

Cabinet

Wednesday 15 November 2017

10.00 am Luttrell Room - County Hall,
Taunton



To: The Members of the Cabinet

Cllr D Fothergill (Chairman), Cllr D Hall (Vice-Chairman), Cllr A Groskop, Cllr D Huxtable, Cllr C Lawrence, Cllr F Nicholson and Cllr J Woodman

All Somerset County Council Members are invited to attend meetings of the Cabinet and Scrutiny Committees.

Issued By Julian Gale, Strategic Manager - Governance and Risk - 7 November 2017

For further information about the meeting, please contact Michael Bryant or Scott Wooldridge or 01823 357628 swooldridge@somerset.gov.uk

Guidance about procedures at the meeting follows the printed agenda.

This meeting will be open to the public and press, subject to the passing of any resolution under Regulation 4 of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012.

This agenda and the attached reports and background papers are available on request prior to the meeting in large print, Braille, audio tape & disc and can be translated into different languages. They can also be accessed via the council's website on www.somerset.gov.uk/agendasandpapers



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AGENDA

Item Cabinet - 10.00 am Wednesday 15 November 2017

**** Public Guidance notes contained in agenda annexe ****

1 **Apologies for Absence**

2 **Declarations of Interest**

Details of Cabinet Member interests in District, Town and Parish Councils will be displayed in the meeting room. The Statutory Register of Member's Interests can be inspected via the Community Governance team.

3 **Minutes from the meeting held on 18 October 2017** (Pages 7 - 10)

4 **Public Question Time**

The Chairman will allow members of the public to present a petition on any matter within the Cabinet's remit. Questions or statements about any matter on the agenda for this meeting may be taken at the time when each matter is considered.

5 **County Vision 2017-2021** (Pages 11 - 22)

To consider the report.

6 **Children's Services Improvement Update - Workforce Update** (Pages 23 - 46)

To consider the report.

7 **Heart of the South West - Productivity Consultation Response** (Pages 47 - 56)

To consider the report.

8 **Heart of the South West - Proposed Joint Committee** (Pages 57 - 86)

To consider the report.

9 **Annual Report of the Director of Public Health** (Pages 87 - 140)

To consider the report.

10 **Quarter 2 Revenue Budget Update** (Pages 141 - 158)

To consider the report.

11 **Quarter 2 Capital Budget Update** (Pages 159 - 174)

To consider the report.

12 **2017/18 Treasury Management mid-year report** (Pages 175 - 188)

To consider the report.

Item Cabinet - 10.00 am Wednesday 15 November 2017

13 **Quarter 2 2017/18 Performance Monitoring Report** (Pages 189 - 204)

To consider the report.

14 **Somerset Waste Partnership Draft Business Plan 2018 - 2023** (Pages 205 - 232)

To consider the report.

15 **Medium Term Financial Plan 2018/19 - proposed capital and revenue savings** (Pages 233 - 238)

To consider the report.

16 **Any other urgent items of business**

The Chairman may raise any items of urgent business.

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Agenda Annexe

THE MEETING – GUIDANCE NOTES

1 Inspection of Papers or Statutory Register of Member's Interests

Any person wishing to inspect reports or the background papers for any item on the agenda or inspect the Register of Member's Interests should contact Scott Wooldridge or Mike Bryant on (01823) 359048 or 357628 or email jjones@somerset.gov.uk

2 Notes of the Meeting

Details of the issues discussed and decisions taken at the meeting will be set out in the Minutes, which the Cabinet will be asked to approve as a correct record at its next meeting. In the meantime, details of the decisions taken can be obtained from Scott Wooldridge or Mike Bryant on (01823) 357628 or 359048 or email mbryant@somerset.gov.uk

3 Public Question Time

At the Chairman's invitation you may ask questions and/or make statements or comments about **any matter on the Cabinet's agenda**. You may also present a petition on any matter within the Cabinet's remit. **The length of public question time will be no more than 30 minutes in total.**

A slot for Public Question Time is set aside near the beginning of the meeting, after the minutes of the previous meeting have been signed. However, questions or statements about any matter on the agenda for this meeting may be taken at the time when each matter is considered.

If you wish to speak at the meeting or submit a petition then you will need to submit your statement or question in writing to Mike Bryant by 12.00pm on Friday prior to the meeting. You can send an email to mbryant@somerset.gov.uk or send post for attention of Mike Bryant, Community Governance, County Hall, Taunton, TA1 4DY.

You must direct your questions and comments through the Chairman. You may not take direct part in the debate.

The Chairman will decide when public participation is to finish.

If there are many people present at the meeting for one particular item, the Chairman may adjourn the meeting to allow views to be expressed more freely.

If an item on the agenda is contentious, with a large number of people attending the meeting, a representative should be nominated to present the views of a group.

An issue will not be deferred because you cannot be present at the meeting.

Remember that the amount of time you speak will be restricted normally to two minutes only.

4 Hearing Aid Loop System

To assist hearing aid users, the Luttrell Room has an infra-red audio transmission system. This works in conjunction with a hearing aid in the T position, but we also need to provide you with a small personal receiver. Please request one from the Committee Administrator and return at the end of the meeting.

5 Emergency Evacuation Procedure

In the event of the fire alarm sounding, members of the public are requested to leave the building via the signposted emergency exit, and proceed to the collection area outside Shire Hall. Officers and Members will be on hand to assist.

6 Cabinet Forward Plan

The latest published version of the Forward Plan is available for public inspection at County Hall or on the County Council web site at:
<http://www.somerset.gov.uk/irj/public/council/futureplans/futureplan?rid=/guid/505e09a3-cd9b-2c10-89a0-b262ef879920>.

Alternatively, copies can be obtained by telephoning (01823) 359027 or 357628.

7 Excluding the Press and Public for part of the meeting

There may occasionally be items on the agenda that cannot be debated in public for legal reasons (such as those involving confidential and exempt information) and these will be highlighted in the Forward Plan. In those circumstances, the public and press will be asked to leave the room while the Cabinet goes into Private Session.

8 Recording of meetings

The Council supports the principles of openness and transparency, it allows filming, recording and taking photographs at its meetings that are open to the public providing it is done in a non-disruptive manner. Members of the public may use Facebook and Twitter or other forms of social media to report on proceedings and a designated area will be provided for anyone who wishing to film part or all of the proceedings. No filming or recording will take place when the press and public are excluded for that part of the meeting. As a matter of courtesy to the public, anyone wishing to film or record proceedings is asked to provide reasonable notice to the Committee Administrator so that the relevant Chairman can inform those present at the start of the meeting.

We would ask that, as far as possible, members of the public aren't filmed unless they are playing an active role such as speaking within a meeting and there may be occasions when speaking members of the public request not to be filmed.

The Council will be undertaking audio recording of some of its meetings in County Hall as part of its investigation into a business case for the recording and potential webcasting of meetings in the future.

A copy of the Council's Recording of Meetings Protocol should be on display at the meeting for inspection, alternatively contact the Committee Administrator for the meeting in advance.

THE CABINET

Minutes of a Meeting of the Cabinet held in the Luttrell Room, County Hall, Taunton, on Wednesday 18 October 2017 at 10am.

PRESENT

Cllr D Fothergill (in the Chair)

Cllr A Groskop
Cllr D Hall
Cllr D Huxtable
Cllr C Lawrence
Cllr F Nicholson
Cllr J Woodman

Junior Cabinet members:
Cllr C Aparicio Paul
Cllr Fraschini
Cllr G Verdon

Other Members present: Cllr Simon Coles; Cllr Hugh Davies, Cllr Liz Leyshon, Cllr Jane Lock, Cllr Graham Noel, Cllr Bill Revans, Cllr Nigel Taylor

Apologies for absence: Cllr F Purbrick

35 **DECLARATIONS OF INTEREST** – agenda item 2

Members of the Cabinet declared the following personal interests in their capacity as a Member of a District, City/Town or Parish Council:

| | |
|----------------|---------------------------------|
| Cllr A Groskop | South Somerset District Council |
| Cllr J Woodman | Sedgemoor District Council |

Junior Cabinet Members declared the following personal interests in their capacity as a Member of a District, City/Town or Parish Council:

| | |
|----------------------|---------------------------------|
| Cllr C Aparicio Paul | South Somerset District Council |
|----------------------|---------------------------------|

36 **MINUTES OF MEETINGS OF THE CABINET HELD ON 27 SEPTEMBER 2017** - agenda item 3

The Cabinet agreed the minutes and the Chairman signed these as a correct record of the proceedings.

37 **PUBLIC QUESTION TIME (PQT)** – agenda item 4

There were no public questions.

**PROPOSED 14 CLASS PRIMARY SCHOOL AT NERROLS FARM
TAUNTON - agenda item 5**

The Cabinet Member for Children and Families, Cllr Frances Nicholson introduced the report, noting: work to ensure the adequate availability of school places; that a new school was clearly needed in the Nerrols Farm area; that it was recommended a contractor be appointed at a gross maximum cost; and that this development would be funded using Section 106 monies.

The Project Manager, Corporate Property Group added to the points raised by Cllr Nicholson, noting that: existing schools in the local area don't have the capacity to accommodate additional children; the additional places are required to be available from September 2019; and that the County Council has a statutory duty to provide school places.

Cllr Giuseppe Frascini noted his support for the new school as the relevant divisional member.

Further points raised in the debate included: safe access to the new school once open, given on-going developments in the local area; ensuring the availability of safe walking and cycle routes; ensuring the development is completed by September 2019; receipt of S106 monies; car parking in the vicinity of school sites; the proximity of the new West Monkton Primary School; the funding requirement in addition to S106 monies; safe school 'drop-off' and 'pick-up' points and associated OFSTED requirements; the importance of interaction between the Council's Education and Planning departments; and disabled access to the new school.

The Project Manager, Corporate Property Group and the Programme Manager – Schools and Early Years responded to the points raised in debate, highlighting that: the build would be completed by July 2019 to allow a final 'fit-out' by September 2019; that safe walking and cycle routes would be considered as a part of the school's planning application; that initially only 7 classrooms would be operational, with additional classrooms being brought into use when required; and that 17 of the 18 recent large scale school building projects were delivered on time.

The Director of Finance and Performance informed Members that additional capital funding had been agreed as a part of the 2017/18 budget.

The Chairman asked if there was support for the proposal and both Junior and Cabinet Members were in consensus.

Following consideration of the officer report, appendix and discussion the Cabinet RESOLVED to:

1. Approve the appointment of a contractor to proceed with the delivery of a 14 class primary school at Nerrols Farm, Taunton for September 2019 at a gross maximum project cost.

2. Approve the gross maximum project cost as set out in Appendix A.
3. Delegate authority to the Head of Corporate Property to finalise contract negotiations and to instruct the County Solicitor to execute all necessary contractual documents in order for SCC to enter into contract with the selected contractor.

ALTERNATIVE OPTIONS CONSIDERED: As set out in the officer report

REASON FOR DECISION: As set out in the officer report

39 SOMERSET ROAD SAFETY STRATEGY UPDATE – agenda item 6

The Cabinet Member for Highways and Transport, Cllr John Woodman, introduced the report highlighting that: the road safety strategy was last reviewed in 2013; that in the last year 1041 people were killed or seriously injured on Somerset's roads, costing the County's economy £69m; and that the updated strategy included a focus on working in partnership with other agencies.

The Transport Policy Manager added to the points raised by Cllr Woodman, noting that: the County's roads are becoming safer; the adoption of the safe systems approach which recognises that humans are fallible; the updated strategy supports the Council's Health and Wellbeing aspirations; and that a stronger partnership approach should help avoid duplication of work.

The Lead Director for Economic and Community Infrastructure & Director of Commissioning highlighted that the Scrutiny for Polices and Place Committee supported the updated strategy.

Further points raised in the debate included: the importance of recognising equestrian and rural road safety including agricultural vehicles; asking schools to help deliver road safety messages; the importance of education; the effectiveness of safety cameras; the devastating effects of road accidents; ensuring the safety of existing roads is enhanced where ever possible; safe routes to schools; the cultural shift required for children to walk to school; compensation paid to victims of road traffic accidents; and utilising Small Improvement Schemes funding to improve road safety.

The Transport Policy Manager and the Service Manager – Transport Programmes responded to the points raised in debate, noting that: the plan would be amended to include equestrian and rural road safety; the police were currently operating a significant mobile safety camera programme, but it was not thought that any new fixed camera installations were planned; and working with Highways England to improve road safety.

The Chairman asked if there was support for the proposal and both Junior and Cabinet Members were in consensus.

Following consideration of the officer report and discussion the Cabinet resolved to endorse the consultation draft Road Safety Strategy and authorises the commencement of public consultation on the draft Road Safety Strategy

ALTERNATIVE OPTIONS CONSIDERED: As set out in the officer report

REASON FOR DECISION: As set out in the officer report

40 **ANY OTHER URGENT ITEMS OF BUSINESS** – agenda item 7

None.

CHAIRMAN

Somerset County Council

Cabinet

15th November 2017

New Vision for Somerset

Cabinet Member(s): Cllr David Fothergill, Leader of the Council

Division and Local Member(s): All Council Members

Lead Officer: Simon Clifford - Director, Corporate Affairs

Contact Details: 01823 359166

| | Seen by: | Name | Date |
|------------------------------------|--|---|---------------|
| | County Solicitor | Honor Clarke | 06/11/17 |
| | Monitoring Officer | Julian Gale | 06/11/17 |
| | Corporate Finance | Kevin Nacey | 06/11/17 |
| | Human Resources | Chris Squire | 06/11/17 |
| | Property / Procurement / ICT | Richard Williams | 06/11/17 |
| | Senior Manager | Simon Clifford | Report author |
| | Local Member(s) | All Council Members | 06/11/17 |
| | Cabinet Member | Cllr David Fothergill | 31/10/17 |
| | Opposition Spokesperson | Cllr Jane Lock; Cllr Mike Rigby; Cllr Leigh Redman; | 06/11/17 |
| | Relevant Scrutiny Chairman | Cllr Tony Lock for Scrutiny Place | 31/10/17 |
| Forward Plan Reference: | FP/17/08/12 | | |
| Summary: | <p>Somerset County Council is setting out a new collaborative and high level Vision to provide strategic direction to deliver the best quality of life we can to our residents.</p> <p>The Vision summaries three key approaches for our residents; to have ambition; to have confidence; to improve outcomes. This can only be achieved by close working with our partners, from Police, Fire and Health, through the Voluntary and Community sectors, and finally with our residents, businesses and communities.</p> <p>Our aim is to deliver the best outcomes we can – and to be a County our residents are proud of.</p> | | |

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| <p>Recommendations:</p> | <p>Cabinet endorses the new Vision for Somerset and notes:</p> <ol style="list-style-type: none"> 1. The Vision and its aims will be delivered by partners across Somerset and in some cases beyond our own boundaries. 2. The Vision and its aims are a long-term ambition on a timescale beyond the life of any single Administration. 3. All key decisions and impact assessments within SCC will reference the Vision and its aims to ensure alignment. |
| <p>Reasons for Recommendations:</p> | <p>The Vision sets ambitions for the Council and our partners. It sets priorities and principles that will underpin our own decisions and influence those of our partners. It is flexible and will be able to adapt to significant national changes in policy or practice. It will remain a “live” document and be refreshed when appropriate.</p> <p>County Plans from 2013 onwards have taken steps to be more inclusive and based on partnerships. This Vision takes this commitment further as the intention is to develop it with, and not for, our partners. To date it has been shared with key partners such as Police, Fire and Health and shaped following presentations to local authorities, including town and parish councils. It has also been developed in conjunction with the Voluntary, Community and Social Enterprise Sector [VCSE]. The plan is that this Vision will continue to exist in draft form while further consultations and engagement takes place.</p> |
| <p>Links to Priorities and Impact on Service Plans:</p> | <p>This Vision for Somerset is a strategic approach that demonstrates our commitment to working with partners.</p> <p>It will form the foundations for our approach to the Medium Term Financial Plan (MTFP), Commissioning and Service Plans and will set the priorities and principles that will underpin key decisions.</p> |

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| <p>Consultations and co-production undertaken:</p> | <p>The Vision for Somerset has been shared and developed with staff, members and key partners such as Police, Fire and Health. It has been shaped following presentations to local authorities, including town and parish councils. It has been developed in conjunction with the VCSE Sector. It will continue to exist in draft form while further consultations and engagement takes place.</p> <p>It should be noted that a key stakeholder event will take place early next year to encourage further co-production of the Vision, priorities and principles ahead of formal adoption at Full Council. It is hoped that partners will be able to formally validate this Vision through their own governance arrangements.</p> | | | | | |
| <p>Financial Implications:</p> | <p>This is a strategic Vision, therefore it does not have direct financial impacts.</p> <p>It does however set the ambitions, priorities and principles that will underpin all key decisions as well as being a reference point in the MTFP and in Commissioning and Service plans.</p> | | | | | |
| <p>Legal Implications:</p> | <p>This is a strategic Vision, therefore it does not have direct legal impacts.</p> <p>It does however set the ambitions, priorities and principles that will underpin all key decisions as well as being a reference point in the MTFP and in Commissioning and Service plans</p> | | | | | |
| <p>HR Implications:</p> | <p>This is a strategic Vision, therefore it does not have direct HR impacts.</p> <p>It does however set the ambitions, priorities and principles that will underpin all key decisions as well as being a reference point in the MTFP and in Commissioning and Service plans</p> | | | | | |
| <p>Risk Implications:</p> | <p>A full risk review will be undertaken by the Strategic Risk Management Group and implications will be assessed. It is likely these will include the following:</p> <ul style="list-style-type: none"> • Capacity of organisations – and where relevant to partners their own organisations – to have the available resources to deliver the Vision. • Potential for partner organisations to reject the Vision as it stands. | | | | | |
| <p>Other Implications (including due regard implications):</p> | <p>Likelihood</p> | | <p>Impact</p> | | <p>Risk Score</p> | |
| | <p><u>Equalities Implications</u></p> <p>This is a strategic Vision, therefore it does not have direct equalities impacts.</p> | | | | | |

It does however set the ambitions, priorities and principles that will underpin all key decisions as well as being a reference point in the MTFP and in Commissioning and Service plans. Because of this we will make sure that the work from this vision considers the impact it will have on characteristics protected under the Equality Act 2010.

