergency response 4 x 4's.	Green
	3	Commence the decarbonisation of our council-owned homes	The Low Carbon Retrofit Strategy has been presented at Members briefing and is progressing through the councils governance structure. The delivery plan identifies a number of schemes many of which use grant. Targets and delivery routes have been proposed within the strategy and delivery plan. Schemes at NTWP and Oake are approved by members and SWT is working with E-on on a £25m investment plan and with a consortium of 24 local authorities and housing associations on SHDF wave 2 grant fund.	Green
	4	Create an Ecological vision and action plan for the district	Working in partnership with SDC we have developed a joint ecological vision and action plan which was approved by both Councils at their Full Council meetings in July.	Green
	5	Deliver first phase of Taunton walking and cycling project	Due to various issues and improvements to the overall project timelines, nearly all delivery will now take place in 2023/24. Work is progressing well on all fronts. The two planned Highways schemes (St James St and Upper High St junctions) will now be delivered by SCC Highways teams as part of their Taunton work in 2023/24. The new bridge over the River Tone is in the design stage. Work to deliver the bridge will begin in Spring 2023. A new cycle hub is planned as part of the Crescent Car Park improvements, and could be delivered in 2022/23.	Green
	6	Complete the regeneration at Coal Orchard	The Coal Orchard development will be completed in Autumn 2022. As of 30 Sep, Block A and E were completed and open for buyers to move in - all flats have been reserved. The car park was also complete at this point as well. Discussions continue on many fronts with national and local businesses in relation to the commercial units. Deals are close on a couple of units.	Green
	7	Further construction at Firepool – (western boulevard and Digital innovation centre) + further planning applications	The Drainage and Levels work will start in November 2022, which will be followed by significant public realm works to complement the Innovation Centre which is due to finish in Spring '23. Consultation on a revised masterplan is due to launch in Nov 22 also, subject to Executive approval	Green

Corporate Priority Area	Ref	Annual Plan Commitments 2022/23	Update on position at the end of September 2022	RAG
	8	Work with partners to find long term solution to the phosphates issue	The Somerset authorities have been awarded £100k from DLUHC to progress a Nutrient Catchment Management Plan to identify the short/medium/long term measures required to address phosphates in Somerset Levels and Moors SPA. SWT Phosphates Planning Sub Committee has approved a package of interim measures to help unlock approx 150-780 dwellings. Whilst this helps in the short term, it represents approx 1 year of our 5 year housing land supply requirements. There remains significant uncertainty around Government policy to address this national issue in the long term.	Red
	9	Identify suitable employment land in West Somerset	Suitable employment land has been identified. Work to understand constraints, costs and layouts have been completed, and a financial case made ready. Funds have been requested under the Capital bids programme for 2023/24. Any business case cannot be taken forward until after Unitary happens. In the past few months there have been further developments. Instead of 1 certain pre-let business wishing to expand there are now 5 West Somerset businesses seeking larger premises to expand. The site being looked at does not provide enough space for all, but it does now mean that any business case will be based upon developing pre-let units only, which lessens the risk to any Council investment, and ensures full income from Day 1.	Green
	10	Undertake a wide range of economic development initiatives	<p>Initiatives completed to date from April 2022:</p> <ul style="list-style-type: none"> <li>- Innovation Conference</li> <li>- Minehead People and Place Plan</li> <li>- Key SWT objectives included in Shared Prosperity Fund Investment Plan</li> </ul> <p>Joint submission with SDC to Levelling Up Fund for Health and Social Care Centre of Excellence.</p> <ul style="list-style-type: none"> <li>- Food and Drink sector mapping, supply chain portal and support programme.</li> <li>- SWITCH inward investment marketing campaign.</li> <li>- Town and Neighbourhood Centres grants programme and promotion campaign</li> <li>- Service Level Agreements with Destination Management Organisation and Tourist Information Centres</li> <li>- Tourism Innovation Grant Programme</li> <li>- Employment Hubs - outreach and virtual support for job seekers, Ukrainian guest support, careers fairs, HPC drop in sessions.</li> <li>- SWT Volunteer policy, guidance, recruitment and management process</li> <li>- Employer recruitment and retention guidance pack</li> <li>- SWT Health of the economy data reports and Town Centre performance reports.</li> </ul>	Green

Corporate Priority Area	Ref	Annual Plan Commitments 2022/23	Update on position at the end of September 2022	RAG
	11	Deliver a programme of cultural and town centre events	Established Cultural Forum Launched Cultural Strategy Established Flook House as new Arts Hub Commissioned Creative Economy work programme, to include Youth Creative Hub. Creative Sector Grant Programme Jubilee Celebration Event	Green
	12	Progress next stage of the business case for a railway station for Wellington	Network Rail is now leading on this project to deliver new stations at Wellington and Cullompton, with support from their alliance partner Great Western Railway. The £5million funding announced last year is being administered by Network Rail as part of the Restoring Your Railway, Rail Network Enhancements budget with specific outputs and milestones agreed between DfT and Network Rail.  Network Rail has appointed WSP to continue with the next two phases of project development PACE 1 and PACE 2 (PACE is Network Rail's project delivery tool, Project Acceleration in a Controlled Environment). These phases of work will conclude the necessary surveys, assessments and various elements of civil, structural, rail, highways and architectural design required to get the project to the point of delivery.	Green
	13	Undertake a deep clean of our town centres and other high footfall areas	Street Washing of Town Centres was delayed at the start of September due to the team supporting various tasks following the death of The Queen. This work will now start in October and be completed by the end of Quarter 3.	Green
	14	Roll out litter enforcement scheme	The Enforcement trial commenced on 01/04/2022. From the beginning of the trial to the end of September 872 FPNs have been issued for Littering offences.	Green