The Vision is however built on a principle of reducing inequalities and there are numerous mentions of this, the need to build strong and resilient communities, and to target resources where they are most needed.

Community Safety Implications

This is a strategic Vision, therefore it does not have direct community safety impacts. Indeed community safety is referenced as a specific aim within the Vision.

It also sets the ambitions, priorities and principles that will underpin all key decisions as well as being a reference point in the MTFP and in Commissioning and Service plans

Sustainability Implications

This is a strategic Vision, therefore it does not have direct sustainability impacts.

It does however set the ambitions, priorities and principles that will underpin all key decisions as well as being a reference point in the MTFP and in Commissioning and Service plans

Health and Safety Implications

This is a strategic Vision, therefore it does not have direct health and safety impacts.

It does however set the ambitions, priorities and principles that will underpin all key decisions as well as being a reference point in the MTFP and in Commissioning and Service plans

Privacy Implications

This is a strategic Vision, therefore it does not have direct privacy impacts.

It does however set the ambitions, priorities and principles that will underpin all key decisions as well as being a reference point in the MTFP and in Commissioning and Service plans

Health and Wellbeing Implications

This is a strategic Vision, therefore it does not have direct health and wellbeing impacts. It should be noted that the Vision itself continually references the positive impacts that can be delivered and highlights the partnership working that is needed to achieve this. The Vision itself has in part been driven by the County

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| | <p>Health and Wellbeing Strategy.</p> <p>It does also set the ambitions, priorities and principles that will underpin all key decisions as well as being a reference point in the MTFP and in Commissioning and Service plans</p> |
| Scrutiny comments / recommendation (if any): | The Vision has recently been considered by Scrutiny Place Committee on 31 st October. Feedback from this meeting will be shared at Cabinet. |

1. Background

- 1.1. Over the past five years, Somerset County Council has agreed a series of County Plans either new or refreshed. The direction of travel taken across that timescale is clear – a move to a Vision for Somerset across the whole of the county and sectors, rather than a plan for the Council itself.
- 1.2. This Vision for Somerset remains in draft form and subject to revision and change. That is the purpose of a “live” document which has in-built flexibility and provides the opportunity for it to be considered by a large number of varied organisations.
- 1.3. The Vision has already undergone extensive consultation and engagement with our Senior Managers, Members and a variety of organisations. It has been shared with key strategic partners such as Avon and Somerset Police and the Police and Crime Commissioner. It has been shared with the Somerset Association of Local Councils. It has also been shared with the Voluntary, Community and Social Enterprise Forum – an organisation that represents the sector including charities and also key players such as the Chambers of Commerce.

There are a number of other events and opportunities for our staff and partners to influence the Vision including a round of Leader and Chief Executive Road shows for staff and a strategic partners event to be held in January 2018..

It is hoped that key partners will validate this Vision through their own governance arrangements.

- 1.4. Scrutiny Place Committee discussed the draft Vision at its meeting on Oct 31st and amendments or comments will be relayed to this committee

2. Options considered and reasons for rejecting them

- 2.1. No options were considered.

3. Background Papers

- 3.1. The current County Plan can be found here:
<http://www.somersetcountyplan.org.uk/>

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Vision for Somerset

Introduction from Somerset County Council Leader David Fothergill

WWW.SOMERSET.GOV.UK



"Over the next four years my team and I will work hard for the people of Somerset to achieve a clear vision. We want our wonderful county to be ambitious, to be confident and to always look to improve. Our Vision sets out what we all want for Somerset - a county where the public, private and voluntary sectors all work together to raise expectations and to improve the lives of our residents; where we invest in prevention; we build resilience to improve our communities; and we raise business confidence to boost job prospects throughout our county. We all want a county that is seen as an exemplar to others, locally, regionally and nationally. We have a clear ambition and with everyone working together it is an ambition that we can make happen. I hope you will all support us."

Our Somerset Vision is...

- A County that works with our residents for our residents - providing you with right information, advice and guidance to help you help yourself.
- A County of resilient well-connected communities that work to reduce inequalities.
- A County where all partners actively work together for the benefit of our residents, communities and businesses.
- A thriving and productive County that is ambitious, confident and focussed on improving people's lives.



WWW.SOMERSET.GOV.UK

People in Somerset achieve extraordinary things. Some are easier to see than others, some are more amazing than others but our aim must be that people in Somerset feel they can achieve whatever they set their heart on. We must all work hard together to create the environment where talent comes out, where skills are used to their fullest, where people continue to achieve extraordinary things. From success in exams, landing good jobs, excelling on the playing fields, enjoying fulfilling social lives, volunteering, helping, supporting, just living life to the full.

We live in a wonderful county - let's all work to achieve this approach written throughout this document.

To be:
Ambitious -
Confident -
Improving.

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Somerset County Council

Cabinet
15th November 2017

Children’s Workforce Development Strategy 2016-19 – Update

Cabinet Member(s): Cllr Nicholson – Cabinet Member for Children & Families; Cllr Groskop – Cabinet Member for Corporate & Community Services

Division and Local Member(s): All

Lead Officer: Chris Squire, Director of HR & Organisational Development

Author: Chris Squire

Contact Details: csquire@somerset.gov.uk

| | Seen by: | Name | Date |
|---|---|-------------------|-------------|
| | County Solicitor | Honor Clarke | 1/11/2017 |
| | Monitoring Officer | Julian Gale | 1/11/2017 |
| | Corporate Finance | Kevin Nacey | 1/11/2017 |
| | Human Resources | Chris Squire | 1/11/2017 |
| | Property / Procurement / ICT | Richard Williams | 1/11/2017 |
| | Senior Manager | Chris Squire | 1/11/2017 |
| | Cabinet Member for Children & Families | Cllr Nicholson | 1/11/2017 |
| | Cabinet Member for Corporate & Community Services | Cllr Groskop | 1/11/2017 |
| | Opposition lead | Cllr Jane Lock | n/a |
| | Relevant Scrutiny Chairman | Cllr Leigh Redman | n/a |
| Forward Plan Reference: | FP/17/10/01 | | |
| Summary: | The update to the Children’s Social Care Workforce Development Strategy is presented to Cabinet for information purposes. It highlights the progress that has been made in the recruitment and development of children’s social workers at Somerset County Council since 2016, the move in the strategy towards supporting the Children & Young People’s Plan and the support for our current and future colleagues to be safe, healthy, happy and ambitious for themselves and for the children and families that they work with | | |
| Recommendations: | That Cabinet notes the progress that has been made with the Children’s Workforce Development Strategy. | | |
| Reasons for Recommendations: | n/a | | |
| Links to Priorities and Impact on Service Plans: | The Workforce Development Strategy supports the Somerset Children and Young People’s Plan and as such underpins the development of a ‘Think Family’ approach to our work. | | |

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| Consultations and co-production undertaken: | n/a | | | | | |
| Financial Implications: | n/a | | | | | |
| Legal Implications: | n/a | | | | | |
| HR Implications: | The update shows the significant progress that has been made in the recruitment and development of children's services social workers. | | | | | |
| Risk Implications: | N/a | | | | | |
| | Likelihood | | Impact | | Risk Score | |
| Other Implications (including due regard implications): | n/a | | | | | |
| Scrutiny comments / recommendation (if any): | n/a | | | | | |



Children's Social Care Workforce Development Strategy

April 2016 – March 2019

Update November 2017



WWW.SOMERSET.GOV.UK



Welcome to the updated Children's Social Care Workforce Development Strategy 2016-2019

Introduction

Our social workers do great work. Our children and young people have told us and we consistently see this from colleagues working day-in-day-out in a hugely challenging profession.

The Children's Social Care Workforce Development Strategy builds on the strong work that has been done at Somerset County Council developing a talented and resilient workforce. It was written to support the Somerset Children and Young People's Plan and as such underpins the development of a 'Think Family' approach to our work.

The first version of this strategy was developed in 2016 and complimented our Children's Social Care Recruitment and Retention Strategy. This update now includes our work on the recruitment and retention of social worker colleagues, as a core part of the development of the Somerset workforce. We also highlight the progress that has been made since September 2016, across recruitment, retention and development.

The Somerset Children's Social Care Workforce Development Strategy follows two themes, 'Growing Our Own' and 'Looking After Our Own', and is helping to provide the right conditions for social workers to develop their careers in Somerset. We have identified very clearly that investment in our workforce will result in improved lives for our young people and their families; the plans within this strategy set an ambition for our social care staff and their colleagues to work in collaboration with one another and across agencies.

Vision

The vision in our Children & Young People's Plan (CYPP) is for Somerset children and young people to be safe, healthy and happy. They will be ambitious for their future and will be able to develop skills for life.

The Children's Social Care Workforce Development Strategy underpins this vision. It is helping to support current and future colleagues to be safe, healthy, happy and ambitious for themselves and for the children and families that they work with.

Somerset County Council's approach to the development of Children's Social Care staff:

- Centres on the child and family – keeping children, young people and their families at the heart of everything we do;
- Focuses on a motivated, stable and ambitious workforce;
- Is innovative in its use of marketing and retention strategies;
- Emphasises 'growing our own' and 'looking after our own';
- Supports colleagues with health and wellbeing;



- Celebrates great social work.

The first year of this strategy focused on the development of the Children’s Social Care Workforce. The second year (2017-18) has seen its ambition extended, so that it focuses on fully supporting the entire Children’s Services workforce, including partner organisations and the voluntary and community sector.

This Workforce Development Strategy therefore supports the Somerset Children & Young People’s Plan and plays a key part in keeping the child and family at the heart of our work.

The update to the strategy showcases a lot of challenging and often innovative activity, supported by a number of talented professionals across children’s and corporate services. It is therefore the product of colleagues working effectively with one another and with partners outside of the authority, modelling the changes and practices that we are seeing within Children’s Social Care at Somerset County Council.

Chris Squire

Director of HR & Organisational Development



Contents

| | |
|--|----|
| 1. The Somerset Story..... | 5 |
| Where have we come from? | 5 |
| Where are we now?..... | 5 |
| 2. Growing Our Own | 6 |
| 2.1. Culture and Embedding a ‘Think Family’ Approach | 6 |
| 2.2. Practice Standards | 7 |
| 2.3. Recruitment & Retention..... | 8 |
| 2.4. Leadership and Management | 10 |
| 2.5. Talent Management and Succession Planning..... | 11 |
| 2.6. Social Value | 12 |
| 2.7. Workforce Planning | 13 |
| 3. Looking After Our Own..... | 14 |
| 3.1. Think Family Work - Transitions | 14 |
| 3.2. Health & Wellbeing | 15 |
| 3.3. Learning and Development | 15 |
| 3.4. Speaking-Up | 17 |
| 3.5. Coaching & Mentoring..... | 17 |
| 3.6. Education Partnerships..... | 18 |
| 3.7. Celebrate great social work..... | 19 |
| Appendix One – National & Local Approaches Underpinning the Children’s Services Workforce Development Strategy. | 20 |
| Appendix Two – Children’s Social Care Culture Hacks 2017 | 21 |

1. THE SOMERSET STORY

Where have we come from?

The overall judgement of the Ofsted inspection of services for children in need of help and protection, children looked after and care leavers and review of the effectiveness of the local safeguarding children board in 2015 was that services and arrangements to safeguard children were inadequate. This follows a previous Inadequate rating in 2013. For a number of years, Somerset County Council saw a gradual loss of experienced Social Workers. Ofsted have highlighted the potential risks of a high number of locum staff used to cover managerial and social work posts. The effect of this has previously limited the Council's ability to achieve a consistently acceptable standard and quality of social work practice, with children experiencing too many changes of Social Worker. However, in just one year (2015-16) turnover reduced from twenty-seven per cent to sixteen per cent. This has reduced further, to 13%, and there is a commitment to continue this reduction.

Throughout 2015 and early in 2016 Somerset County Council worked on a nine-point priority action plan which was developed to address the immediate issues raised by Ofsted. A major part of this plan was establishing how the authority would improve the capacity and capability of Children's Services senior leadership, managers and Social Workers. Through the Children and Young People's Plan 2016-19, the nine priorities have become improvement themes and these will be based on collaboration, integration and being child and family focused. There is also a move to support personal responsibility for health and wellbeing, the building of thriving and resilient communities and enabling independent living.

Where are we now?

Building relationships with children and families is key to effective social work and this is becoming a fundamental part of our approach to recruitment and workforce development.

The County Council revisited its offer to Social Workers and Team Managers to ensure that we are attractive to candidates. We also recognise that to develop a successful workforce it is essential that current employees feel equally valued. Therefore in addition to our work in attracting new employees, we have:

- Increased capacity across fieldwork teams by working towards the reduction in fieldwork caseloads to an average of fourteen;
- Reduced the maximum number of direct reports for each manager to six to ensure that all staff receive regular high quality reflective supervision;
- Developed a clear career path to provide progression opportunities and include alternative routes for those Social Workers not wanting to become managers;
- Established our Social Work Academy;
- Put in place a benefits programme, offering staff a variety of discounts and salary-exchange schemes;
- Put a real focus on appraisal and effective supervision;
- Supported colleagues with resilience and mental wellbeing in the workplace;
- Run leadership and team development programmes;

- Trained managers in effective appraisal and performance management processes;
- Celebrated our Social Workers through monthly and annual awards, including asking children and young people to vote for their social worker in the Council's Social worker of the Year Awards.
- Helped to deliver a workforce that was sixty per cent permanent in 2016-17, rising to ninety per cent permanent in 2018-19, with a "Think Family" approach at its heart.

Our Children's Services Workforce Development Strategy remains underpinned by national and local approaches and priorities. These are presented in Appendix One.

In supporting the Children and Young People's Plan, we also recognise the changes needed in ways of working for the entire Children and Young People's workforce across all agencies in Somerset. This challenges the ways in which we have worked previously and means we need to become more flexible and creative in finding solutions that meet individual needs. We need to, where possible, give families control over what affects them and work across organisational and service boundaries. This will therefore be a core theme in the recruitment and development of Children's Social Care staff at Somerset County Council.

2. GROWING OUR OWN

2.1. Culture and Embedding a 'Think Family' Approach

The culture of an organisation is probably the single biggest determinant of whether its people and functions can work together to deliver outstanding services. Somerset County Council will work with its staff across the organisation to look at a culture of high-performance and extend this to Children's Social Care to explore and embed a 'Think Family Approach'.

Research shows that addressing the needs of a family in a holistic way is more likely to lead to sustained improvements for children.

The outcomes we want to achieve are:

- Vulnerable young people and families are more emotionally resilient and capable of resolving problems;
- Vulnerable young people and their families are directly involved in helping themselves and encouraged to help others through volunteering or peer mentoring;
- Young carers of parents with mental health problems and drug and alcohol problems have access to advice and support and know how to call for help when needed;
- All professionals and staff who work with adults and children and young people understand the concept of 'think family' and are alert to the effects of adult behaviours on children and young people and know how to act to respond appropriately.

We will:

- Work with staff across Somerset County Council and specifically within Children's Services on analysing culture, where this needs to be set and how to get there;
- Ensure that the voice of the young person is a part of this culture.

What We've Done

- Since October 2016, we've been looking at the culture of Somerset County Council and talking with groups of staff about what it's like to work here: the good, not so good and how to change things. This work will result in a new People Strategy for the organisation;
- Over 700 staff have taken part in these workshops, including many Children's Services staff. Colleagues were asked to come together in teams and identify a simple piece of improvement they could work on together, known as 'Culture Hacks'. A list of these hacks is shown in Appendix Two;
- We collect, analyse and work on the views of staff, using the Somerset County Council Staff Surveys and the Annual Health Check of Social Work. Results from our 2017 Local Government Association Health Check show:
 - Morale has improved;
 - Staff feel well supported by management;
 - Mindfulness programmes help with work stress;
 - Regularity of team meetings is good;
 - Supervision is regular.
- Young people are represented on interview panels, sitting alongside our professionals as equal partners in the process;
- We also ensure the voice of the young person is reflected in the appointment of our experienced social workers through consultation and the inclusion of questions set by them in the interview process.

"It is great to know that we are starting to make a real difference and participation of children and young people and the voice of the child in Somerset are on everyone's agenda. Thank you..." (SEND worker)

2.2. Practice Standards

Social Workers need the best support, leadership and resources that we can provide. We have developed a Social Work Contract which sets out the detail of our vision for Children's Social Care and performance standards for staff at all levels. This supports us in working towards providing outstanding social work services for children and their families, based on clear principles and values that we have already adopted.

The contract outlines what Social Workers in Somerset can expect from their service and what the service expects from them. Although we are a developing service, putting clear structures and systems in place to support best practice will enable our workforce to achieve and deliver.

We will:

- Support our social workers and their teams in understanding the Social Work Contract, its principles and values;
- Link the Social Work Contract to supervision and appraisal processes.

What We've Done

- Developed a Social Work Contract that clearly states the expectations of social workers and what our colleagues can expect from Somerset County Council;
- Discussed the Social Work Contract at team meetings;
- Appointed 12 consultant social workers to help reinforce performance standards;
- Run workshops exploring the importance of corporate culture on service outcomes.

Culture Workshops with Children's Services:

"... well presented and 'inspired' them in terms of moving the service forward. Workers felt there was a good balance between...information and listening and taking ideas from individuals." (Fostering & Adoption)

"I thought it was a fantastic session and it led perfectly into what we did in the afternoon." (Virtual School Team)

2.3. Recruitment & Retention

Our Recruitment & Retention Strategy was originally written in 2015 and sets out an ambition to place the child and family at the heart of our recruitment work, through the use of opinions and feedback from our children and young people. We will ensure that we have the voice of the child at the heart of everything we do.

Our Recruitment & Retention Strategy presents the themes and actions that we will deliver.

We will:

- Increase the supply of 'home grown' social workers;
- Be a motivated and stable workforce with appropriate skills and competencies;
- Effectively market the Somerset offer;
- Help staff with health & wellbeing;
- Celebrate great social work.

I enjoyed my ASYE with Somerset. I felt that I was very supported by my mentor who was always available for advice and guidance. The training was extensive and covered a variety of roles, issues and themes. The peer support was very important and having the ability to meet up regularly in training or group supervision was very helpful. The course work was challenging but not unmanageable and we were able to meet as a group with our mentor to work on each task over the period of the ASYE so that we did not leave it to the last minute!

What We've Done

Recruitment is the single most important activity for people services within an organisation. It acts as the 'shop window' for those interested in exploring opportunities and showcases whether the organisation can work as a system.

Recruitment Services at Somerset County Council have moved on tremendously over the past 2 years, with new techniques used and a real understanding of the importance of how to promote the organisation. Activity has focused on several areas: Recruitment of qualified social workers, locums and graduates (for the Assisted and Supported Year in Employment – 'ASYEs').

- We have recruited 71 ASYE's since August 2015 (69 of whom are still with us);
- Findings from our annual health survey in 2017 informed us that over 70% of our current ASYE's intend to stay in Somerset for at least three years;
- We map the individual strengths of our ASYEs to teams where vacancies occur and to ensure new appointees are consulted and matched accordingly;
- Our recruitment activity since August 2015 has resulted in 165 permanent social worker appointments. This includes 72 qualified social workers, 6 consultant social workers, 16 Team Managers, 2 Operations Managers and 69 ASYEs;
- We have started to recruit to teams rather than vacancies, using a process known as values-based recruitment; this helps us to assess the fit of the individual to the team;
- Adverts are shorter, punchier and are using the language of the team that the candidate will be working with, rather than recruitment jargon. Team-members help to write the adverts and are contactable to talk about practice and the team candidates are interested in joining. We invite social workers to come and 'Try Before They Apply', visiting the offices and meeting prospective colleagues;
- The recruitment micro-site is reviewed regularly to ensure that content is fresh and relevant; this has included, for example, staff contributing to a blog on working in Children's Services at Somerset County Council. We have now replaced the original micro-site with a new design, placing an emphasis on Somerset as a learning organisation and somewhere for colleagues to develop personally and professionally;
- We continue to develop our use of social media and use of web-tools to promote our micro-site and job adverts;
- We have built a presence at social worker recruitment fairs, presenting Somerset County Council to prospective candidates using an approach that uses HR and Children's Social Care colleagues. Our attendance at the Community Care Live event in September 2017 included partnering with Visit Somerset and Mindfulness UK;
- Retention for all social worker roles has reduced to 13%, from a peak of 27% in 2015-16. Turnover for frontline social worker roles now stands at 8.3%, down from 23% in February 2017;

- As at October 2017, Children's Services have 22 apprentices in post (in 15/16 the service had just 2), A further 10 apprentice positions are in the pipeline. Six current Children's Services staff will also 'upskill' via the apprenticeship levy in a range of different areas and we are part of a group looking at the development of degree level apprenticeships;
- We've introduced a 'Talk Before You Walk' scheme, which aims at having open discussions with social workers about things that may cause them to leave;
- We have re-introduced our corporate face-to-face induction sessions, introduced by the Leader & Chief Executive, and well-attended by Children's Services colleagues.

"Very helpful & good idea to make us feel we belong, often hard to feel part of an organisation so this was a very worthwhile approach. Most seamless induction I've had" (Educational Psychologist, Mendip Area Hub)

2.4. Leadership and Management

"I have worked for Somerset County Council for the past 7 years and have been part of tremendous change and development throughout this time. Throughout my career here as a Social Worker, I have been supported, nurtured and mentored by many inspirational and experienced Staff.

In 2010 I was nominated by my Line manager to begin the post graduate diploma In Advanced Social Work with Children and Families at Bristol University . Initially returning to study and completing assignments felt rather daunting. The demands of managing a case load alongside part time study and a busy family life is not for the faint hearted and I have spent many hours, lunch breaks and late nights completing assignments and juggling my case load. My Managers have supported my progress and reduced my case load throughout this time to enable me to complete the course.

The course is designed to complement the work we do in the field and has given me lots of new insights into emerging research and links to other local authorities expertise which has been invaluable to me as practitioner. I have been able to take this learning back to my teams and into my work with children and families.

Not only has this course supported my educational development, it has supported my career development. I am now working as a Consultant Social Worker within Somerset County Council. This post embraces improving the quality of practice within the authority and my learning experience at Bristol University has really supported my progress and my confidence in developing this role. As a new member of the management team I am now supporting new Social Workers in their careers and now have an influential role in the future of social work

The development of leadership and management skills within our Children's Social Care workforce is an essential part of this strategy. We need our managers to recognise, encourage and celebrate good social work, developing their teams so that the 'Think Family' approach is embedded across the service.

Leadership skills are critical at all levels so that colleagues believe they can act in the best interests of young people and their families. Our approach to developing these skills will include formal schemes, such as our Systemic Leadership programme, as well as more bespoke one-to-one work, including coaching and mentoring.

We will:

- Model best practice in line management support, career development and supervisions within Children's Social Care;
- Continue programmes related to succession planning, such as our existing Aspiring Team Managers programme;
- Encourage management and leadership development across Adults' & Children's Services for specific development of social worker leaders, but also include within Somerset County Council programmes to encourage a rounded view of services.

What We've Done

- We have commissioned The Institute of Family Therapy to deliver a comprehensive programme of systemic leadership and supervision training for all Children's Social Care managers. The aim of this is to embed a culture of high level expectations in accordance with the professional standards expected of senior managers and their staff;
- We have run an Aspiring Operational Managers programme, to identify suitable candidates for deputy ops manager posts;
- We have developed an Aspiring Team Manager programme;
- Two senior managers have completed the national Aspiring Directors of Children's Services Programme;
- We have designed and implemented a systems leadership programme for organisations across Somerset, called the Somerset Academy. This includes all NHS organisations, each district authority, police, education, local enterprise partnership and the third sector. One of the projects within the programme is looking at transitions into adulthood for young people with disabilities.

2.5. Talent Management and Succession Planning

We will identify our critical posts in Children's Services and develop staff to take on these more senior roles. This includes, for example, extending our Aspiring Team Managers programme which provides mentoring to a group of staff who have expressed an interest in and have the potential to move to more senior posts.

Talent Management and Succession Planning will help to both retain staff and to attract new recruits, by demonstrating clearly defined career pathways and opportunities. It will link to appraisal and supervision processes, identifying key roles and staff who aspire to those posts.

We will:

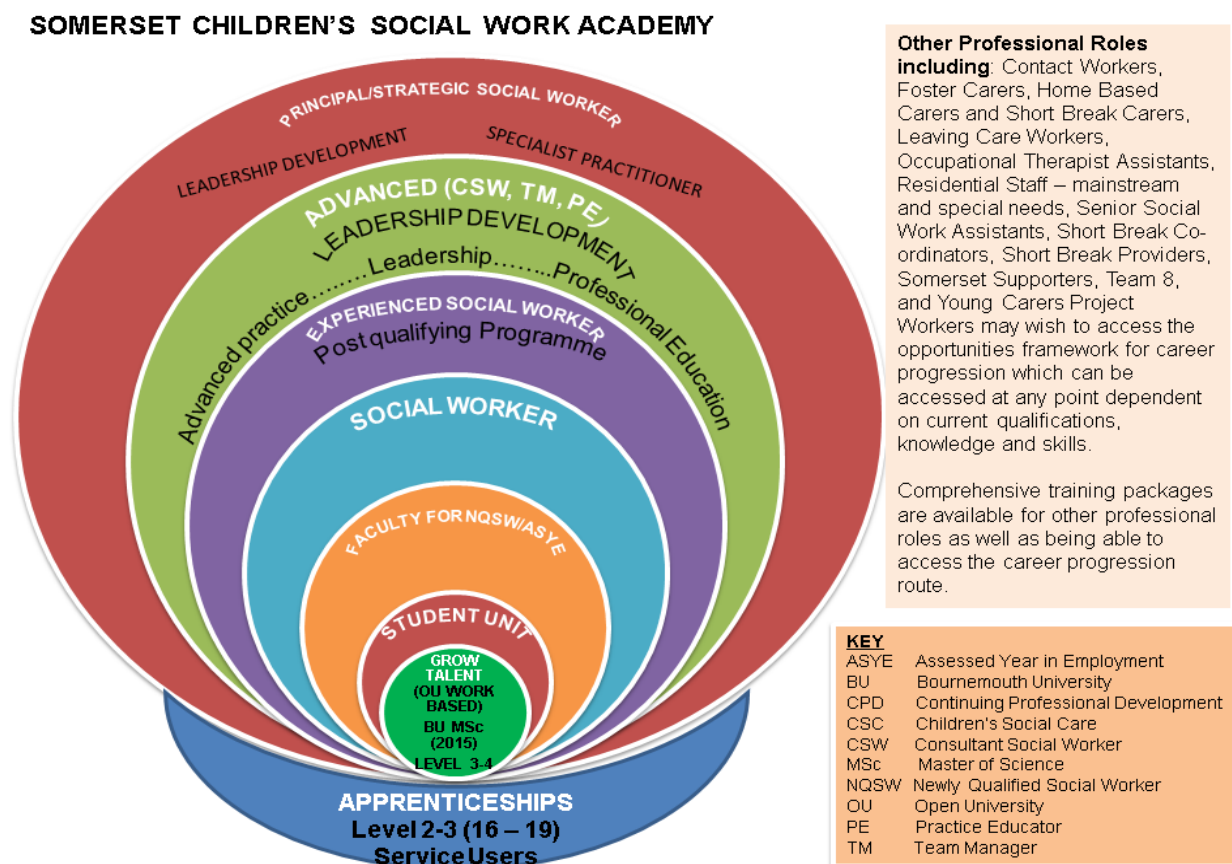
- Develop a framework for talent management & succession planning and ensure this is part of appraisal and supervision.

What We've Done

- We've put in place several programmes to develop a pipeline of talent for critical posts. These include Aspiring Team Managers, Aspiring Operational Managers & Aspiring Directors of Children's Services;

- We also run assessment centres for colleagues who aspire to become Experienced Social Workers and then progressing towards Consultant Social Worker roles;
- Our Systemic Leadership Programme covers all those in management roles, with the aim of establishing consistently high management and leadership behaviours across Children’s Social Care;
- We’ve developed our Social Worker Academy (figure 1), clearly showing the career framework for children’s social workers at Somerset County Council

Figure 1 - Social Work Academy



2.6. Social Value

This strategy also provides a clear link between the development of the workforce at Somerset County Council and improving outcomes for young people, through the provision of work placements and apprenticeships. Our ambition is to help raise aspirations through offering opportunities to experience the broad range of work available in the authority and across the public sector.

This work is a focus of our Young People’s Strategy and the increased numbers of apprentices at Somerset County Council. Somerset County Council already has a Pathway to Employment Scheme, which provides a platform for young people from disadvantaged backgrounds, including care-leavers, to find opportunities for

traineeships, apprenticeships and work experience across different areas of the council.

We will:

- Link our programme of recruiting more apprentices to care leavers and special educational needs.

What We've Done

- We have adopted a concept of 'something for everyone', in response to concerns that there are barriers to accessing opportunity (such as prior educational attainment). These relate, for example, to the 'pre-apprenticeship' group;
- In partnership with Microsoft, we arranged an experience day at Microsoft's UK headquarters for a group of Care Leavers. This led to 2 of the group returning to education to improve their qualifications;
- We've arranged a week-long activity and employability residential week for 19 Care Leavers, on Exmoor in October 2017;
- We continue to work with our partners to engage them in social value, including our major contracting partners of Skanska and Viridor. These companies have schemes for our Care Leavers to access – the intention is for these concepts to be commonplace when awarding contracts;
- In conjunction with Microsoft, we have access to refurbished laptops that can be provided to our vulnerable young people upon request, in the first 6 weeks of these being available, 20 laptops were provided to our young people.

2.7. Workforce Planning

Somerset will implement an effective workforce plan, so that we reduce the number of agency staff we employ, increase the number of newly qualified staff and offer career development opportunities for colleagues at all levels. This will help to embed the Think Family approach through growing our own staff, helping retention and resilience amongst the workforce.

We will:

- Work with our senior managers on workforce profiling and planning, reporting through the Children's Services Workforce Development Board;
- Ensure that Establishment Control processes are operating effectively for all recruitment activity.

What We've Done

We've worked with managers and business support staff in Children's Services to ensure that our HR system matches the operational structure. This ensures that there is now 'one version of the truth' when it comes to workforce reporting and planning. Since 2015 we have:

- Ensured that our systems are accurate and that we have control of the 'establishment';

- Developed a workforce reporting tool specific to children’s social care, which provides key workforce data by team;
- Developed forecasting models to show where recruitment effort needs to focus;
- Implemented a plan to increase our use of ASYEs and reduce the number of agency staff.

3. LOOKING AFTER OUR OWN

Working in Children's Social Care is challenging. In the last five years, sixty per cent of children's social work services in England have experienced retention problems, with burnout, organisational conditions and work stressors cited as leading causes.

This is a hugely important area for Somerset County Council and the community that we serve, as losing skilled Social Workers also has a direct impact on the lives of our vulnerable citizens. We will continue to promote and offer health and wellbeing opportunities to our staff through Somerset County Council's Healthy Workplace Programme. Moreover, we will strengthen our working relationships with colleagues in Public Health, Universities and other agencies to develop resilience amongst staff, focusing on professional and personal support.

Listening to staff, valuing and recognising people’s contributions and having a culture which supports the health and wellbeing of the workforce is essential if we are to provide the best possible service to children and young people.

3.1. Think Family Work - Transitions

Embedding our 'Think Family' approach will only be possible by working closely with partners and agencies across Somerset and our neighbours. We intend to use learning and development to help support this approach, ensuring that our Children's Services staff learn and share experiences with colleagues in Adult Social Care, the NHS, police and other agencies. Stronger relationships amongst colleagues across agencies will result in improved outcomes for children and young people.

We will:

- Extend the Social Work Academy across Children’s and Adults’ Social Care, offering opportunities for personal and career development across both service areas;
- Look at shared learning and development opportunities with colleagues and other agencies, putting in place programmes to support staff to work on a more multi-agency basis.

What We’ve Done

- We have built on the close working relationships between our Adults and Children’s Learning and Development Teams, maximising opportunities for further joint working. This will encompass a more joined-up ‘Think Family’ approach to learning and development;
- The Somerset Academy development programme contains five challenges. One of these asks, “How can we promote independence, health & wellbeing by

joining up approaches to personalisation?” The team working on this has started by recognising that there can be a cliff-edge transition between childhood and adulthood; they are focusing on how a more personalised approach could help smooth that transition.

3.2. Health & Wellbeing

Re mindfulness and its impact on leadership, I feel it has helped me utilise my brain more productively to find innovative solutions to immense challenges. A specific example would be with the current impasse with staff recruitment and turnover in front line Safeguarding teams. Instead of feeling defeated by this I have allowed my brain to focus on how best to utilise, support and direct our ever-changing workforce. This has been achieved in the spirit of the least harmful option and best possible fit under the circumstances for clients.

Practising mindful techniques help me to maintain my love for this special area of work, my humour, my balance and sanity.

Somerset has a Healthy Workplace initiative to support the health and emotional wellbeing of our staff, linked to County Plan priorities. This includes a network of Healthy Workplace Champions, who encourage team and location-based programmes to support physical and mental health & wellbeing.