Corporate Priority Area	Ref	Annual Plan Commitments 2022/23	Update on position at the end of September 2022	RAG
Homes and Communities	15	Hand over first of our new council homes in Priorswood to Tenants	The first handovers are expected December 2022 /January 2023.	Green
	16	Commence work on 54 new council homes in Minehead	Our Contractors, Classic Builders, commenced on site in April 2022, completing by summer 2024. The scheme is currently on programme with works progressing well on site. The properties are being built to zero carbon in occupation and EPC A.	Green
	17	Progress further council homes on 6 further sites in Taunton area	The Oxford Inn is seeking planning approval for 8 dwellings 12th October 2022. One scheme has been withdrawn from planning and four schemes are held at the planning application stage awaiting phosphate resolution and business plan considerations.	Green
	18	Deliver a further 200-300 affordable homes via housing developers and partners	Estimated Affordable Housing Completions for 2022-23 are as at Sept 2022 circa 300 new affordable homes. 88 affordable homes have been completed upto 31 Aug 2022. Some sites are reporting slippage primarily owing to material supplies therefore some affordable home completions may move into 2023/24. This is being closely monitored by the Housing Enabling team.	Green
	19	Acquire further properties to provide additional bed spaces for people experiencing homelessness	The Council recieved RSAP funding to purchase six properties for homeless purposes. To date on ehas been purchased with one to be completed w/c 10/10/22. The council continue to seek 4 other units.	Amber
	20	Work with partners to develop further food pantries in the district	Following the success of Rowbarton pantry, further pantries have opened in Minehead and Wellington.	Green
	21	Maintain funding to voluntary and community organisations in the district	Funding has been agreed and maintained for 2022/23 and an agreement is in place for 2023	Green
A Transparant and Customer Focused Council	22	Create a Town Council for Taunton	Special SWT Council meeting held on 29/09/22 and SCC on 05/10/22 to approve the creation of a new town council for Taunton and changes to local governance arrangements. A Town Council will be created for Taunton on 1st April 2023 with Elections in May 2023. A Shadow Taunton Town Council will be established soon to lead and oversee the work to establish the new council.	Green
	23	Preparation for the safe transition of services and responsibilities to the New Somerset Council	The council continues to play its full role in the LGR programme through the CEO Board, Programme Steering group and Workstreams. Whilst the programme is very complex the safe transition of services, people and assets remains on track for Vesting day monitored and tracked through robust programme governance. The Council is also ensuring that the activities to close down the council are being tracked and overseen.	Green

# APPENDIX 3

## Risk Scoring Matrix

### Impact

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

	Score	Impact	Definition
<b>Very Low</b>	1	No impact	No notable impact identifiable
<b>Low</b>	2	Minor	Affects only one group of stakeholders, with minimum impact
<b>Medium</b>	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
<b>High</b>	4	Major	Affects more than one group of stakeholders with widespread medium-term impact. Attracts the medium-term attention of legislative/regulatory bodies
<b>Very High</b>	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
<b>Very Low</b>	1	Rare	May occur in exceptional circumstances
<b>Low</b>	2	Possible	Risk may occur in the next 3 years
<b>Medium</b>	3	Likely	The risk is likely to occur more than once in the next 3 years
<b>High</b>	4	Almost certain	The risk is likely to occur this year
<b>Very High</b>	5	Certain	The risk has occurred and will continue to do so without action being taken



**Appendix 4 Key Business Risks**

REF	Risk details			Current score			Action summary		
	Name	Summary of the risk (cause) / What is the impact?	Date added	Imp.	Prob.	Total	Owner	Mitigation plan development status	Mitigation plan implementation status
CR11	Cyber attack	Cause - Cyber Attack Impact - Potential for financial, legal and reputational damage or that we are targeted and locked out of essential systems.	Jun-20	4	5	20	Sean Papworth	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	Green
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
CR37	Homelessness Service failure caused by loss of management	Cause: The homelessness service will face unprecedented demand from late Summer 2022 due to ending of Homes for Ukraine sponsor arrangements; increased requirements to house asylum seekers and refugees; impact of cost of living on households and resultant home losses; Hinkley workforce peaking in December. There is also a slowdown in development of new housing (including affordable housing) due to hold-ups caused by the Phosphates issue. Impact: The risk is that the service has a fragile management structure, which will lead to increasing pressures and sickness on middle managers and staff and the service failing. Ultimately this could lead to failure of statutory duties and potential wider risks related to homelessness and rough sleeping that at their worst can result in fatalities.	May-21	4	4	16	James Barra	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 5 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	Green

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

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



*Report Number: SWT 154/22*

## **Somerset West and Taunton Council**

### **Corporate Scrutiny Committee – 7<sup>th</sup> December 2022**

#### **Somerset Innovation Exchange – Outcomes from the event and opportunities for the New Council to take forward**

**This matter is the responsibility of Executive Councillor Mike Rigby**

**Report Author: Gordon Dwyer, Economic Development Specialist**

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

- 1.1 This report accompanies a presentation to be delivered by officers at Corporate Scrutiny Committee on 7<sup>th</sup> December 2022.
- 1.2 The presentation is being provided in response to a request by Corporate Scrutiny to understand the outcomes arising from the Somerset Innovation Exchange which took place on 27<sup>th</sup> September 2022.

#### **2 Recommendations**

- 2.1 The report and presentation is for information only and does not require a recommendation or decision.

#### **3 Risk Assessment (if appropriate)**

- 3.1 Not Applicable

#### **4 Background and Full details of the Report**

- 4.1 In November 2021 the Executive made a decision that the Council would deliver an Innovation Conference in late summer of 2022.
- 4.2 Full Council approved a budget of £50k in Feb 2022 to fund an Innovation Conference to take place in Taunton.
- 4.3 The event became known as Somerset Innovation Exchange and took place on 27<sup>th</sup> September 2022. It was organised by the Economic Development Team of SWT working with a team of partners to develop appropriate content.
- 4.4 At the Corporate Scrutiny Meeting of 2<sup>nd</sup> November 2022 it was agreed to invite relevant officers to attend Corporate Scrutiny in December to discuss the outcomes from the

Innovation Exchange and the opportunities for the New Somerset Council to expand on these.