Somerset’s vision for Children’s Social Work firmly encompasses support and training in key areas and includes an innovative approach to using mindfulness to build and model mindful leadership and build emotional resilience.

We will:

- Continue to make the 8-week Mindfulness Based Stress Reduction programme available to all Children’s Social Care staff.
- Encourage take up of more Healthy Workplace Champions within Children’s Social Care;
- Work with children & young people on awareness of resilience and mindfulness.

What We’ve Done

- 69 staff have engaged in the 8-week Mindfulness programme; 66 of whom are still in post. Evaluation of the impact of the course is overwhelmingly positive with statistics showing that the course has had a positive impact on individuals’ ability to manage stress in the workplace and has played an important role in maintaining individuals’ overall well-being;
- Included mindfulness in our Aspiring Managers’ Programme;
- Partnered with Mindfulness UK at the Community Care Live event in September.

We have already heard from a couple of seriously interested organisations heralding the work that you have done in supporting Team Leaders and Social Workers by giving them the opportunity to learn the skills and practices of Mindfulness and Compassion. Praise goes to you, SCC, as a forward-thinking, pioneering organisation offering valued staff the support and resources they need to do their job really well by looking after themselves and creating a kinder environment in which to work. I hope that our presentation and presence on the stand helped to recruit more Social Workers to Somerset. (Mindfulness UK)

Somerset is committed to becoming an authentic learning organisation, encouraging staff to learn and develop through their own reflection, supervision, CPD sessions, sharing good practice and constructive challenge. The aspirations of this approach link directly to 'Growing Our Own' staff and retaining those colleagues.

We will continue to develop high quality training for supervisors and supervisees to support and embed good quality, reflective supervision.

We will:

- Ensure all staff understand their quality assurance responsibilities and how they contribute to improving quality;
- Develop a feedback cycle where challenges are addressed openly and honestly;
- Embed the Social Work Academy across Children's Social Care;
- Review and revise the Social Work Academy, aligned to local and national context and direction of travel;
- Implement our Training and CPD Strategy which outlines our vision for CSC in Somerset and shows how our Social Work Academy model supports the recruitment and retention of our social care workforce.

What We've Done

Our Learning & Development team ensures that there are a range of learning opportunities available from taught courses, access to research, e-learning, innovation projects, mentoring and coaching, as well as self-directed study. The team:

- Is the lead for the regional Step Up to Social Work Programme;
- Engages with national social work training programmes e.g. Step Up to Social Work, Social Work Apprenticeships, Teaching Partnerships;
- Supports additional learning events which value and recognise our staff, such as internal conferences based around a theme of 'Looking After Our Own';
- Provides access to a range of training which enables a skill mix in teams which is determined by the complexity of caseloads, and the aptitudes of staff;
- Promotes ongoing links and partnerships with Higher Education Institutes (HEI) and regional social work degree providers to support specialist 'Master classes' to share current research;
- Liaises with HEI's to provide opportunities for post graduate qualifications in advanced social work practice and accredited leadership development from graduate certificate to masters' level;
- Recognises research findings which highlight the importance of building emotional resilience and commits to this being a core aspect of training;
- Recognises the benefits and significance of including our children and young people's voice in the design and delivery of training plans for frontline staff and managers.

3.4. Speaking-Up

We recognise that specifically for Children's Social Care, we must ensure we understand the needs of Social Workers. This strategy will help with this and will support workforce engagement across Children's Services and its partners. We will therefore work with our Social Workers to understand their needs and the needs of children and young people.

We will

- Encourage staff to speak up and raise concerns;
- Work directly with teams and individual staff to ensure they feel supported and protected at the earliest possible opportunity. This includes:
 - One-to-one meetings with managers;
 - Supervisions;
 - Whistleblowing processes;
 - Coaching;
 - Mentoring.
- Embedding our practice outlined in the Children and Young People's Plan (CYPP) with our own staff when raising concerns – supporting intervention at an early stage;
- Encouraging staff to be more creative and innovative in the way they work – a specific 'Creativity and Innovation in Social Work' award will be handed out throughout the year.

What We've Done

- The quality and frequency of good reflective supervision continues to be a high priority. Our health report in 2017 indicated that quality continues to improve and figures for frequency (i.e. supervision which occurs every 4 weeks) was over 90% in most teams;
- Supervision training is mandatory for all staff, including managers. Six monthly audits are also conducted to ensure continuous improvement and that any issues highlighted are addressed;
- Appraisal completion rates are higher than they have ever been. In 2016/17 completion rates were 90.0% (Children's Commissioning) and 73.3% (Children's Social Care). To support the completion of appraisals, we have delivered Performance Management and Appraisal Workshops which Children's services staff have engaged with and attended.

3.5. Coaching & Mentoring

Coaching & Mentoring are proven ways of helping individuals to improve performance and unlock barriers. Somerset County Council has a strong network of coaches and mentors and can access support from within the local authority and neighbouring organisations.

"Having a coach who is separate from my organisational role facilitates a regular in-depth discussion about the interface between personal qualities and areas for development in the professional context of my job. This has helped me to reflect on stuck issues and to use my coach's greater experience and independent perspective to see things differently and to consider different approaches."

We will:

- Use established mentors for Step Up to Social Work students within Social Work teams;
- Encourage Consultant Social Workers to provide coaching and mentoring support for Newly Qualified Social Workers;
- Offer coaching opportunities for colleagues during their Assessed and Supported Year of Employment;
- Set up and embed mentoring groups across Children's Social Care;
- Develop and embed a programme of mentoring for Social Workers in their second year of practice;
- Offer coaching to staff who aspire to more senior roles.

What We've Done

- Consultant Social Workers coach and mentor new staff through their ASYE;
- Consultant and Experienced Social Workers coach practitioners to help identify and set realistic learning goals;
- We provide social workers with access to Somerset County Council's own pool of coaches, including broader career coaching for senior staff.

3.6. Education Partnerships

Somerset County Council has partnership arrangements with the University of West of England, Bristol University, the Open University, Bath University, Wiltshire College and Bournemouth University both in relation to providing social work students with placements and the delivery of our post-qualification frameworks.

Recognising the need to widen our reach for recruitment, we are actively targeting the top ten universities we have previously recruited from during the past five years and are making connections with other universities to actively promote Somerset as a great place to be a Social Worker.

We will:

- Take an active role with our partners in the Education Partnership, working with other authorities and universities on the future design of social worker education and experience;
- Encourage our senior leaders and consultant social workers to maintain contact with universities and social work students, promoting Somerset as a place to work.

What We've Done

- We work in partnership with universities to provide high quality placement opportunities for social work students;
- Somerset's partnership with the Open University enables us to support talent in the workplace through a selective annual recruitment process, offering existing

staff the opportunity to apply for an OU sponsorship to qualify as a social worker.

- We work closely in partnership with a number of HEIs to develop suitable programmes of post qualifying awards and programmes.
- Somerset supports a limited number of places targeting experienced social workers and above, to undertake graduate level post-qualification units. This helps prepare staff to acquire greater specialist or leadership and management knowledge and expertise, achieve a full post-graduate qualification and higher-level career progression.

3.7. Celebrate great social work

Great work takes many different forms, but it needs to be celebrated. We will do this through a combination of recognition and reward where great work has been done, sharing it with colleagues across the Authority so that we all learn from it. We will encourage young people to participate in this process, so that they feel able to speak up when things are going well.

We will:

- Continue monthly and annual staff awards' processes building on service-user engagement;
- Highlight the work done using blogs and other media, linking in with recruitment work;
- Link great work to reward and recognition, such as additional leave, a course or the Somerset benefits scheme.

What We've Done

- Included a Social Worker of the Year Award in our Staff Awards Ceremony, with nominations from children & young people;
- Instigated an annual celebration event for all Children's Social Care staff who achieve accredited qualifications through our Social Work Academy.

"I've been working with this incredible woman for 3 and a half years. She makes you feel a lot more than a young person on her caseload.."

Appendix One – National & Local Approaches Underpinning the Children’s Services Workforce Development Strategy.

This strategy is informed by the following national and local documents and policies:

- The Munro Review of Child Protection: A Child-Centred System
- Health and Care Professional Council and Skills for Care expectations
- British Association of Social Work - Professional Capabilities Framework
- ‘High Expectations, high support and high challenge’ Ofsted Report February 2012
- The LGA Standards for employers of Social Workers in England
- Skills for Care Standards for ASYE
- Skills for Care standards for Practice Education
- Local Government Association Standards for Employers of Social Workers and Supervision Framework
- Working Together to Safeguard Children: A Guide to Inter-agency Working to Safeguard and Promote the Welfare of Children
- Knowledge and Skills for Child and Family Social Work - DfE
- Children & Social Work Bill (draft)
- Children and Young People’s Plan 2016 – 2019
- Somerset County Council Children’s Social Care Quality Assurance Framework 2015
- Children’s Social Care – The Social Work Contract
- SCC Working Agreement
- SCC Corporate Coaching Strategy
- Leadership Development Framework
- Aspiring Managers Programme
- Aspiring DCS Programme
- Institute of Family Therapy Systemic Leadership Programme



Appendix Two – Children’s Social Care Culture Hacks 2017

Children’s Social Care Culture Hacks

Developing On-Site Health & Wellbeing Centres

Strengthening support networks for carers

Promoting team mailbox - e-mail etiquette

Improve culture of fostering & adoption panels

Use highways assets to promote fostering

Working on moving bi-monthly meetings into a more learning/development session

Mental Health first aid to support emotional wellbeing and sign post where necessary

Focus on the child's journey and life story

Building social connections at work

Improving Mentoring in the workplace

Promoting the use of memory jars for children & young people

All about me! Recording likes, dislikes, memories perhaps using an app/on-line tool

Promoting a culture of constructive & challenging debate for reviewing cases

Better links with the 'front door' to the service - First Response – part of induction, shadowing, social workers & business support staff

Joint L&D Yammer group to share ideas/resources, shared admin resources, major workstreams

Moving forward – improved collaboration between L&D teams

Building Emotional Resilience in a Team

CLA Cross County Forum (CLA Champions)

Improved Matching

Recording the Voice of the Child on LCS

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Somerset County Council

Cabinet
15th November 2017

Consultation on the ‘Heart of the South West Productivity Strategy: Stepping Up to the Challenge’

Cabinet Member(s): Cllr. David Fothergill – Leader of the Council; Cllr David Hall – Cabinet Member for Resources and Economic Development.

Division and Local Member(s): All

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| | Cabinet Member | Cllr. David Fothergill Cllr David Hall | 02/11/2017 01/11/2017 |
| | Opposition Spokesperson | Cllr Simon Coles | 03/11/2017 |
| | Relevant Scrutiny Chairman | Cllr Tony Lock | 03/11/2017 |
| Forward Plan Reference: | FP/17/09/11 | | |
| Summary: | <p>An outcome of discussions on devolution was that SCC along with other partners in the Heart of the South West (HotSW) would jointly commit to developing a plan in 2017 for boosting productivity. The draft Productivity Strategy is the result of this commitment. It has been prepared in partnership with district, county and unitary authorities, national parks and the HotSW Local Enterprise Partnership (LEP), as well as with Clinical Commissioning Groups (CCGs), private and third sector partners and central government.</p> <p>The Productivity Strategy is also a successor document to the LEP’s Strategic Economic Plan published in 2014. It is an overarching strategy document that outlines key priorities and</p> | | |

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| | <p>objectives for the HotSW. Specifically, it sets out the aim of narrowing the ‘productivity gap’ evident in the HotSW area, driving up prosperity and living standards for all, and securing the resources needed to do so.</p> <p>The Productivity Strategy will act as a basis for:</p> <ul style="list-style-type: none"> • Engagement by the Heart of the South West in the UK Industrial Strategy • Securing investment for the Heart of the South West area (e.g. via the Government’s proposed Shared Prosperity Fund) • Future negotiations with Government by the HotSW partners, including any future dialogue linked to devolution <p>At the HotSW level it will:</p> <ul style="list-style-type: none"> • Align local economic delivery plans/strategies (e.g. Somerset Growth Plan 2017-2030) • Draw together resources of local partners and stakeholders <p>This report sets out the background to the Productivity Strategy, as well as its key themes, and recommends how SCC should respond to the consultation.</p> <p>This report complements the report elsewhere on the agenda for this Cabinet meeting recommending the establishment of a Heart of the South West Joint Committee. It is proposed that the approval of the Productivity Strategy on behalf of the constituent authorities will be a key function of the Joint Committee.</p> |
| <p>Recommendations:</p> | <p>That the Cabinet:</p> <ol style="list-style-type: none"> 1. Endorses the vision, strategic themes and objectives proposed in the consultation draft of the Heart of the South West Productivity Strategy. 2. Approves the points set out in paragraph 1.7 of this report as key considerations for SCC’s response to the consultation draft; and 3. Delegates to the Lead Director for Economic and Community Infrastructure approval of the final technical response to the consultation by the deadline of 30th November 2017. |
| <p>Reasons for Recommendations:</p> | <p>The above recommendations will ensure coordinated agreement on, and a timely response to, the official consultation on the Heart of the South West Productivity Strategy.</p> |

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| <p>Links to Priorities and Impact on Service Plans:</p> | <p>The Productivity Strategy will be key to delivering the County Plan and its vision to secure ‘More jobs; more homes; more powers from government; more local co-operation; better health; better education and prospects; better roads, rail, broadband and mobile signal’. Achieving this vision will require SCC to work together with local partners and stakeholders to align priorities and draw together resources, to secure future investment for our area, and to ensure we get the powers that we need from government. The Productivity Strategy will be the key document with which to achieve these things.</p> <p>The work that SCC and partners did in developing the recently adopted Somerset Growth Plan 2017-2030 formed the basis for feeding into the consultation and drafting of the Productivity Strategy. The issues and priorities identified in the draft Productivity Strategy closely align with those in the Growth Plan. The Growth Plan will effectively sit beneath the Productivity Strategy focusing specifically on Somerset’s needs.</p> <p>The overarching ambition of boosting productivity and growing the local economy will be critical to SCC’s 2020+ financial strategy given scheduled changes regarding the local retention of business rates. With much more of SCC’s income in the future coming from the non-domestic rates that our businesses pay, their success and continued growth will be vital to SCC.</p> <p>As well as boosting overall productivity in the HotSW, the Productivity Strategy aims to foster inclusive growth, ensuring that everyone sees the benefits of economic improvement. This has the potential to reduce the demand for, and therefore cost of, the public services SCC delivers as a result of improved economic wellbeing, better health, and reduced vulnerabilities of Somerset’s residents.</p> |
| <p>Consultations and co-production undertaken:</p> | <p>The draft Productivity Strategy has been put together based on extensive consultation with partners and stakeholders, including businesses and individuals, across Somerset and the wider HotSW area.</p> <p>There was consultation on a Green Paper (<i>‘Driving Productivity in the Heart of the South West’</i>) early in 2017 to which SCC responded, along with a joint response on behalf of Somerset partners from the Somerset Growth Board. The focus of the SCC and Growth Board responses were based themselves on extensive consultation work for the recently adopted Somerset Growth Plan 2017-2030.</p> <p>Views from the Green Paper consultation informed the drafting of the Productivity Strategy by a project team with input from the LEP and various local authorities including SCC. This draft was then approved for circulation by the LEP Partnership Board and the HotSW Shadow Joint Committee.</p> |

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| | <p>This draft is now being consulted upon in advance of a 30th November 2017 deadline. SCC as well as other partners and stakeholders are being consulted. There is also a series of public consultation events across the HotSW including one in Somerset on 22nd November 2017. There is also a cross-service consultation of the draft underway, being facilitated by the Economic and Community Infrastructure Commissioning Service.</p> | | | | | | |
| <p>Financial Implications:</p> | <p>There are no direct financial implications for SCC as a result of the recommendations in this report.</p> <p>However, once the Productivity Strategy is adopted it will have important strategic financial implications insofar as it will be used to attract future government investment to the HotSW area (e.g. from the proposed Shared Prosperity Fund).</p> <p>Also, given scheduled changes regarding the local retention of business rates, the Productivity Strategy's targeting of business growth will be critical to SCC's 2020+ financial strategy. In the future, SCC will be more strongly reliant on business rates for its income, meaning that the success and continued growth of our businesses will be a vital consideration in SCC's financial planning.</p> | | | | | | |
| <p>Legal Implications:</p> | <p>No legal implications have been identified as resulting from the recommendations in this report.</p> | | | | | | |
| <p>HR Implications:</p> | <p>No HR implications have been identified as resulting from the recommendations in this report.</p> | | | | | | |
| <p>Risk Implications:</p> | <p>The main risk for consideration is associated with SCC not responding to the consultation on the draft Heart of the South West Productivity Strategy. The implication would be that SCC's views are not given due consideration in the final strategy document.</p> <p>The converse to this risk is the opportunity to have SCC's views given due consideration in the final strategy document, and, therefore, better ensuring the Heart of the South West Productivity Strategy best reflects the issues and priorities SCC deems important for both Somerset and the wider HotSW.</p> <table border="1" data-bbox="513 1899 1465 1935"> <tr> <td>Likelihood</td> <td>2</td> <td>Impact</td> <td>2</td> <td>Risk Score</td> <td>4</td> </tr> </table> | Likelihood | 2 | Impact | 2 | Risk Score | 4 |
| Likelihood | 2 | Impact | 2 | Risk Score | 4 | | |
| <p>Other Implications (including due regard implications):</p> | <p><u>Equalities Implications</u></p> <p>The Strategy is a vital document for Somerset and the Heart of</p> | | | | | | |

the South West and requires an Equality Impact Assessment to be undertaken. This is uncompleted but under way and will:

- Strengthen the document so it can deliver its overall objectives, in particular those relating to inclusivity and prosperity for all;
- Provide confidence and evidence to SCC and partners that the Strategy meets the needs of all our residents: for example, the provision of specific provisions to meet the needs of disadvantaged communities;
- Provide a robust and proportionate consideration of Due Regard; and
- Reduce the risk of, and potential for, successful legal challenge.

The Equalities Assessment will feed into the final draft of the Strategy as well as deliberations by the Joint Committee who will be responsible for signing off and leading delivery of the strategy. Cabinet should note that all constituent members of the Joint Committee are subject to the same duties as SCC under the Equality Act 2010.

Community Safety Implications

Once adopted, the Productivity Strategy will act as a key strategic document for securing investment in the HotSW. It has the stated ambition of boosting productivity and raising living standards for all through inclusive growth. In this regard there are potential positive implications in terms of improved quality of life and wellbeing for Somerset's residents, and a reduction in social isolation and exclusion. These positive improvements are also commonly associated with reduced crime rates and therefore improved community safety.

Sustainability Implications

Once adopted, the Productivity Strategy could have positive sustainability implications insofar as it has a stated commitment to both safeguarding and capitalising upon our significant natural assets (i.e. our 'natural capital') in the HotSW.

Health and Safety Implications

No health and safety implications have been identified as resulting from the recommendations in this report.

Privacy Implications

No privacy implications have been identified as resulting from the recommendations in this report.

Health and Wellbeing Implications

Once adopted, the Productivity Strategy could have positive

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| | health and wellbeing implications through boosting productivity and raising living standards for all through inclusive growth in the HotSW. |
| Scrutiny comments / recommendation (if any): | The draft Productivity Strategy was considered by the Scrutiny Committee for Policies and Place on the 31st October 2017. Comments and recommendations from this have helped inform the recommended SCC response to the consultation in this paper. |

1. Background

- 1.1.** In March 2014, the HotSW LEP published the area's Strategic Economic Plan, aiming to maximise economic growth across the area. Since its publication, government has turned its attention to the challenge of productivity and is now developing a national Industrial Strategy to boost UK productivity. The HotSW Productivity Strategy will replace the Strategic Economic Plan, outlining the contribution the HotSW area can make in closing the UK's productivity gap and how we can be an integral part of the forthcoming UK Industrial Strategy. As well as being framed by the national productivity agenda, the Productivity Strategy is also framed by the emerging devolution agenda. The commitment to develop a plan in 2017 for boosting productivity was a key outcome of discussions on devolution between SCC and other partners in the Heart of the South West (HotSW). The Productivity Strategy will form the basis for negotiations with government on future investment and devolved powers, and will act as a focal point to draw together local economic delivery plans and strategies as well as local resources.
- 1.2.** The draft Productivity Strategy was approved for wider circulation and consultation by the LEP board and the HotSW Shadow Joint Committee in September 2017. The Strategy will receive final sign off and thenceforth be owned by the Joint Committee, representing all local authorities, and the business led HotSW LEP Board in early 2018.
- 1.3.** The Productivity Strategy aims to double the net worth of the HotSW economy from approximately £35 billion to £70 billion of Gross Value Added (GVA) by 2036. Since the financial crisis levels of employment have risen in the HotSW, yet productivity has slipped against the UK average. The Productivity Strategy seeks to close this so called 'productivity gap', to fully realise the area's potential, and avoid the future risk of declining communities, reduced living standards, higher levels of poverty and a potentially greater pressure on public services. However, the Productivity Strategy is not intended to articulate all the specific issues and priorities of partners and stakeholders, and it is focussed specifically on boosting productivity as opposed to being a more generalised economic development strategy. Moreover, it is not intended to be a detailed delivery plan outlining how the Strategy will actually be implemented. It states that subsequent to its adoption a detailed Delivery Plan will be published. Therefore, it is suggested at this stage that we advocate a focus on strategic level feedback in our response to the consultation.

1.4. The document itself identifies a number of challenges facing the HotSW area:

- Productivity has slipped and varies considerably across the area
- Businesses are less likely to export or invest in innovation
- We have a growing and ageing population
- We have notable skills shortages
- We have issues with transport and digital connectivity
- We have growing infrastructure demands for both housing and employment

1.5. Besides challenges, the Productivity Strategy points out that the HotSW has numerous areas of world class economic strength and potential for increasing productivity. It calls these our 'golden opportunities', many of which are found here in Somerset, including strengths in aerospace and advanced manufacturing, nuclear and agri-tech. Indeed, the challenges, opportunities and priorities identified in the Productivity Strategy closely reflect those faced in Somerset specifically, as identified through the development of the recently adopted Somerset Growth Plan 2017-2030. The latter plan effectively sits beneath the Productivity Strategy, both informing it and being informed by it, whilst focusing specifically on Somerset's needs. Crucially, the work that was done in developing the Somerset Growth Plan formed the basis for feeding into the draft Productivity Strategy, to ensure the priorities agreed for Somerset are addressed.

1.6. The Productivity Strategy sets out a 'vision', a number of important 'cross-cutting themes', and three 'strategic objectives' for the HotSW.

'Our vision is for all parts of the HotSW to become more prosperous, enabling people to have a better quality of life and higher living standards. To achieve that, we have to create a more vibrant and competitive economy where the benefits can be shared by everyone'

At the core of this vision is a commitment to doubling the size of the HotSW economy by 2036 through stimulating a significant and sustained increase in productivity. Stimulating business growth will be central to achieving this ambitious target, but the Productivity Strategy rightly identifies that this must not be at the expense of people and the environment. As such it highlights the importance of both 'inclusive growth' and 'natural capital' among its four important cross-cutting themes.

- **Inclusive growth** for our communities and places
- Building on our **golden opportunities**
- Valuing our **natural capital**
- Maximising the potential from **digital technologies**

In order to deliver upon it vision, the Productivity Strategy identifies three strategic objectives of:

- Developing **leadership and knowledge** within businesses
- Developing our people's ability for **working and learning**

- Strengthening our **connectivity and infrastructure**

As per its first recommendation, this report advocates SCC endorsement of the Productivity Strategy's vision, its cross-cutting themes, and three key strategic objectives.

- 1.7. Alongside recommending broad endorsement of the Productivity Strategy, it is suggested that SCC's response also focuses on the following set of key messages. These have been identified through engagement across the organisation, including a review of the draft strategy at the Scrutiny Committee for Policies and Place.
- **Productivity ambition** – The Productivity Strategy sets out a clear ambition to double the size of the HotSW economy from £35 billion to £70 billion of GVA by 2036. Whilst endorsing this macro level ambition, it is suggested that as we move forward towards delivery, due consideration is also given to what this will mean for more specific geographies within the HotSW, including Somerset.
 - **Inclusive growth** - The commitment to 'inclusive growth' is welcomed. It is important that interventions made to improve productivity are not only focussed on our currently most high-performing places and businesses. Improving productivity of the HotSW area will best be achieved by improving performance of the economy and capitalising on opportunities across the area. It is important that the commitment to inclusive growth is fully embedded throughout the document.
 - **Social Mobility** - Closely related to inclusive growth is the importance of fostering social mobility, both as an end in itself and as a means for boosting productivity. Social mobility is a policy concern in many parts of the HotSW, often due to low wage employment and lacking skills opportunities. Within Somerset in particular, West Somerset has been designated by government as one of six 'Opportunity Areas' due to it having the lowest level of social mobility in the whole of England. It is suggested that the challenge of addressing social mobility be given stronger emphasis within the final document, with the West Somerset Opportunity Area plan being referenced as one of the key activities in the "working and learning" theme of the Strategy.
 - **Rural Economy** – Agricultural/land based industries and the broader rural economy are vital in Somerset as well as the wider HotSW. Rural communities and businesses often worry that they will be left behind by development initiatives vis-à-vis their urban counterparts, and whilst the draft strategy rightly recognises this concern within its commitment to inclusive growth, it is suggested that there ought to be a stronger focus on the enormous potential we have in our area for boosting rural productivity, both as end in itself and a means for boosting overall productivity. It is suggested that the views from the SW Rural Productivity Commission be incorporated in this regard, including its emphasis on issues and priorities for the rural economy post Brexit (and therefore post Common Agricultural Policy).

- **Cultural capital** – As highlighted by the SW Rural Productivity Commission, our natural and cultural assets are key to the region’s identity, but also provide the foundation for much of its economic success. The Productivity Strategy recognises the importance of natural capital, but could make stronger references to the importance of our cultural capital too, and its potential for boosting productivity in the HotSW area.
- **Regional dimension** - The document acknowledges at some points the importance of working on a regional or cross-LEP basis on particular topics, but overall the strategy is quite ‘inward-looking’ to the HotSW area. Given the importance of partnership working and common agendas across wider geographies (incl. in Somerset’s case, for example, regarding nuclear and aerospace sector ambitions, A303 improvements, etc.), as well as the strategic importance of infrastructure beyond the LEP area (e.g. universities, airports, rail links), it is suggested that this needs to be more strongly articulated in the final document.
- **Internationalisation** – Another way in which the Productivity Strategy could be more ‘outward-looking’ is through a stronger focus on the importance of international trade and exports for improving growth and productivity. These are central components of the national productivity agenda - with a strong government focus in particular on boosting exports - as well as an area of untapped potential for the HotSW.
- **Connectivity** - With regards to improving connectivity, it is suggested that stronger references be made to specific, strategic network improvements needed in the HotSW (e.g. A303/A358/A30, Peninsula Rail Task Force plan). Moreover, it is suggested that emphasis be given also to the importance of upgrading the broader arterial network (or ‘intra-area’ connectivity) within the HotSW.
- **University for Somerset** - Although it is mentioned in the document, supporting the creation of a University for Somerset is one of SCC’s key ambitions, and holds significant potential to benefit the wider HotSW area and beyond. As such, it is suggested that the ambition for a university be more strongly emphasised in the final strategy document.
- **Delivery** – It is suggested that the document more clearly defines how the Delivery Plan for the Productivity Strategy will be developed and implemented. It is also suggested that it more clearly articulates what the HotSW’s key asks and key offers will be in any ‘deal’ process with government on funding and future powers, as per the document’s *raison d’etre*.

In formulating our feedback on the basis of these key issues, it is felt that we can better ensure the document is fit for purpose and sufficiently representative of Somerset’s key interests.

- 1.8. There is currently a detailed cross-service consultation of the draft Productivity Strategy underway, being facilitated by the Economic and Community Infrastructure Commissioning Service. In addition, SCC are listening to the views of other partners and stakeholders, including the Somerset Growth Board. As

per the report recommendations it is suggested that subject to any Cabinet amendments, the Cabinet delegates final SCC approval of the Draft Productivity Strategy to the Lead Director for Economic and Community Infrastructure consistent with the above points in paragraph 1.7.

2. Options considered and reasons for rejecting them

2.1. The possible alternative recommendations would have been:

- That SCC not respond to the consultation on the Draft Productivity Strategy, or;
- That SCC simply endorse the Draft Productivity Strategy with no further amends.

It was felt that neither of these alternatives would have ensured SCC's views and needs were given due consideration in the final document.

3. Background Papers

3.1. Heart of the South West Productivity Strategy: Stepping Up to the Challenge [Draft]. The Draft Strategy is being hosted on the Tobay Council website for the purposes of consultation, please see www.torbay.gov.uk/devolution.

3.2. The Somerset Growth Plan 2017-2030. Please see www.somerset.gov.uk/policies-and-plans/plans/somerset-growth-plan.

3.3. The County Plan 2016-2020. Please see www.somerset.gov.uk/policies-and-plans/plans/county-plan.

3.4. Driving Productivity in the Heart of the South West [Green Paper]. Please see: <https://exeter.gov.uk/media/3031/driving-productivity-in-the-heart-of-the-south-west.pdf>.

3.5. SCC response to consultation on 'Driving Productivity in the Heart of the South West [Green Paper]'. Please see: <http://democracy.somerset.gov.uk/ieDecisionDetails.aspx?ID=307>

3.6. South West Rural Productivity Commission report. Please see <http://heartofswlep.co.uk/south-west-rural-commission-report>.

Somerset County Council

Cabinet
15th November 2017

Heart of the South West – Joint Committee

Cabinet Member(s): Cllr David Fothergill, Leader

Division and Local Member(s): All

Lead Officer: Julian Gale - Monitoring Officer

Author: Julian Gale - Monitoring Officer

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| | County Solicitor | Honor Clarke | 1/11/17 |
| | Monitoring Officer | Julian Gale | N/A |
| | Corporate Finance | Kevin Nacey | 1/11/17 |
| | Human Resources | Chris Squire | 1/11/17 |
| | Property / Procurement / ICT | Richard Williams | N/A |
| | Senior Manager | Pat Flaherty | 1/11/17 |
| | Local Member(s) | N/A | N/A |
| | Cabinet Member | David Fothergill, Leader | 1/11/17 |
| | Opposition Spokesperson | Jane Lock | 2/11/17 |
| | Relevant Scrutiny Chairman | Cllr Tony Lock for Scrutiny Place | 31/10/17 |
| Forward Plan Reference: | FP/17/09/10 | | |
| Summary: | <p>This report brings forward for consideration the formal proposal for the establishment of a Heart of the SW (HotSW) Joint Committee from January 2018. The report details a list of recommendations for the decisions necessary to establish the Joint Committee. This follows the Council's decision on 16th February 2017 to give 'in principle' approval to the establishment of the Joint Committee, subject to approving the Joint Committee's constitutional arrangements and an inter-authority agreement necessary to support the Joint Committee.</p> <p>The recommendations refer to:</p> <p>Appendix A – Joint Committee Arrangements document</p> <p>Appendix B – Inter-Authority Agreement.</p> | | |

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| | <p>The key purpose of the Joint Committee will be to approve a Productivity Strategy for the Heart of the South West area and ensure that it is delivered.</p> |
| <p>Recommendations:</p> | <p>That Cabinet recommends the Council to:</p> <ol style="list-style-type: none"> 1. Approve the recommendation of the HotSW Leaders (meeting as a shadow Joint Committee) to form a Joint Committee for the Heart of the South West; 2. Approve the Arrangements and Inter-Authority Agreement documents set out in appendices A and B for the establishment of the Joint Committee with the commencement date of Monday 22nd January 2018; 3. Appoint the Council’s Leader - Cllr D Fothergill - and the Deputy Leader - Cllr David Hall - as the Council’s named representative and substitute named representative on the Joint Committee; 4. Appoint Somerset County Council as the Administering Authority for the Joint Committee for a 2 year period commencing 22nd January 2018; 5. Approve the transfer of the remaining joint devolution budget to meet the support costs of the Joint Committee for the remainder of 2017/18 financial year subject to approval of any expenditure by the Administering Authority; 6. Approve an initial contribution of £10,500 for 2018/19 to fund the administration and the work programme of the Joint Committee, noting that any expenditure will be subject to the approval of the Administering Authority; 7. Agree that the key function of the Joint Committee is to approve the Productivity Strategy (it is intended to bring the Strategy to the Joint Committee for approval by February 2018); 8. Authorise the initial work programme of the Joint Committee aimed at the successful delivery of the Productivity Strategy; 9. Agree the proposed meeting arrangements for the Joint Committee including the timetable of meetings for the Joint Committee as proposed in para 2.14. |
| <p>Reasons for Recommendations:</p> | <p>Working together will deliver better results if we are to help our businesses improve their productivity levels and deliver greater prosperity across the Heart of the South West. By collaborating across local geographies we will strengthen the area’s voice to Government and strengthen the actions the area can take to improve productivity.</p> <p>The Productivity Strategy will replace the Local Enterprise Partnership’s Strategic Economic Plan. It will be the key strategic document for the partners to engage with Government and each other on a range of investment opportunities and</p> |

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| | <p>powers emerging from the Industrial Strategy, Brexit and other policy opportunities.</p> <p>The HotSW Joint Committee will provide a formal strategic partnership to complement and maximise the ability of individual authorities and sub-regional arrangements to deliver their aspirations. It will provide the formal arrangements for collaboration on productivity.</p> <p>Through the Joint Committee the partners can test and improve their ability to work together as a potential precursor to the possible establishment of a Combined Authority at some point in the future. It will also provide a mechanism to further strengthen democratic input and influence with the LEP and align more effectively with the LEP's new model of governance and accountability.</p> <p>Without a Joint Committee in place, the HotSW area will continue to struggle to position itself to be able to take advantage of Government policy initiatives and new funding opportunities compared to those areas that have and are establishing formal strategic partnerships.</p> <p>The proposed date of establishment of 22nd January 2018 reflects the timetable of decisions to be taken by the Constituent Authorities and if agreed will allow the Joint Committee to have its first formal meeting on 26th January 2018.</p> |
| <p>Links to Priorities and Impact on Service Plans:</p> | <p>Increasing productivity, growing Somerset's economy and providing a mechanism through which the HotSW area may seek to draw down opportunities presented by government policy has clear links to all sections of the County Plan, in particular:</p> <ul style="list-style-type: none"> • Partnerships <ul style="list-style-type: none"> ○ "...closer working partnerships across the public sector, but also with the voluntary sector and private industry too in order to succeed." • Children's services / education <ul style="list-style-type: none"> ○ Opportunities for young people ○ A university for Somerset • Economic development <ul style="list-style-type: none"> ○ Helping small businesses ○ Helping business succeed • Infrastructure and workforce <ul style="list-style-type: none"> ○ Connecting our communities ○ Major infrastructure projects • A sustainable council <ul style="list-style-type: none"> ○ Developing business |