## **5 Links to Corporate Strategy**

- 5.1 The Somerset Innovation Exchange links to delivery of priority strategic theme 'Our Environment and Economy'.
- 5.2 The event showcased local innovation, skills development opportunities, facilitated business to business contacts and acted as a positive investment message for Taunton. Thereby the event supports objective 3 'Encourage wealth creation and economic growth throughout the District by attracting inward investment, enabling research and innovation, improving the skills of the local workforce and seeking to ensure the provision of adequate and affordable employment land to meet different business needs'.
- 5.3 The event has also supported priority 8 'Support the enhancement of arts and culture provision within the District' through the incorporation of digitally enhanced imagery with the expo area of the event.

## **6 Finance / Resource Implications**

- 6.1 There are no financial or resource implications of this report.
- 6.2 It is worthy of note that although £50k was made available to hold the event, The total cost of the event was £35k. Officers were able to secure £20k of funding from the Business Rate Retention Pilot funds held by Somerset County Council for Innovation and £1.5k of income was generated from ticket sales. These funds off-set the cost, resulting in a final cost to SWT of only £13.5k. The underspend has been reported as part of the budget monitoring process and has contributed to the Council's overall financial position.

## **7 Unitary Council Financial Implications and S24 Direction Implications**

- 7.1 None at this stage, subject to consideration by the New Somerset Council.

## **8 Legal Implications (if any – delete if not applicable)**

- 8.1 Not applicable.

## **9 Climate, Ecology and Sustainability Implications (if any – delete if not applicable)**

- 9.1 No direct carbon/environmental impacts arising from the recommendations.

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

Not applicable.

## **11 Equality and Diversity Implications (if any – delete if not applicable)**

- 11.1 The event was designed to be fully accessible to people with mobility limitations and hearing loss. The ticket booking system allowed delegates to identify if they had any additional needs.

**Democratic Path:**

No democratic path. No decision required.

**Reporting Frequency: Once only****Contact Officers**

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Report Number: SWT 153/22

## Somerset West and Taunton Council

### Corporate Scrutiny – 7 December 2022 Executive – 21 December 2022

#### 2022/23 General Fund Financial Monitoring as at Quarter 2 (30 September 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 September 2022 forecast).

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

Revenue Budget	£0.219m forecast underspend	Green
General Reserves	£8m 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

1.3 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.

1.4 The Q1 forecast outturn position reported an overspend of £326k. The Senior Management Team have since undertaken a thorough and in-depth review of all budgets, updated projections based on mid-year information, requested services to manage inflationary pressures within services where possible (e.g. pay award, utilities and material costs) and driven a focus on essential spend only where possible in order to bring the position back to budget. There have also been some contractual delays on delivering capital schemes pushing spend into future years and a need increase reserve balances this year to provide budget flexibility and financial resilience in 2023/24 on the face of significant financial pressures.

1.5 The updated projected outturn position is reporting an underspend of £219k. However, it is important to note that this is mid-year forecast for the year with 6 months remaining until year end and whilst management will control the overall position to remain within budget the final outturn position may still present further underspends or variances to budget. 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.

1.6 The current total approved **Capital Budget** is £64.085m and relates to the Capital Programme for continuing and new schemes approved for 2022/23. The budget is profiled with estimated spend totalling £25.465m in this financial year and £38.620m in later years. A net underspend of £10.414m is currently projected against the total profiled capital budget for 2022/23 of which £9.148m is slippage into future years and £1.266m is actual underspend against the total programme. 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 September 2022.

2.2 Executive to approve the transfer of £1.294m of revenue funds previously planned to finance the capital programme in 2022/23 to be returned to General Reserves reflecting updated capital financing plans.

2.3 Executive to approve the transfer of £500k Treasury Management surpluses to general reserves.

2.4 Executive to approve the transfer of £440k to the Somerset Waste Partnership Earmarked Reserve, and delegate authority to the S151 Officer to adjust the amount transferred at year end based on final outturn for the SWP surplus.

2.5 Executive to approve a virement between funds for the Covid Additional Relief Fund (CARF) scheme that was not implemented.

## **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 September 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 underspend of £219k (1.3% 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	Approved Changes	Current Budget	Outturn Forecast	Variance	
	£'000	£'000	£'000	£'000	£'000	%
Development and Place	4,044	90	4,134	4,175	41	1.0%
External Operations & Climate Change	10,037	640	10,678	9,764	-914	-8.6%
Housing & Communities	3,234	0	3,234	3,333	99	3.1%

	Original Budget £'000	Approved Changes £'000	Current Budget £'000	Outturn Forecast £'000	Variance	
					£'000	%
Internal Operations	9,750	194	9,944	10,561	617	6.2%
Senior Management	594	-129	464	457	-7	-1.5%
Local Government Reorganisation	1,375	0	1,375	1,375	0	0.0%
<b>Net Cost of Services</b>	<b>29,034</b>	<b>795</b>	<b>29,829</b>	<b>29,665</b>	<b>-163</b>	<b>-0.5%</b>
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	-1,222	-706	136.7%
Expected Credit Losses	0	0	0	0	0	0.0%
Transfers to Earmarked Reserves	-5,387	-1,246	-6,634	-6,494	140	-2.1%
Transfers from General Reserves	-1,375	12	-1,363	492	1,855	-136.1%
Capital and Other Adjustments	-248	450	202	-1,142	-1,344	-666.5%
<b>Net Budget</b>	<b>17,018</b>	<b>10</b>	<b>17,028</b>	<b>16,809</b>	<b>-219</b>	<b>-1.3%</b>
Funding	-17,018	-10	-17,028	-17,028	0	0.0%
<b>Variance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-219</b>	<b>-219</b>	<b>-1.3%</b>

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

#### **Development & Place:**

5.6 The Development and Place directorate has a current net expenditure budget of £4.134m 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 including 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')

5.7 The directorate is currently forecasting a net overspend of £41k for the year, largely derived from the use of agency staff in Development Management due to the difficulty in recruiting to key roles plus the impact of the pay rise. This has been offset in part by 2021/22 deferred income on planning applications that have now been determined.