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| | <ul style="list-style-type: none"> ○ Reduce the number of buildings we operate to free up funding for frontline services ○ Living within our means. <p>The decision to establish a HotSW Joint Committee with a focus on improving productivity for the area does not currently relate to the MTFP, service plans or the Social Value Policy. However a key objective of this work is to bring additional benefit to the community, and improve (or at the least, not adversely affect) the MTFP position in the longer term. If we are successful in using the Joint Committee to take advantage of public sector policy reform then it is hoped that this will have a positive impact on service plans.</p> |
| <p>Consultations and co-production undertaken:</p> | <p>Members, partners and the public have been kept informed of developments of the HotSW Devolution Partnership and the Productivity Strategy through press releases, newsletters, presentations, workshops and publications. This information flow will be maintained by the Joint Committee. In addition, all of the authorities within the Partnership have taken formal decisions as required during the various stages of consideration of devolution proposals and the proposed creation of the Joint Committee.</p> <p>A draft Productivity Strategy has been released for public consultation. To complement the on-line consultation there will be; Council-based briefings and targeted key stakeholder events through 6 sub-regional roadshows held in Plymouth, Northern Devon, Cullompton/Exeter, Torbay, Taunton/Bridgwater and Yeovil/Shepton Mallet. The consultation will end on 30th November 2017 and feedback will influence the final strategy which is due for approval in early 2018.</p> <p>The views of the Scrutiny Place Committee which considered the proposals at its meeting on 7th November are set out below in the designated place.</p> |
| <p>Financial Implications:</p> | <p>The costs associated with the early work on the Productivity Strategy preparation largely relate to officer time which is being provided 'in kind' by the authorities and partners. Specifically the LEP has met some direct costs.</p> <p>The establishment of the Joint Committee provides a low cost option compared to a Combined Authority model of governance. As part of the Inter-Authority Agreement the assumption is that the Constituent Authorities will continue to provide in-kind support although this will be reviewed by SCC as the Administering Authority to ensure that the levels of support are appropriate, sustainable into the future and acceptable to the authorities providing the support. The direct running costs of the Joint Committee will be limited to providing officer support for the meetings, if there is insufficient 'in-house' capacity, and the costs</p> |

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| | <p>of the meetings themselves. At this stage direct support costs will be kept to a minimum and for 2017/18 and some of 2018/19 will be covered by the residual joint devolution budget established in 2015. Details of the figures involved are set out in section 2 of the supporting report.</p> <p>In addition to the direct costs of administering the Joint Committee there is also a need for a budget to fund its Work Programme. Further details of the provisional budget requirements are set out in section 2 of the supporting report together with the proposed funding mechanism for contributions from individual authorities.</p> <p>In coming to their decision about a Joint Committee and whether the potential costs provide good value for money, Members might like to consider the potential cost/impact of not working in this way and the potential loss of influence with the Government and investment to the area. Through recent funding initiatives and policy – including through the recent meeting with the Minister, it is clear that Government is looking for areas to come together and articulate their vision and priorities across footprints wider than their organisational boundary or sub-regional areas.</p> <p>The proposal put before Members sets out a low risk, low cost option to work in a more formal way to capitalise on opportunities arising from future Government strategies, funding announcements and in preparation for Brexit.</p> |
| <p>Legal Implications:</p> | <p>Each of the partners’ legal teams and Monitoring Officers have been involved in the development of the Arrangements and Inter-Authority documents set out as Appendices A and B. The documentation also aligns to the LEP’s Assurance Framework.</p> <p>This simple documentation sets out the functions, membership and operations of the Joint Committee and the requirements upon the Constituent Authorities in supporting it.</p> |
| <p>HR Implications:</p> | <p>The HR implications relate to officer support for the Joint Committee. The recent shadow Joint Committee meeting recommended that Somerset County Council is appointed as the Administering Authority for the Joint Committee. This activity will impact on the Finance and Governance service. The main implications will fall on the Community Governance Group and the Monitoring Officer in terms of administering the meetings of the Joint Committee and the pre-meeting arrangements. In addition the Finance team will hold and administer the Joint Committee’s budget. There is provision for the Council to be compensated for providing the Administering Authority function and the precise financial impact will not be known until work has been done to clarify the extent of the ‘in kind’ officer support which will be available to the Joint Committee on an on-going basis.</p> |

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| <p>Risk Implications:</p> | <p>The creation of a Joint Committee will place a formal governance structure around the preparation and implementation of the Productivity Strategy. The Strategy will be used as a tool to attract a greater share of Government funding around the Industrial Strategy to mitigate the risk of Devon and Somerset being left behind other areas of the country.</p> <p>Without a Productivity Strategy and Joint Committee in place, the Council and its partners will lack credibility and be at a disadvantage in negotiating and lobbying Government on a range of policy initiatives including the growth agenda and are likely to miss out on potential funding streams.</p> <p>The individual financial risk to each authority of establishing the Joint Committee is limited to their financial contributions to the running and operational costs of the Joint Committee. The risk is shared between all of the Constituent Authorities.</p> <p>In addition the County Council will face additional risks if appointed as the Administering Authority and in particular a level of exposure to financial risk should the budget agreed be subsequently proven insufficient or should agreed funding contributions not be received. These risks will be mitigated through close budget monitoring and reporting to the Joint Committee and the Constituent Authorities, as necessary. In addition, the Constituent Authorities are being asked to take formal decisions to confirm funding contributions. At this stage the budget figures included for 2018/19 are estimated pending the further work required to clarify the Committee's work programme and level of officer support. A clearer indication of costs for 2018/19 will follow in due course.</p> <table border="1" data-bbox="520 1346 1458 1379"> <tr> <td>Likelihood</td> <td>2</td> <td>Impact</td> <td>4</td> <td>Risk Score</td> <td>8</td> </tr> </table> | Likelihood | 2 | Impact | 4 | Risk Score | 8 |
| Likelihood | 2 | Impact | 4 | Risk Score | 8 | | |
| <p>Other Implications (including due regard implications):</p> | <p><u>Equalities Implications</u></p> <p>The Inter-Authority Agreement requires all Constituent Authorities to support, promote and discharge their duties under the Equality Act through the work of the Joint Committee. The Partnership is developing an Equality Impact Needs Assessment to inform the development of the Productivity Strategy. The Joint Committee will consider this assessment alongside the Productivity Strategy before adoption.</p> <p><u>Community Safety Implications</u></p> <p>No specific implications.</p> <p><u>Sustainability Implications</u></p> <p>There are no implications with regard to the establishment of the Joint Committee. In respect of the Productivity Strategy the consideration of sustainability implications will be critical to</p> | | | | | | |

| | |
|--|---|
| | <p>ensure that detrimental impacts of improving economic prosperity are minimised.</p> <p><u>Health and Safety Implications</u></p> <p>No specific implications.</p> <p><u>Privacy Implications</u></p> <p>The privacy implications of establishing the Joint Committee are covered within the Inter-Authority Agreement under '11 Information Sharing, Data Protection, Confidentiality, Publicity and Freedom of Information (FOI) Requests.</p> <p><u>Health and Wellbeing Implications</u></p> <p>There is a strong correlation between economic prosperity and health of the population. Public Health specialists will be key stakeholders within the consultation process and will be asked to advise on ways in which the Productivity Strategy could be connected to public health strategies to maximise the benefits to our communities.</p> |
| <p>Scrutiny comments / recommendation (if any):</p> | <p>The Scrutiny Place Committee considered the proposals in outline at its meeting on 7th November 2017. The Committee broadly welcomed the approach outlined in the paper.</p> |

1. Background

- 1.1. Since August 2015, Devon and Somerset County Councils, all Somerset and Devon Districts, Torbay Council, Plymouth City Council, Dartmoor and Exmoor National Parks, the Local Enterprise Partnership (LEP) and the three Clinical Commissioning Groups have worked in partnership to progress towards securing a devolution deal for the HotSW area focusing on delivering improved productivity. Since that time the partnership has continued to progress its objectives in spite of policy shifts at a national level.
- 1.2. On 15 February 2017 (Minute 261 refers) the Council gave 'in principle' approval to the establishment of a HotSW Joint Committee, subject to approving the Joint Committee's constitutional arrangements and an inter-authority agreement necessary to support the Joint Committee. This report sets out the necessary documents which, if agreed, will enable the Joint Committee to be formally established.
- 1.3. Since then the General Election has further shifted the national policy position. On the 13th September representatives of HotSW (from the Somerset, Devon, Plymouth and Torbay upper tier authorities) met Jake Berry MP, Minister for devolution to clarify the position of the Government and the HotSW Partnership on the devolution issue. The meeting was very positive and although no agreements were reached at the meeting, the partnership's representatives were

given a clear message that the Government would welcome a bid from the partnership to progress our productivity ambitions by identifying areas where we can work together with Government. Importantly the Minister indicated that there would be no requirement to have an elected mayor for Devon and Somerset as a condition of any deal. This statement has removed one significant blockage to moving our ambitions forward and we now need to agree what we want from this initiative and then find practical ways to work with the Government on delivery.

1.4. There is now no doubt that the Government is keen to engage with wider areas that can demonstrate:

- Unity, clarity of purpose and a shared, ambitious vision built on local strengths
- Strong partnership between business and the public sector with solid governance arrangements that provide assurance in capacity to deliver
- Compelling ideas that can help to deliver Government objectives
- Clarity about the offer to Government in terms of savings and is prepared to take hard decisions based on a robust analysis of risk and benefits.

The Joint Committee will provide the ideal governance framework at this stage to take forward this dialogue with Government.

1.5. The key role of the HotSW Joint Committee is to develop, agree and ensure the implementation of the Productivity Strategy. This can only be achieved by working, where appropriate, in collaboration with the individual Constituent Authorities and the LEP. The Strategy will agree a common vision for increased prosperity through economic growth informed by a local evidence base and engagement with local stakeholders. It will also link to Government policy initiatives, particularly in relation to the Industrial Strategy, and will form the basis for developing our collective 'ask' of Government.

2. HotSW Joint Committee Proposal

2.1. The detail of the proposed functions of the Joint Committee and how it will operate are set out in appendix A attached – the Arrangements document. Appendix B attached sets out an Inter-Authority Agreement for consideration which details how the Joint Committee will be supported and sets out the obligations of the Council if it agrees to become a constituent member.

2.2. The documents detail the Administering Authority functions in support of the operation of the Committee including the provision of financial, legal, constitutional and administrative support to the Committee.

2.3. At this stage the Arrangements and Inter-Authority documents have been 'scaled' to fit the functions of the Joint Committee and the limited liabilities that each authority faces in signing up to be a Constituent Authority. In the event that the remit of the Joint Committee expands to take on more decision-making responsibilities and functions of the Constituent Authorities, the Arrangements and Inter-Authority agreement will be revisited to ensure that they remain fit for purpose and proportionate. Any expansion of the functions and responsibilities would require the approval of the Constituent Authorities.

2.4. The Joint Committee has a much more limited role than a Combined Authority. It does not have the statutory or legal status of a Combined Authority and cannot

deliver the full range of benefits that a Combined Authority can, but it does have the potential to provide cohesive, coherent leadership and a formal governance structure. Its role will focus on collaboration, negotiation and influencing with full decision making responsibilities limited to developing and agreeing the Productivity Strategy. The principle of subsidiarity will apply to the relationship between the Joint Committee, the Constituent Authorities and local sub-regional partnerships with decisions to deliver the Productivity Strategy and decisions necessary as a result of the other functions of the Joint Committee being taken at the most local and appropriate level.

- 2.5.** The aim of the Joint Committee through the delivery of the Productivity Strategy will be to:
- Improve the economic prosperity of the wider area by bringing together the public, private and education sectors;
 - Work together to realise opportunities and mitigate impacts resulting from Brexit;
 - Increase understanding of the local economy and what needs to be implemented locally to improve prosperity for all;
 - Ensure the necessary strategic framework, including infrastructure requirements, is in place across the HotSW area to enable sub-regional arrangements to fully deliver local aspirations; and improve the efficiency and productivity of the public sector. This work will be supported by a Joint Committee budget based on an agreed work programme.
- 2.6.** The creation of a single strategic public sector partnership covering the HotSW area will: facilitate collaborative working; help us to remove barriers to progress; as well as provide a formal structure to engage with Government at a strategic level on major areas of policy. It also has the potential to enable the Constituent Authorities and partners to have discussions with neighbouring Councils / Combined Authorities / LEP areas on South West peninsula priorities and issues as well as the ability to move swiftly towards a Combined Authority model in the future (by potentially acting as a shadow Combined Authority) if the conditions are deemed acceptable to the Constituent Authorities.
- 2.7.** Critically, the Joint Committee will also provide a formal mechanism for the Constituent Authorities to engage effectively with the LEP across common boundaries and agendas. District Council partners, in particular, might view this as an opportunity to engage more effectively with the LEP. The LEP, which will sit alongside the Joint Committee, has recently adopted new governance requirements to ensure greater transparency and accountability and wishes to further improve its democratic accountability in discussion with HotSW partners. The Joint Committee will provide a formal structure to take these discussions forward and for the Constituent Authorities to have greater influence over the activities of the LEP on our common agendas.
- 2.8.** Although the Joint Committee is a cost-effective formal structure, some provision needs to be made to meet the support costs of what will be a fully constituted local authority joint committee. It is proposed that Somerset County Council (who have provided the lead for the governance workstream of the devolution project over the last two years) takes on the support role (with the option of rotating the role after 2 years of operation), to provide the financial, legal, democratic support

to the Joint Committee from 1st January 2018.

- 2.9.** There is currently the remainder of the joint devolution budget raised from an initial contribution from all authorities and the LEP in 2015. It is recommended that the remaining funds from this budget - £42,000 - are transferred to the Administering Authority and the budget is used to support the costs of the Joint Committee for the remainder of 2017/18 financial year and for some of 2018/19.
- 2.10.** In addition, the Joint Committee will need a budget to undertake its work programme in order to oversee the implementation of the Productivity Strategy. The overall budget required to support the Joint Committee and enable it to undertake its work programme will be dependent, to an extent, on the level of 'in-kind' officer resources provided to the Committee by the constituent authorities. The Administering Authority will review the in-kind support which has been provided for the devolution project in consultation with the Constituent Authorities and bring forward revised budget figures as part of a budget and cost sharing agreement as necessary in due course to the Joint Committee for consideration and recommendation to the constituent authorities. The budget figures set out in this report in paragraph 2.11 are therefore provisional at this stage. The initial Joint Committee work programme is set out in section 3 below for approval.
- 2.11.** Through work undertaken by the partners it is estimated that the operating cost of a Joint Committee will be £89,000 in 2018/19 (and to cover the remainder of 2017/18) excluding any in-kind support. This estimate is made up of the following:
- £40,000 for the Administering Authority to undertake its duties. This is seen as a minimum cost and assumes that 'in-kind' officer resource remains in place at the same level; the Joint Committee meeting venues are providing by partners as 'in-kind' contribution
 - £25,000 (estimate) for work the Joint Committee would wish to commission
 - £24,000 for the Brexit Resilience and Opportunities Group Secretariat.
- 2.12.** The Shadow Joint Committee recommends the budget is met by contributions from the Constituent Authorities. This would exclude the LEP and the CCGs from contributing as non-voting partners. As stated above it is estimated there will be a funding carry forward of £42,000 from the 2015 devolution budget. This would leave a shortfall of £47,000 to meet the total estimated budget requirement of the Joint Committee in 2018/19. Using the formula of contributions agreed in 2015 to support the devolution project the contribution requested of each Constituent Authority for 2018/19 is set out below. This assumes that all authorities agree to become members of the Joint Committee and would have to be recalculated should fewer than 19 authorities become Members.
- County Councils - £10,500
 - Unitary Councils - £4,000
 - District Councils and National Parks £1,400
- 2.13.** Under this formula it is recommended this Council contributes £10,500 for 2018/19 as a Constituent Authority. Any expenditure against this budget would be subject to the formal approval of the Administering Authority.

- 2.14.** In terms of the proposed meeting arrangements for the Joint Committee, it is recommended:
- (a) That the Joint Committee should meet formally immediately after the LEP Board meetings to assist with engagement and co-operation between the bodies and allow co-ordination of the respective work programmes.
 - (b) That the following dates are reserved for meetings of the Joint Committee in 2018:
 - Friday 26th January
 - Friday 23rd March
 - Friday 25th May
 - Friday 20th July
 - Friday 28th September
 - Friday 30th November
 - (c) That the Joint Committee meetings should start at 10am with the venues rotated throughout the HotSW area. The assumption will be that the host authority for that meeting will provide appropriate accommodation and facilities 'in kind'.