5.8 The Environment & Leisure Improvement Fund (ELIF) initiative is currently being delivered, and of the £600k approved budget:

- a. £130k has been used to resurface the Vivary Park pathways and areas around the water feature and fountain, and as a contribution to the Coal Orchard public realm.
- b. £247k is committed to numerous town centre projects including the Changing Places facility on Tower Street, Crescent Car Park public realm works and the Minehead Town Council maintenance programme.
- c. £223k has been allocated to various initiatives including dredging Vivary Park pond and Taunton Town centre highways and public realm works.

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

5.10 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	Q2 Variance £'000
<b>Development Management/Planning:</b> The current variance is driven by the expectation that staff vacancies will be covered by agency staff costing c£150k for the remainder of the year, as well as additional supplementary agency support c£63k, illness cover of £22k and pay increase of £36k. In addition, there are also unbudgeted IT support costs relating to the Acolaid infrastructure of £9k and £58k estimated for legal fees. This has been partially offset by contributions from reserves and additional income of £73k. The Q2 current year fee income rate is tracking to budget and has been forecast as such. A carried forward of the planning fee income related to undetermined applications from 21/22 is in place. Of this carry forward £242k has been determined and released to income this year. There is a further amount of £133k that will be released to income upon those applications being determined; this is not included in the forecast as it cannot be guaranteed at this stage.	166	28
<b>Other Minor Variances</b>	-3	13
<b>Total</b>	163	41

**External Operations and Climate Change:**

5.11 The External Operations and Climate Change directorate has a current net expenditure budget of £10.678m 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

5.12 The directorate is currently forecasting a net underspend of £914k for the year. This underspend is largely derived from Somerset Waste Partnership savings, and underspend against the Climate Change budget, increased income across both Assets and Bereavement and an overall active management of costs.

5.13 Somerset Waste Partnership: The council pays a fixed amount to Somerset County Council each year. Contract savings has led to a forecast surplus of £440k, meaning there will be an underspend against budget. The Executive is requested to endorse a transfer to earmarked reserves for the forecast surplus of £440k.

5.14 Car Parking: On the 21st of September 2022 the Executive approved a budget virement of £302,040 to further reduce the car parking income budget. This was in line with the forecast reduction and change in usage that the council is seeing across its car parks following COVID-19. The current forecast position is a minor variance against the revised income budget and therefore not included in table 3 below.

5.15 Rising inflation is placing financial risk on the council as it sees an increase in the cost of supplies such as utilities and materials. Across the Directorate it is forecast that electricity will be c£140k above budget and gas c£40k. The Directorate has reviewed the pressure placed on its services and is currently mitigating this through proactive budget management.

5.16 **Table 3: External Operations and Climate Change Forecast Variances**

Department Notes	Q1 Variance £'000	Q2 Variance £'000
<p><b>Major Contracts:</b> Major Contracts includes the following areas: Leisure, Waste, Building Control, Street Cleansing and Fleet Management.</p> <p>The current variance mainly includes (a) £440k for the Somerset Waste Partnership underspend (see paragraph 5.13 above), (b) 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. It has therefore been agreed to transfer £45k back to General Fund Reserves, and (c) the capitalisation of salary costs of the Project Officer for the Car Park Improvement Scheme has created an underspend of £45k.</p>	-125	-507
<p><b>Street Scene/Open Spaces:</b> A 2021/22 carry forward budget of £100k was approved for the maintenance works to Vivary Park</p>	6	-61

Bandstand. This was an estimated figure and actual costs have come in £50k less than budget.		
<p><b>Asset Management:</b> There is a forecast increase in income of £287k. This is owing to (a) new lettings which were unknown at budget setting time £70k, (b) delayed vacation of tenants £75k, (c) transfer of units at Coal Orchard £90k, and (d) proactive recovery of proportionate costs, £42k.</p> <p>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£160k. Assumptions have been made on the timing of tenant occupancy, therefore this forecast overspend could change.</p> <p>Forecast increase in electricity costs across all buildings, £85k.</p> <p>A budget of £50k was identified for bad debt provision, it is predicted that this is no longer required.</p> <p>Active management of budgets and costs has led to an overall saving of £65k across various budget lines.</p> <p>Allocation of salary costs to Commercial Investment Properties £39k.</p>	-121	-195
<p><b>Climate Change:</b> There will be no budget carry forwards into next financial year. This forecast underspend represents budget which was set aside to meet future commitments to key Climate Change projects, which have now been captured as a budget growth as part of the budget setting process for the new Unitary Council.</p>	0	-150
<p><b>Private Sector Housing:</b> The third-party data used at budget setting time to identify potentially unlicensed Housing Multiple Occupation properties projected too high a number and therefore artificially inflating the income target.</p>	0	80
<p><b>Bereavement Services:</b> This is a demand led service and the current forecast position on income is c£100k above budget. This is part offset by a forecast increase in utility costs, electric £16k and gas £24k. There is also an £11k forecast underspend on maintenance costs.</p>	7	-73
<b>Other Minor Variances</b>	31	-8
<b>Total</b>	<b>-202</b>	<b>-914</b>

### Housing & Communities:

5.17 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.

5.18 The directorate is currently reporting a forecast net overspend of £99k.

5.19 We are expecting some volatility particularly in our homelessness service as a legacy of the COVID restrictions, the cost of living crisis 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 some placements now ending as well as expected 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.

5.20 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**

<b>Department Notes</b>	<b>Q1 Variance £'000</b>	<b>Q2 Variance £'000</b>
<b>Community Resilience:</b> This underspend is attributable to a number of staffing changes, including a secondment that was not backfilled.	-56	-23
<b>Homelessness:</b> The Homelessness Service is experiencing high levels of demand this year with B&B costs exceeding budget. The service is also facing recruitment and retention pressures that are driving up staffing costs. Furthermore there are costs associated with the return of Canonsgrove and the final decant of tenants to alternative accommodation. Despite receiving government funding the service is predicting an overspend which it is currently able to mitigate through existing levels of earmarked reserves (see Table 6).	0	239
<b>Maintenance:</b> The Corporate Property Team has been relocated to the Repairs & Maintenance Trade Team, filling vacant posts within the HRA.	0	-112
<b>Other Minor Variances</b>	8	-5
<b>Total</b>	<b>-48</b>	<b>99</b>

**Internal Operations:**

- 5.21 The Internal Operations directorate has a current net expenditure budget of £9.944m 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
- 5.22 The directorate is currently forecasting a net overspend against budget of £617k for the year. The figures are somewhat distorted by larger variances against two 'corporate' items:- A £320k adjustment following the completion of a thorough review of the non-staff related cost apportionments between the General Fund and Housing Revenue Account (HRA), to ensure this reflects the up to date position and reasonable assumptions around the relative use of resources. A £200k variance regarding the operational cashable savings target applicable to the Service Improvement and Efficiency Programme which is not now likely to be achieved.
- 5.23 The remaining £97k projected net overspend relates to a range of variances across the Directorate's main operational areas. Cost pressures and investment in service priorities such as change management, health and safety, customer services and Deane Helpline as well as pay award costs are offset to a degree by staff vacancies, control of costs and managed savings for example in publicity and promotion costs.
- 5.24 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 £10-15k. In addition, the pay award adds to inflationary cost pressures exceeding original budget estimates, with an average cost of 5.6% versus 2% allowed within the budget.
- 5.25 Although not reported within the Internal Operations service budgets, the service is responsible for treasury management operations. This is performing very well against

budget as highlighted later in this report, which helps to mitigate the net overspend reported for Internal Operations service costs.

**Table 5: Internal Operations Forecast Variances**

Department Notes	Q1 Variance £'000	Q2 Variance £'000
<b>Comms and Engagement:</b> This is savings in staff costs through a vacancy and not backfilling a maternity leave, plus managed in year savings primarily reducing costs of publicity and promotions identified in quarter 2.	-15	-70
<b>Governance:</b> This is due to vacant posts and the SHAPE legal services contract costing less than budgeted. There are less costs than anticipated for Community Governance Review (CGR) due to these costs being absorbed in other budgets.	-2	-108
<b>Internal Change:</b> Forecast variance mainly due to Service Efficiency and Improvement Programme (SEIP) and similar project management costs to December. This programme has delivered many improvements and non-cashable efficiencies despite the impact of LGR on capacity and available focus areas. Funding options are being explored to mitigate this cost. Since Q1 there has been increased cost of the pay award, a Health and Safety project and Data Protection Services.	78	175
<b>Benefits:</b> £73k of this underspend results from receiving a greater amount of administration grant, Verify Earnings and Pensions (VEP) and new burdens grant 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.	-100	-86
<b>Customer Contact:</b> Staff costs are projected to exceed budget due to the pay award. Two supernumerary posts have been agreed with SMT above establishments providing resilience to a higher rate of staff turnover within this service. Most of the cost will be covered within the existing budget with any remainder managed within the wider Internal Operations budget.	4	43
<b>Visitor Centre:</b> Electricity prices are rising quickly, the visitor centre also pays for the electricity used by Tone FM. We've estimated our spend but this could be higher due to the expected increase in October. Income from sales remain unpredictable. Both purchases and sales are projected around 50% of budget which broadly offsets in the forecast outturn, and whilst below budget represents doubling of last year's sales performance. £10k relates to an income budget duplication where the income and a corresponding budget for this amount is shown under another cost centre.	31	28
<b>Deane Helpline:</b> £58k of the projected overspend relates to the pay award exceeding budget estimates. Some of the additional cost of allowances for one part of the team together with all the additional payments for holiday pay were agreed after budget setting and therefore exceeds the budget for 22/23. The cost of overtime to cover	81	140

Department Notes	Q1 Variance £'000	Q2 Variance £'000
holiday and other absences also adds to cost pressures. The service is recruiting additional relief staff to minimise overtime costs in the future.		
<b>Finance:</b> Centrally funded pension costs is projected £30k below budget and overall staff savings are projected to be £39k after absorbing higher pay award costs.	-69	-65
<b>HRA Recharges:</b> A thorough review of the non-staff related cost apportionments between the General Fund and Housing Revenue Account (HRA) has been mostly completed, to ensure this reflects the up to date position and reasonable assumptions around the relative use of resources. A couple of residual elements will be finalised and reported in Q3 but this reflects the current best estimates.	0	320
<b>Other Minor Variances</b>	22	40
<b>Total</b>	<b>30</b>	<b>417</b>

5.26 Reported within Internal Operations are corporate savings budgets regarding staff vacancies and service efficiencies. The vacancy savings budget of £100k has been fully dispersed to services in the first half of the year. Additional vacancy savings are reflected within individual service cost projections.

### Savings Targets

Department Notes	Q1 Variance £'000	Q2 Variance £'000
<b>Efficiency Savings:</b> Whilst significant efficiencies are being delivered the budget requires cashable savings to be realised, which are currently below target. This programme has delivered many improvements and non-cashable efficiencies despite the impact of LGR on capacity and available focus areas. It is now anticipated that cashable savings are unlikely to be delivered this year, with future efficiency and transformation being a key part of the LGR programme.	200	200
<b>Total</b>	<b>200</b>	<b>200</b>

### Senior Management Team (SMT)

5.27 The SMT has a current net expenditure budget of £464k 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 2.

### Local Government Reorganisation (LGR)

5.28 This one-off budget of £1.375m provides for SWTC costs related to LGR in Somerset. It includes £1m for LGR Implementation (£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. At this stage it is considered unlikely that SWT will be asked to contribute more than £912k, therefore the Director of Internal Operations and S151 Officer propose to allocate the £88k contingency to provide budget capacity for set up costs incurred this year related to a new town council for Taunton. This removes the need to allocate funds from General Reserves for this purpose, which Council has agreed in principle.