3. HotSW Productivity Plan and the Joint Committee Work Programme

- 3.1.** The Partnership has, since its inception, been focused on working together to tackle low productivity as this is seen as the key to future economic growth. The academic research undertaken in the HotSW Green Paper on Productivity - <http://www.torbay.gov.uk/council/how-the-council-works/devolution/productivity-plan-green-paper/> - highlighted that whilst Devon and Somerset have one of the highest employment rates in the country too many of those jobs are part-time and low paid. This means that our area has one of the lowest productivity rates in the Country and this is a major barrier to future prosperity.
- 3.2.** The Partnership has continued to lobby Government to work more closely with our area in order to make good on its promise to spread economic growth across the Country and we now need to build on the recent meeting of the Minister and the momentum achieved. This work is urgently needed to ensure that areas such as the Heart of the South West don't get left behind as Government look to focus investment in areas where there are strong, cross boundary strategic partnership arrangements such as the six Mayoral Combined Authorities.
- 3.3.** The Productivity Strategy is being developed through an academic evidence base and engagement with stakeholders and the community. The draft plan is currently out to consultation (the draft Productivity Strategy and the introduction to the consultation process can be accessed at <http://www.torbay.gov.uk/devolution>). The deadline for response is 30th November 2017. Members are encouraged to respond to the consultation on the draft strategy – see separate paper on your agenda.
- 3.4.** In summary the Strategy proposes to deliver prosperity and productivity across the entire HotSW and to do so in an inclusive way. It proposes to build on existing strengths such as aerospace, advanced manufacturing, nuclear energy and agri-tech as well as exploiting new opportunities and releasing untapped

potential.

The Strategy is built around three key objectives:

- Developing **leadership and knowledge** within businesses in our area;
- Strengthening the **connectivity and infrastructure** our businesses and people rely on; and
- Developing the ability of people in our area to **work and learn** in a rapidly changing economy.

| | Leadership and knowledge | Connectivity and infrastructure | Working and learning |
|----------------------------|---|---|---|
| Aspiration | To substantially improve the productivity of businesses in the area. | Improve our physical and natural assets to support wellbeing and economic opportunities. | Meet the potential of every individual within the area to work and contribute to our shared prosperity. |
| High-level aim | Help develop innovative, ambitious, growing businesses that can compete internationally. | Create vibrant places that are attractive to skilled people and new investment, with infrastructure to support productivity growth. | Develop, attract and retain a highly skilled and adaptable workforce. |
| Strategic objective | <p>Programmes</p> <ul style="list-style-type: none"> • Management excellence • New markets, new opportunities • Remove barriers to expansion • Attract talent and investment | <p>Programmes</p> <ul style="list-style-type: none"> • Clean energy infrastructure • Connectivity and resilience • Land for business and housing needs • Natural capital to support productivity | <p>Programmes</p> <ul style="list-style-type: none"> • Skills for a knowledge-led economy • Pathways to success • Access to work and opportunities • Skills for our 'golden opportunities' |

3.5. It is recommended that one of the first tasks of the Joint Committee will be to approve the Productivity Strategy early in the New Year

3.6. The Partnership has been meeting as a Shadow Joint Committee since 22nd September 2017. Its focus is to ensure the Joint Committee can immediately move into action and take advantage of major funding streams, national policy debates and lobbying around the economy. The Partnership will be working with the LEP to deliver the Productivity Strategy and will be supporting a joint work programme which initially will involve:

- Developing and recommending a delivery and investment Framework, to implement the Productivity Strategy and demonstrating our capacity to deliver. This will complement the LEP's Strategic Investment Panel which oversees the LEP's investments;
- Investigating ways to complement existing work to draw out opportunities to attract infrastructure investment in line with the Productivity Strategy aims, building our track record for ambitious and compelling propositions;
- Investigating ways to complement existing work on improving the delivery

of skills in line with the Productivity Strategy aims

- Investigating ways to complement existing work on strengthening leadership & knowledge within the area's SMEs in line with the Productivity Strategy aims.

3.7. Any Joint Committee expenditure on the joint work programme will be subject to approval by the Administering Authority.

4. Options considered and reasons for rejecting them

4.1. There are two options and alternatives that Members might consider:

Option 1 – Do nothing and continue with informal arrangements within the Partnership. As set out above the feedback from Government is they prefer to work 'at scale' and are looking more favourably at areas that have a unity of vision and purpose.

Option 2 – move to a Combined Authority. The Partnership now need to review the option of establishing a Combined Authority at some point following the indication from the Minister that there will be no requirement to have an elected mayor in order to pursue our ambitions. Establishing a Combined Authority requires a substantial lead in time to allow for the Parliamentary approval process and would inevitably require the creation of a shadow Combined Authority to test and confirm the concept. The potential benefits of moving to a Combined Authority model will have to be judged against the implications of doing so, including the cost implications. The Joint Committee has the benefit of allowing the Partnership to move relatively quickly to establish a Combined Authority if that is the wish of the partners.

5. Background Papers

5.1 Heart of the South West Statement of Intent

<http://www.heartofswlep.co.uk/sites/default/files/user1/Devolution%20Statement%20of%20Intent%20%28low%20res%29.pdf>

Heart of the South West Devolution Prospectus for Productivity

<https://somesetnewsroom.files.wordpress.com/2015/09/heart-of-the-south-westdevolution-prospectus.pdf>

Scrutiny Committee for Policy and Place, 1 December 2015

Report:

<http://www1.somerset.gov.uk/council/board43%20scrutiny%20place/2015%20Dec%201%20-%20Item%208%20HOSW%20Devolution%20bid.pdf>

Summary of outcomes:

<http://www1.somerset.gov.uk/council/board43%20scrutiny%20place/2015%20Dec%201%20-%20Summary%20of%20Outcomes.pdf>

Cabinet, 9 December 2015

Report:

<http://www1.somerset.gov.uk/council/board3d/2015%20December%209%20Item%205%20Paper%20A%20Heart%20of%20the%20South%20West%20Devolution%20bid%20update.pdf>

Summary of outcomes:

<http://www1.somerset.gov.uk/council/board3d/Summary%20of%20Decisions%20091215.pdf>

Full Council, 17 February 2016

Summary of outcomes:

<http://www1.somerset.gov.uk/council/board1/Web%20upload%2009.02.16/2016%20February%2017%20Summary%20of%20Outcomes.pdf>

Cabinet, 11 July 2016

Report

<http://www1.somerset.gov.uk/council/board3d/2016%20July%2011%20Item%206%20Paper%20B%20Heart%20of%20the%20South%20West%20Devolution%20in%20principle%20proposal%20for%20Combined%20Authority.pdf>

Summary of outcomes:

<http://www1.somerset.gov.uk/council/board3d/Summary%20of%20Decisions%20110716.pdf>

Full Council, 20th July 2016

Report

<http://www1.somerset.gov.uk/council/board1/Web%20upload%2012.07.16/2016%20July%2020%20Item%207%20Report%20of%20the%20Leader%20and%20Cabinet%20-20items%20for%20decision%20Paper%207A%20Heart%20of%20the%20South%20West%20Devolution%20in%20principle%20proposal%20for%20Combined%20Authority.pdf>

Minutes:

<http://www1.somerset.gov.uk/council/board1/Web%20upload%2022.11.16/July%20minutes%20-%20full%20set.pdf>

Cabinet, 6th February 2017

Report: Devolution – the way forward

<http://democracy.somerset.gov.uk/documents/g326/Public%20reports%20pack%2006th-Feb-2017%2010.00%20Cabinet.pdf?T=10>

Minutes

<http://democracy.somerset.gov.uk/documents/g326/Printed%20minutes%2006th-Feb-2017%2010.00%20Cabinet.pdf?T=1>

Full Council, 15th February 2017

Report of the Leader and Cabinet

<http://democracy.somerset.gov.uk/documents/g208/Public%20reports%20pack%2015th-Feb-2017%2010.00%20County%20Council.pdf?T=10>

Minutes

<http://democracy.somerset.gov.uk/documents/g208/Printed%20minutes%2015th-Feb-2017%2010.00%20County%20Council.pdf?T=1>

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APPENDIX A

HEART OF THE SOUTH WEST (HOTSW) JOINT COMMITTEE – DRAFT ARRANGEMENTS

1. Introduction:

1.1 Legal status: The HotSW Joint Committee is a Joint Committee of the local authorities listed in 1.5 below that comprise the HotSW area and established under Sections 101 to 103 of the Local Government Act 1972 and all other enabling legislation to undertake the functions detailed in section 2 of this Agreement.

1.2 Key purpose: The key purpose of the Joint Committee is to be the vehicle through which the HotSW partners will ensure that the desired increase in productivity across the area is achieved.

1.3 Aims and objectives: The aim is to provide a single strategic public sector partnership that covers the entire area and provides cohesive, coherent leadership and governance to ensure delivery of the Productivity Strategy for the HotSW area. The specific objectives of the Joint Committee are to:

- (a) Improve the economy and the prospects for the region by bringing together the public, private and education sectors;
- (b) Increase our understanding of the economy and what needs to be done to make it stronger;
- (c) Improve the efficiency and productivity of the public sector;
- (d) Identify and remove barriers to progress and maximise the opportunities /benefits available to the area from current and future government policy.

1.4 Commencement: The Joint Committee will be established in accordance with the resolutions of the Constituent Authorities listed below in paragraph 1.5 with effect from the Commencement Date (22nd January 2018) and shall continue in existence unless and until dissolved by resolution of a majority of the Constituent Authorities.

1.5 Membership: Each of the Constituent Authorities listed below shall appoint 1 member and 1 named substitute member to the Joint Committee on an annual basis. Each member shall have 1 vote including substitute members. For the Councils, the member appointed shall be that Council's Leader except in the case of Torridge District Council where the member appointed by the Council shall have authority to speak and vote on matters on behalf of the Council. Political balance rules do not apply to the Joint Committee membership. The substitute member shall also be a cabinet member where the Council is operating executive arrangements. For the National Park Authorities the member appointed shall have authority to speak and vote on matters on behalf of the Authority:

- Dartmoor National Park Authority
- Devon County Council
- East Devon District Council
- Exeter City Council

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- Exmoor National Park Authority
- Mendip District Council
- Mid Devon District Council
- North Devon Council
- Plymouth City Council
- Sedgemoor District Council
- Somerset County Council
- South Hams District Council
- South Somerset District Council
- Torbay Council
- Taunton Deane Borough Council
- Teignbridge District Council
- Torridge District Council
- West Devon Borough Council
- West Somerset Council.

1.6 In addition to the Constituent Authorities the partner organisations listed below shall each be invited to appoint 1 co-opted representative and 1 named substitute co-opted representative to the Joint Committee. Co-opted members shall not have voting rights:

- Heart of the South West Local Enterprise Partnership (the LEP)
- NHS Northern, Eastern and Weston Devon Clinical Commissioning Group
- NHS South Devon and Torbay Clinical Commissioning Group
- NHS Somerset Clinical Commissioning Group

1.7 The Joint Committee may co-opt further non-voting representatives from the private, public and/or voluntary sectors at any time.

1.8 Each appointed member / representative shall remain a member of the Joint Committee until removed or replaced by the appointing authority / organisation. Appointments to fill vacancies arising should be notified to the Joint Committee Secretary as soon as possible after the vacancy occurs.

1.9 Standing Orders / Rules of Procedure: Outside of the contents of this 'Arrangements' document, the Standing Orders and Rules of Procedure for the Joint Committee shall be those contained in the Constitution of the Administering Authority to the Joint Committee, subject, in the event of any conflict, to the provisions in the Arrangements document taking precedent.

1.10 Administering Authority: A Council shall be appointed by the Constituent Authorities as the Administering Authority for the Joint Committee and shall provide legal, democratic services, financial and communications support to the Committee. The Joint Committee's Forward Plan of business and papers for its meetings shall be published on the Administering Authority's website with links provided to the websites of the other Constituent Authorities and partner organisations.

2. Joint Committee Functions:

2.1 The only delegated function of the Joint Committee relates to the approval of the HotSW Productivity Strategy. All other matters referred to in 2.3 are 'referred' matters where the Joint Committee will make recommendations to the Constituent Authority or Authorities for decision. Additional delegated or referred functions may be proposed for the Joint Committee in the future by the Joint Committee or any of the Constituent Authorities, but shall only be agreed if approved by all of the Constituent Authorities.

2.2 The principle of subsidiarity will apply to the relationship between the Joint Committee, the Constituent Authorities and local Sub-Regional Partnerships with decisions being made at the most local and appropriate level on all matters to do with the delivery of the Productivity Strategy and in relation to the other functions of the Joint Committee.

2.3 The Joint Committee shall:

- (a) Develop and agree the HotSW Productivity Plan in collaboration with the LEP.
- (b) Ensure delivery of the HotSW Productivity Plan in collaboration with the LEP and the Constituent Authorities.
- (c) Continue discussions /negotiations with the Government on the possibility of achieving devolved responsibilities, funding and related governance amendments to assist with the delivery of the Productivity Plan. Joint Committee proposals arising from these discussions /negotiations would require the formal approval of the Constituent Authorities / Partner Agencies.
- (d) Continue discussions / negotiations with the Government / relevant agencies to secure delivery of the Government's strategic infrastructure commitments, eg, strategic road and rail transport improvements
- (e) Work with the LEP to identify and deliver adjustments to the LEP's democratic accountability and to assist the organisation to comply with the revised (November 2016) LEP Assurance Framework. This includes endorsing the LEP's assurance framework on behalf of the Constituent Authorities as and when required. However, this is subject to the Framework being formally approved by the LEP's Administering Authority.
- (f) Ensure that adequate resources (including staff and funding) are allocated by the Constituent Authorities to enable the objectives in (a) to (e) above to be delivered.

3. Funding

3.1 The Constituent Authorities shall agree each year and in advance of the start of the financial year (except in the year of the establishment of the Joint Committee) a budget for the Joint Committee in accordance with a Budget and Cost Sharing Agreement to cover

the administrative costs of the Joint Committee and costs incurred in carrying out its functions. All funds will be held and administered by the Administering Authority on behalf of the Constituent Authorities and spent in accordance with that Authority's financial regulations and policies.

3.2 In the Joint Committee's first year of operation, the budget will be approved by the Constituent Authorities on the recommendation of the Joint Committee as soon as possible after the establishment of the Joint Committee.

3.3 Joint Committee members' costs and expenses will be funded and administered by the respective Constituent Authority.

4. Review of the Joint Committee Arrangements

5.1 The Joint Committee may at any time propose amendments to the Arrangements document which shall be subject to the approval of all of the Constituent Authorities.

5.2 Any Constituent Authority may propose to the Joint Committee amendments to the Arrangements. Such amendments shall only be implemented if agreed by all of the Constituent Authorities on the recommendation of the Joint Committee.

5. Members' Conduct

5.1 All members of the Joint Committee shall observe the "Seven Principles of Public Life" (the 'Nolan' principles) and will be bound by their own authority's code of conduct in their work on the Joint Committee.

5.2 Joint Committee members / representatives shall be subject to the code of conduct for elected members adopted by the Constituent Authority that nominated them to be a Joint Committee member or to the conduct requirements of the organisation that appointed them. This includes the requirement to declare relevant interests at formal meetings of the Joint Committee.

6. Requirements of Joint Committee members

6.1 Joint Committee members shall:

- (a) Act in the interests of the Joint Committee as a whole except where this would result in a breach of a statutory or other duty to their Constituent Authority or would be in breach of their Constituent Authority's Code of Conduct.
- (b) Be committed to, and act as a champion for, the achievement of the Joint Committee's aims.
- (c) Be an ambassador for the Joint Committee and its work.

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- (d) Attend Joint Committee meetings regularly, work with others to achieve consensus on items of business and make a positive contribution to the Committee's work.
- (e) Act as an advocate for the Joint Committee in any dealings with their organisation including seeking any approvals from their Constituent Authority/Partner Organisation to Joint Committee recommendations.
- (f) Adhere to the requirements of the 'Arrangements' document and maintain high ethical standards.

7. Appointment of Chair and Vice-Chair

7.1 The Joint Committee shall elect a Chair and Vice-Chair from amongst the voting membership as the first items of business at its inaugural meeting and at each Joint Committee Annual General Meeting thereafter. The appointments shall be confirmed by a simple majority vote of Constituent Authority members. If a deadlock occurs between two or more candidates a secret ballot shall immediately be conducted to confirm the appointment. If there is still deadlock following a secret ballot then a further meeting of the Joint Committee shall be held within 14 days and a further secret ballot shall be held to resolve the appointment.

7.2 A vacancy occurring in the positions of Chair or Vice-Chair between Annual General Meetings shall be filled by election at the next meeting of the Joint Committee. The person elected will serve until the next Annual General Meeting.

7.3 The Chair and Vice-Chair shall, unless he or she resigns the office or ceases to be a member of the Joint Committee and subject to 7.5 below, continue in office until a successor is appointed.

7.4 In the absence of the Chair and the Vice-Chair at a meeting, the voting members of the Committee present shall elect a Chair for that meeting.

7.5 The Chair or Vice-Chair may be removed by a vote of all of the Constituent Authority members present at a meeting of the Joint Committee.