### Pay Award 2022

5.29 The 2022/23 approved budget assumed a 2% pay award. The Pay Award has now been agreed at £1925 per scale point. This assumption has been included within the forecast outturn position provided by services (reported above).

### Other Costs, Income and Reserve Transfers

5.30 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

5.31 A net underspend / income surplus of £55k is currently being forecast for the year, predominantly due to a more favourable interest payable and investment income position.

5.32 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	Q2 Variance £'000
<p><b>Interest Payable and Investment Income:</b> Interest Payable - In a complex and volatile economic environment, the risk of interest cost variations has continued to be highlighted to Members. A blend of taking well-timed early opportunities for new borrowing during 2021/22, utilising internal balances in lieu of external borrowing and the scaling down of the General Fund capital programme have, together, generated a positive variance to</p>	-384	-706

<p>the budget estimate. The nature of borrowing taken (i.e. fixed term loans) should substantially reduce the risk of further variations in year.</p> <p>Interest Receivable - The Council holds a portfolio of investments that comprise a combination of contingency balances (reserves) cashflow (e.g. funding from grants and contributions received in advance) and liquidity balances (to provide for immediate payments as they become due). A combination of market interest rate increases and good performance in the Council's investment portfolio have generated a positive variance to the budget estimate. With continued economic volatility, further variations should be expected as the year progresses.</p> <p>The Executive are requested to approve the transfer of £500k of these Treasury Management surpluses to general reserves.</p>		
<p><b>Transfers to and from Earmarked Reserves:</b> This variance relates to (a) £60k of released earmarked reserves in Q2, (b) £440k transferred to the Somerset Waste Partnership reserve, and (c) the use of £239k of Homelessness reserves to offset their forecast overspend.</p>	0	140
<p><b>Transfers to and from General Reserves:</b> This variance relates to (a) £60k of released earmarked reserves in Q2, (b) £500k of Treasury Management surpluses proposed to be transferred to general reserves, and (c) £1.294m of revenue funded capital financing released to general reserves.</p>	0	1,855
<p><b>Capital and Other Adjustments:</b> In order to increase reserve balances this year to provide budget flexibility and financial resilience in 2023/24 on the face of significant financial pressures, and in light of the reduced capital programme, £1.294m of revenue funded capital financing is being proposed to be released and transferred to general reserves. The remaining £50k is revenue funded capital financing not required for Closed Churchyards capital scheme.</p>	0	-1,344
<b>Total</b>	<b>-384</b>	<b>-55</b>

### General Reserves

- 5.33 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.
- 5.34 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**

	<b>Approval</b>	<b>£000</b>
<b>Balance Brought Forward 1 April 2022</b>		<b>7,592</b>
2022/23 Original Budget Transfers from Reserve	Council – 24/02/2022	-1,375
<b>Current Balance</b>		<b>6,217</b>
Transfer to Coal Orchard Warranty Earmarked Reserve	Council – 05/07/2022	-185
Released Earmarked Reserves in Q1	S151 / SMT – 10/08/22	197
Release Surplus Contingency for Litter Enforcement	S151 – 27/10/22	45
<b>Balance After In-Year Approvals</b>		<b>6,274</b>
Proposed Earmarked Reserves released in Q2		61
Proposed transfer of Treasury Management surpluses to reserves		500
Proposed transfer of RCCO surplus to reserves		1,294
Forecast – 2022/23 Projected Underspend as at Q2		219
<b>Projected Balance 31 March 2023</b>		<b>8,348</b>
Recommended Minimum Balance		2,400
Projected Balance above recommended minimum		5,948

5.35 As well as managing the adequate level of reserves to mitigate financial risks for SWT, the S151 Officer has discussed the reserves strategy with SMT and the other S151 officers in Somerset in the context of financial strategy and MTFP for the new Somerset Council. It is prudent to maintain and ideally increase reserve balances this year to provide budget flexibility and financial resilience in 2023/24 on the face of significant financial pressures.

5.36 In support of this the Executive is asked to endorse the following measures which are reflected in the forecasts above:

- The transfer of surplus earmarked reserves to general reserves (see below)
- The release of revenue funds previously planned to finance the capital programme in 2022/23, which can be replaced by borrowing with marginal impact on the overall level of borrowing due to underspends within the capital programme.
- The transfer of Treasury Management surpluses to general reserves.

### **Earmarked Reserves**

5.37 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.

5.38 The original net budgeted/approved and projected transfers from earmarked reserves in 2022/23 is £12.929m.

5.39 Following reviews during Q2 the following earmarked reserve balances are proposed to be released and recommended to be transferred to general reserves. This is reflected in the Q2 forecast (Table 1) and the Forecast Transfers column in Table 8 below.

<b>Reserve</b>	<b>Amount £000</b>
Council Tax Income Guarantee (TIG) grant	34
Preventing repossessions grant	27
<b>Total</b>	<b>61</b>

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

**Table 8: General Fund Earmarked Reserves**

	<i>Info: Budgeted Transfers £000</i>	<b>Balance 1 April 2022 £000</b>	<b>Transfers To Date £000</b>	<b>Forecast Transfers £000</b>	<b>Balance 31 March 2023 £000</b>
Business Rates Holiday S31 Grant	-6,645	5,811	-5,811	0	0
Business Rates Volatility	-718	5,353	-1,552	-1,200	2,601
Investment Risk	0	3,151	0	992	4,143
Business Rates Losses S31 Grant	-897	2,499	-897	0	1,602
Investment Financing Fund	-2,000	2,000	-2,000	0	0
Capital Funding	-738	1,413	-738	-76	599
<b>Sub-Total Risk Reserves</b>	<b>-10,998</b>	<b>20,227</b>	<b>-10,998</b>	<b>-284</b>	<b>8,945</b>
General Carry Forwards	-900	2,075	-2,075	0	0
Garden Town Fund	-213	978	-213	-524	241
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	-152	-808	1,524
<b>Sub-Total Other Reserves</b>	<b>-1,931</b>	<b>7,763</b>	<b>-3,205</b>	<b>-1,702</b>	<b>2,856</b>
<b>Total</b>	<b>-12,929</b>	<b>27,990</b>	<b>-14,203</b>	<b>-1,986</b>	<b>11,801</b>

5.41 Earmarked reserves are set aside for a specific purpose and are reviewed on a regular basis. As reported in the Q1 report, £197k of earmarked reserves have been released and returned to General Reserves as they were no longer required for their original purpose. In addition, in Q1 the Executive agreed to transfer £1.2m from the Business Rates Volatility reserve, with £1m to the Investment Risk Reserve and £200k to the Investment Assets Sinking Fund.

## **6 Business Rates**

6.1 The Executive is requested to approve a virement, which is purely presentational in nature, to adjust for the Covid Additional Relief Fund (CARF) scheme that was anticipated at budget setting but subsequently was not implemented.

	Original Budget	Virement	Revised Budget
M0032 CARF S31 Grant	(1,162,050)	1,162,050	0
M0030 Business Rates Holiday Grant	(5,482,790)	(328,690)	(5,811,480)
M0025 Transfers To / From EMR*	(5,378,050)	(833,360)	(6,211,410)

\*Note: other virements may have taken place during the year of a different nature affecting the revised budget on this account.

## 7 Debt Write Off

7.1 As per the Financial Procedure Rules, any write off per debtor greater than £25,000 in any year will be reported to the Executive for information. During Q2 there was one individual customer where individual debts greater than £25,000 were written off (please see **confidential Appendix F**).

## 8 General Fund (GF) Capital Programme

8.1 The current Capital Programme Budget is £64.085m 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 £1.521m of supplementary budgets and £128k of budget returns.

8.2 In-year supplementary budgets include:

(a) Development & Place: £775k for Coal Orchard additional costs approved by Full Council on 5th July 2022.

(b) External Operations: £40k for Litter Bins, £70k for Vivary Park Footpaths, £75k for Wellington Leisure Centre Air Handling units and £120k for Taunton Green Pavillion have all been approved by the Deputy Chief Executive & Director Place and Climate Change and the Assistant Director - Finance (S151 Officer). £262,280 for Blue Anchor Coast Protection, approved by Full Council on 5 July 2022.

(c) S106 funded projects that have commenced.

8.3 In-year budget returns include £128k in Internal Operations mainly with respect to change projects where there has been an underspend.

8.4 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.

8.5 The Council plans to finance this investment through Capital Receipts, Capital Grants, Revenue Funding and Borrowing (see **Appendix B**).

- 8.6 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**.
- 8.7 Financial performance to date against this profiled spend for this financial year can be found in **Appendix D**. Overall, the Council is currently forecasting a capital outturn of £15.015m, with carry forwards of £9.148m and a net underspend of £1.266m against profiled budget for 2022/23. The reasons for the forecast carry forward and underspend are detailed in the Directorate updates below.
- 8.8 The current forecast capital outturn financing position is shown in **Appendix E**. This is being funded by CIL and S106 grants, and other capital grants being mainly for the Active Travel, Firepool, Flood Alleviation, Heritage at Risk and Coastal Protection projects.
- 8.9 The completion and exchange of the residential units at Coal Orchard commenced this quarter, so the current year costs will be funded from those capital receipts and the excess capital receipts will be applied to borrowings as per the business plan. The capital receipts forecast excluding Coal Orchard are sufficient to cover the projects they have been allocated to them.
- 8.10 In addition, as mentioned above, in order to increase reserve balances this year, £1.294m of revenue funded capital financing is being proposed to be released and transferred to general reserves.
- 8.11 **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 main reasons for the £7.8m carry forward and the £350k underspend include:
- a) The Future High Street funded works on Firepool is forecast to carry forward £2.4m due to delays in awarding the Drainage & Levels contract, Highways rescheduling the work on the Trenchard Way access and the Planning application for the Southern Boulevard still in progress.
  - b) Phosphates carry forward of £1.8m due to the ongoing negotiation of the Following Land solution. This is expected to be billed and collected via S106 prior to purchasing any credits with the cost of purchasing the credits expected to slip into next year.
  - c) The Active Travel project, funded by the Future High Street Fund, is forecast to carry forward £558k together with the related CIL funded Cycle and Pedestrian (£500k) and Town Centre Regeneration (£500k) projects.
  - d) There is a carry forward of £1.1m CIL funded Education contribution to Orchard Grove school in Comeytrove which is not expected to be called on by SCC this financial year.

- e) There is a £910k carry forward on the Taunton Flood Alleviation projects as the work has not progressed at the rate anticipated when the budget phasing was done. This project is fully funded via Grant and CIL funding.
- f) The Coal Orchard project is expected to complete in the autumn and is currently forecast to overspend by £104k against a total approved budget of £15.3m. This may reduce once the current open purchase orders are reviewed and closed on completion of the project.
- g) There is forecast underspend of £482k on Firepool budgets approved prior to the Future High Street Funding (FHSF) award, as those works will now be included in the fully funded project.

8.12 **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 £193k, this is mainly due to the implementation of a new accounting standard (IFRS16–Leases) being deferred, meaning that the finance lease costs for the fleet contract will be accounted for in revenue £125k, and the budget for Closed Churchyards no longer being required £50k. It has been agreed to return both budgets, this will be reflected in the Q3 budget monitoring report. Slippage of £1,035m relates to the Blue Anchor Coastal Protection works, the project has encountered delays due to vessels being unavailable, meaning spend will fall into next financial year.

8.13 **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 Housing Service is supporting the Homeless service in delivering the plan for example the purchase of 6 acquired units and 6 of its own units for a Housing First approach. These costs will emerge in the capital programme spend over the four quarters. The Better Care Fund has incurred slippage and the programme is being reviewed to align to existing and future unitary requirements.

8.14 **Internal Operations:** The capital programme relates to the annual PC refresh upgrades and alarms for the lifeline service. Of this £122k of the IT capital budgets have been returned as no longer required.

8.15 **Hinkley:** One of the Hinkley funded projects is expected to be completed in the 2023/24 year.

8.16 **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.

## 9 **Risk and Uncertainty**

9.1 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.

- 9.2 The following general risks and uncertainties have been identified:
- 9.3 **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.
- 9.4 **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. Whilst the invoices have now been received these were received too late to be updated within the Q2 forecasts therefore an update will be provided in the Q3 report.
- 9.5 **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.
- 9.6 **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.
- 9.7 **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.
- 9.8 **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.

- 9.9 **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.
- 9.10 **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.
- 9.11 **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. As mentioned above, the current forecast overspend can be managed within the services existing earmarked reserves, however if the overspend increases this will impact on the overall corporate outturn position.
- 9.12 **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.
- 9.13 **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.
- 9.14 **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.
- 9.15 **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.
- 9.16 **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.

## **10 Links to Corporate Strategy**

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

## **11 Unitary Council Financial Implications and S24 Direction Implications**

11.1 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.

## **12 Partnership Implications**

12.1 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.

## **13 Scrutiny Comments / Recommendations**

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

### **Democratic Path:**

- **Corporate Scrutiny – 7 December 2022**
- **Executive – 21 December 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
Appendix E	Financing of Forecast Capital Outturn for 2022/23
Appendix F	CONFIDENTIAL - Write Offs Over £25k

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### 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	775,000	0	49,618,459
External Operations and Climate Change	5,937,107	1,666,800	7,603,907	0	567,280	0	8,171,187
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	(128,460)	248,771
Hinkley Capital Schemes	130,005	0	130,005	0	0	0	130,005
S106 Capital Schemes	498,603	0	498,603	0	179,199	0	677,802
<b>Total GF</b>	<b>60,976,934</b>	<b>1,714,863</b>	<b>62,691,797</b>	<b>0</b>	<b>1,521,479</b>	<b>(128,460)</b>	<b>64,084,816</b>



### 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	49,618,459	12,286,578	13,018,025	1,795,050	1,186,099	50,000	98,400	21,184,308
External Operations and Climate Change	8,171,187	0	3,827,350	0	1,434,770	1,942,335	76,346	890,386
Housing & Communities	5,238,592	0	4,110,675	374,791	385,446	0	259,178	108,502
Internal Operations	248,771	0	0	0	244,768	0	0	4,004
Hinkley Capital Schemes	130,005	0	130,005	0	0	0	0	0
S106 Capital Schemes	677,802	0	0	677,802	0	0	0	0
<b>Total GF</b>	<b>64,084,816</b>	<b>12,286,578</b>	<b>21,086,055</b>	<b>2,847,643</b>	<b>3,251,082</b>	<b>1,992,335</b>	<b>433,924</b>	<b>22,187,199</b>



### 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	49,618,459	15,895,788	17,021,402	10,631,942	6,069,333
External Operations and Climate Change	8,171,187	5,857,381	2,313,806	0	0
Housing & Communities	5,238,592	2,655,504	1,112,766	876,524	593,798
Internal Operations	248,771	248,768	0	0	0
Hinkley Capital Schemes	130,005	130,005	0	0	0
S106 Capital Schemes	677,802	677,802	0	0	0
<b>Total GF</b>	<b>64,084,816</b>	<b>25,465,247</b>	<b>20,447,974</b>	<b>11,508,466</b>	<b>6,663,131</b>



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

SWT Capital Programme	Profiled 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	2,686,013	<b>7,777,147</b>	(8,118,641)	(7,768,524)	(350,117)
External Operations and Climate Change	5,857,381	608,060	<b>4,628,513</b>	(1,228,868)	(1,035,328)	(193,540)
Housing & Communities	2,655,504	42,349	<b>2,055,504</b>	(600,000)	(0)	(600,000)
Internal Operations	248,768	32,041	<b>126,768</b>	(122,000)	0	(122,000)
Hinkley Capital Schemes	130,005	0	<b>30,005</b>	(100,000)	(100,000)	0
S106 Capital Schemes	677,802	110,744	<b>433,339</b>	(244,463)	(244,463)	0
<b>Total GF</b>	<b>25,465,247</b>	<b>3,479,206</b>	<b>15,051,275</b>	<b>(10,413,972)</b>	<b>(9,148,316)</b>	<b>(1,265,657)</b>



### Appendix E: Financing of Forecast Capital Outturn for 2022/23

SWT Capital Programme	Forecast Outturn 2022/23	Capital Grants CIL	Capital Grants Other	Section 106 Agreements	Capital Receipts	Other Earmarked Reserves	Borrowing
Development and Place	7,777,147	1,120,292	4,467,759	0	1,682,947	155,339	350,810
External Operations and Climate Change	4,628,513	0	1,509,786	0	678,410	76,346	2,363,970
Housing & Communities	2,055,504	0	1,715,297	0	340,207	0	0
Internal Operations	126,768	0	0	0	126,768	0	0
Hinkley Capital Schemes	30,005	0	30,005	0	0	0	0
S106 Capital Schemes	433,339	0	0	433,339	0	0	0
<b>Total GF</b>	<b>15,051,275</b>	<b>1,120,292</b>	<b>7,722,847</b>	<b>433,339</b>	<b>2,828,332</b>	<b>231,685</b>	<b>2,714,780</b>



By virtue of paragraph(s) 2, 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

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