8. Quorum

The quorum for any meeting of the Joint Committee shall be 9 Constituent Authority members. The Chair will adjourn the meeting if there is not a quorum present. In the absence of a quorum, the meeting shall be adjourned to a date, time and venue to be agreed by the Chair.

9. Voting

9.1 Wherever possible the elected and co-opted members of the Joint Committee shall reach decisions by consensus and shall seek to achieve unanimity.

9.2 In exceptional circumstances where a formal vote is required, the proposal will be carried by a simple majority agreement of the voting members present and voting by a show of hands. The Chair of the Joint Committee shall not have a casting vote in the event of a tied vote.

10 Decision making Arrangements

10.1 Only the Joint Committee shall approve the Productivity Strategy.

10.2 The Joint Committee may at any time appoint working groups consisting of Joint Committee members and/or co-opted representatives / officers to consider specific matters and report back / make recommendations to the Joint Committee.

11 Formal Meeting Arrangements

11.1 The Joint Committee will hold an Inaugural Meeting within 30 days of the agreed commencement date and thereafter shall meet on a regular basis as agreed by the Joint Committee annually at its Annual General Meeting.

11.2 The Chair or in his/her absence the Vice-Chair, may call a special meeting of the Joint Committee following consultation with the Chief Executives' Advisory Group to consider a matter that falls within the Committee's remit but cannot be deferred to the next scheduled meeting, provided that at least ten clear working days notice in writing is given to the Joint Committee membership.

11.3 Formal meetings of the Joint Committee shall normally be held in public, in accordance with the Access to Information Rules and the Standing Orders / Rules of Procedure of the Administering Authority.

11.4 Meetings of any working groups or task groups established by the Joint Committee shall, unless otherwise agreed, be held in private.

12. Who can put items on the Joint Committee's agenda?

- (a) The Joint Committee itself;
- (b) Any of the members of the Joint Committee appointed by the Constituent Authorities
- (c) A Constituent Authority by way of a formal resolution
- (d) The Chief Executives' Advisory Group
- (e) The Monitoring Officer and / or the Chief Finance Officer of the Administering Authority.

13. Reporting Arrangements

13.1 In addition to any ad hoc reports to the Constituent Authorities, the Joint Committee shall supply an annual report of its activities to the Constituent Authorities in May of each year.

13.2 The Joint Committee shall co-operate with the public scrutiny arrangements of the Constituent Authorities.

14 Record of attendance

14.1 All members present during the whole or part of a meeting are asked sign their names on the attendance sheets before the conclusion of every meeting to assist with the record of attendance.

Julian Gale
Monitoring Officer
Somerset County Council

6/11/17

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APPENDIX B

HOTSW JOINT COMMITTEE DRAFT INTER – AUTHORITY AGREEMENT

1. Commencement and Duration:

1.1 This Agreement (and the obligation of the Constituent Authorities [CAs]) shall take effect on the agreed Commencement Date – 22nd January 2018 - and shall continue until the Joint Committee (JC) is dissolved.

2. Formation provisions:

2.1 The CAs agree to form the JC from the agreed Commencement Date and to delegate / refer the functions specified to the JC from that date as set out in section 2.3 of the Arrangements document.

2.1 The JC shall operate in accordance with the Arrangements document and the Standing Orders and Rules of Procedure of the Administering Authority.

3. Administering Authority (AA) arrangements

3.1 The AA shall be appointed by resolution of the CAs for a 24 month period (24 months is considered as appropriate to provide sufficient continuity but also to provide the option to rotate the role on a regular basis).

3.2 The AA shall provide:

- Financial, legal, constitutional and administrative support to the JC and its meetings
- An on-line presence for the JC via the AA website with links to the CAs / partner organisations websites.
- Ensure it has appropriate insurance arrangements in place to cover the AA role.

3.3 The AA may resign from the role by giving 6 months' notice to the CAs.

3.4 The AA may be removed and replaced by a majority vote of the CA members at a formal meeting of the JC.

3.5 The JC shall cease to exist in the event that no CA or organisation can be identified to undertake the AA role.

4. JC Finance

4.1 The JC's budgetary arrangements shall be detailed in a budget and cost sharing agreement (to be drafted) to be agreed by all of the CAs annually on the recommendation of the JC and in advance of the financial year. The only exception

to this will be in the JC's first year of operation when the JC shall recommend a budget and cost sharing agreement to the CAs for approval at the first opportunity following its establishment.

- 4.2 The budget and cost sharing agreement shall cover:
- (a) The responsibilities of the CAs for providing funding for the JC
 - (b) The anticipated level of expenditure for the JC for the year ahead
 - (c) The cost sharing mechanism to be applied to the CAs
 - (d) Details of how the budget will be set and agreed each year
 - (e) Who is to be responsible for maintaining financial records on behalf of the JC (the 'accountable body');
 - (f) What financial records are to be maintained;
 - (g) What financial reports are to be made, to whom and when;
 - (h) What arrangements and responsibilities are to be made for:
 - auditing accounts;
 - insurance including ensuring all partners have sufficient cover;
 - (i) How any financial assets held by the JC on behalf of the CA will be redistributed to the CAs in the event of the dissolution of the JC or in the event of a CA formally withdrawing from the CA.

5. Roles and responsibilities of the CAs

- 5.1 The CAs shall:
- (a) Appoint Members and named substitutes to the JC in accordance with the 'Arrangements'.
 - (b) Undertake to share the costs of the JC in accordance with the budget and cost sharing agreement and pay their contribution to the JC to the AA in good time.
 - (c) Make appropriate arrangements for recommendations of the JC to be considered and decisions made by the CA.
 - (d) Support the work of the JC by offering services, resources or other 'in kind' support to assist with JC projects and activities.
 - (e) Within the terms of the Inter-Authority Agreement, agree to share information to support the work of the JC.

6. Chief Executives' Advisory Group

- 6.1 The Group shall:
- (a) Ensure that the JC fulfils its functions and responsibilities and in accordance with all legal and constitutional requirements.
 - (b) Plan and co-ordinate the JC's activities to ensure the achievement of its aims and objectives
 - (c) Consider the performance and effectiveness of the JC on an on-going basis and make recommendations for changes for consideration by the JC and CAs as necessary.
 - (d) Ensure that professional advice is available and provided as necessary to the JC to enable it to carry out its functions.
 - (e) Rigorously monitor and scrutinise the JC's budget.

- (f) Consider disputes between the CAs over the application or interpretation of this Agreement together with any potential breaches of this Agreement.

7. Withdrawal from / dissolution of the JC

7.1 A CA wishing to withdraw from the JC shall give a minimum of 6 months' notice in writing to the other CA via the AA. The CAs shall co-operate with any such request.

7.2 If two or more CAs give notice of withdrawal from membership of the JC in the same Financial Year, the JC shall consider and make recommendations to the remaining CA as to the future operation of the JC and, if appropriate, recommend any necessary amendments required to the JC's functions and operating arrangements.

7.3 Where a majority of the CAs at any time agree (via formal resolutions) that the JC should be dissolved or terminated on a specified date then the JC shall cease to exist from that date.

8. Accounts, Audit and Reporting arrangements

8.1 The AA's accounts and audit arrangements will apply to JC business.

8.2 The AA will ensure appropriate reporting arrangements are in place for the JC.

9. Review of Inter-Authority Agreement

9.1 At any time one or more of the CAs may seek a review of this agreement and the operation of the JC by giving notice to the CAs via the AA.

9.2 The review shall be undertaken by the Chief Executives Advisory Group for report to the JC. Any recommendations for changes to the agreement from the JC shall only be implemented if agreed by all of the CAs.

10. Insurance, Indemnities, and Conduct of Claims

10.1 The JC as a scrutiny and policy making group rather than a commissioning body undertakes administrative functions and therefore carries relatively little risk.

10.2 Each authority's insurance cover will automatically extend to provide protection for their members and officers participating in the work of the JC and in their capacity as officers or members of that authority.

11. Information Sharing, Data Protection, Confidentiality, Publicity and Freedom of Information (FOI) Requests

11.1 The CA shall share information about their organisations where that information is relevant to the aims and objectives of the JC.

11.2 Where such information is confidential or privileged, for example for reasons of commercial, customer or client confidentiality, the CA concerned shall seek to provide the information in such a form as to assist the JC whilst maintaining confidentiality, for example by the use of statistical and other non-identifiable forms of data. If confidential information is provided by a constituent authority to assist the work of the JC, then each CA will respect that confidentiality and shall not use or disclose such information without the permission of the authority that provided the information.

11.3 In respect of FOI requests, the AA will ensure that the requirements of the FOI Act 2000 are met in respect of the activities of the JC. In particular the AA will consult the officers of the CA as necessary regarding any potentially contentious enquiries and will then respond to them accordingly on behalf of the JC.

11.4 The JC and the CAs shall at all times abide by the requirements of the Data Protection Act.

11.5 A CA shall not make any public statement or issue any press release or publish any other public document relating to, connected with or arising out of the work of the Joint Committee without obtaining the other CAs' prior approval as to the contents thereof and the manner of its presentation and publication.

12. Promoting Equality, Diversity and Social Inclusion

12.1 All CAs will support and promote the principles of inclusiveness and equality for all through the work of the JC.

13. Extent of obligations and further assurance

13.1 Nothing in this Agreement is to require any of the CA to act in any way that is inconsistent with its obligations or duties as a local authority.

14. Variations of the Agreement

14.1 Subject to the express provisions of this Agreement, no variation of this Agreement will be valid or effective unless agreed by formal resolution of all of the CA.

15. Dispute Resolution / Breach of this Agreement

15.1 In the event of a dispute arising from the interpretation and operation of this Agreement or a breach of this Agreement by any CA or JC member, the matter shall

first be considered by the Chief Executives' Advisory Group. The Group shall seek to resolve the matter by discussion and mutual agreement and report to the JC and CA as necessary.

15.2 Where this fails to achieve a resolution, then the JC may give formal consideration to further action. Such action may include:

- (a) A request to a CA to replace a JC member;
- (b) A request to a CA to withdraw from the JC;
- (c) A recommendation to the other CAs for the termination of the participation of a CA.

Julian Gale
Monitoring Officer
Somerset County Council

6/11/17

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Somerset County Council

Cabinet

15th November 2017

Annual Report of the Somerset Director of Public Health – End of Life

Cabinet Member(s): Cllr Christine Lawrence, Chair Health and Wellbeing Board

Division and Local Member(s): All

Lead Officer: Trudi Grant - Director of Public Health

Author: Pip Tucker - Public Health Specialist

Contact Details: 01823 359449

| | Seen by: | Name | Date |
|--------------------------------|--|-------------------------|-------------|
| | County Solicitor | Honor Clarke | 01/11/2017 |
| | Monitoring Officer | Julian Gale | 01/11/2017 |
| | Corporate Finance | Kevin Nacey | 01/11/2017 |
| | Human Resources | Chris Squire | 01/11/2017 |
| | Senior Manager | Trudi Grant | 01/11/2017 |
| | Local Member(s) | All | |
| | Cabinet Member | Christine Lawrence | 01/11/2017 |
| | Opposition Spokesperson | Amanda Broom | 02/11/2017 |
| | Relevant Scrutiny Chairman | Cllr Hazel Prior-Sankey | 31/07/17 |
| Forward Plan Reference: | FP/17/09/15 | | |
| Summary: | <p>This report describes the causes and places of death in Somerset, and shows how the numbers of deaths is likely to increase significantly in coming years. It describes how end of life is currently supported in the county overall, and how individuals, families, health and care services can contribute to making end of life as compassionate and dignified as possible.</p> <p>It highlights how the whole health and care ‘system’ can work together to provide the best possible care, emphasizes the role of communities in providing wider support and encourages us all to prepare for the end of life, making preparations such as Advance Care Plans, and simple conversations with families.</p> | | |
| Recommendations: | <p>That the Cabinet:</p> <ol style="list-style-type: none"> 1. be an advocate for a calm and dignified end of life 2. encourage people to plan ahead and make their wishes known 3. be an advocate for carers and ensure the role of Somerset’s volunteers is promoted and valued 4. encourage cooperation between organisations, especially at this very sensitive time | | |

| | | | | | | |
|--|--|----------|---------------|----------|-------------------|----------|
| Reasons for Recommendations: | The production of an Annual Public Health Report (APHR) is a statutory requirement of the Director of Public Health. The recommendations are based on a review of evidence on an area of concern identified by the DPH as an area where Cabinet influence can lead to improvements in the health and wellbeing of Somerset. | | | | | |
| Links to Priorities and Impact on Service Plans: | The APHR particularly supports the County Plan priority for 'Health'. | | | | | |
| Consultations undertaken: | The report has been produced after discussions and contributions from a range of people in Somerset who have experienced, or are responsible for, end of life care. These include members of CCG advisory groups, St Margaret's Hospice and NHS medical staff in a range of specialties and services. | | | | | |
| Financial Implications: | A dignified death (with fewer emergency admissions or intrusive treatments) is better for the patient and the bereaved, but also cheaper to the health and care system. | | | | | |
| Legal Implications: | The requirement for the Director of Public Health to produce an annual report is stated in the Health and Social Care Act 2012. | | | | | |
| HR Implications: | None | | | | | |
| Risk Implications: | The Director of Public Health would face censure if a report is not produced. | | | | | |
| | Likelihood | 0 | Impact | 2 | Risk Score | 0 |
| Other Implications (including due regard implications): | <p><u>Equalities</u></p> <p>An Equality Impact Assessment is not required for this research report. However, the implications of the report for people in the last year of life are likely to apply overwhelmingly to older people; the implications for patients' families, the bereaved and the population in general apply to all ages.</p> <p><u>Community Safety Implications</u></p> <p>None</p> <p><u>Sustainability Implications</u></p> <p>The report gives examples of the importance of strong, compassionate communities.</p> <p><u>Health and Safety Implications</u></p> <p>Not applicable</p> | | | | | |

| | |
|--|---|
| | <p><u>Privacy Implications</u></p> <p>Not applicable to the report. However, the recommendations include improved information sharing which relies on appropriate safeguards.</p> <p><u>Health and Wellbeing Implications</u></p> <p>The report demonstrates how End of Life brings into sharp focus a range of issues related to health and wellbeing.</p> |
| <p>Scrutiny comments / recommendation (if any):</p> | <p>The Annual Public Health Report was considered by</p> <ul style="list-style-type: none"> • Scrutiny for Policies, Adults and Health Committee on 11th October 2017. The Committee welcomed the report and supported the approach to End of Life care within health and care services. |

1. Background

- 1.1. The subject matter of this report originated in this year's Joint Strategic Needs Assessment on 'Ageing Well'. It was apparent that preparation for a dignified death contributed to ageing well, but was too large a subject to be covered in detail in that report.
- 1.2. The Annual Report of the Somerset Director of Public Health 2017, 'End of Life', is appended to this covering paper.

2. Options considered and reasons for rejecting them

- 2.1. The production of an annual report is a statutory requirement for all Directors of Public Health and there is no option not to produce it. The contents of the report are entirely at the discretion of the DPH.

3. Background Papers

- 3.1. The Annual Report of the Somerset Director of Public Health 2017, 'End of Life', is appended to this covering paper.
- 3.2. Previous reports, along with the statistical annexes, are published at <http://www.somerset.gov.uk/organisation/departments/public-health/>.

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End of Life

Annual Report of the
Director of Public Health for Somerset 2017

Introduction

Last year I showed how dramatically health has improved over 80 years in Somerset. Infectious diseases that were once major killers have been almost eliminated through improved hygiene, sanitation and vaccination. These changes have meant that we are generally living longer, and our deaths are more likely to come from lifestyle related conditions such as cardiovascular disease and cancers and those usually associated with increased age such as dementia. Many people live for a long time with these conditions, and the 'end of life' can be an extended period. This is a difficult time for the individuals concerned, and for their families, and the health and care needs are complex.



This is not a guide to providing end of life care. In this report I want to play my part in raising the profile of this vital part of life. Looking at end of life from a public health perspective, I want to describe:

- Describe the **trends** in the numbers, causes and places of death in Somerset
- Consider how end of life is currently supported in the county overall, and how individuals, families, health and care services can contribute to making end of life as **peaceful and dignified as possible**
- Highlight how the whole health and care 'system' can **work together** to provide the best possible care.
- Emphasise the role of **compassionate communities** in providing wider support.
- Encourage us all to **prepare** for the end of life, making preparations such as Power of Attorney and Advance Care Plans.

Public health is concerned with the health and wellbeing of the whole population from pre-pregnancy to end of life. Just as we look to give every child in Somerset the best start in life, and adults to have the opportunity to be healthy and productive for as long as possible, so the final months should be viewed as contributing to the overall quality of a life well-lived.

The data supplement that accompanies this report can be found at the following link:

<http://www.somerset.gov.uk/organisations/departments/public-health/>

TABLE OF CONTENTS

Introduction

| | |
|---|-----------|
| SECTION 1 – Death in Somerset | 1 |
| Numbers of deaths | 1 |
| Age at death | 2 |
| Causes of Death | 3 |
| Place of death..... | 6 |
| Alzheimer’s and Dementia..... | 7 |
| Long term conditions and multimorbidity | 8 |
| Summary | 9 |
| SECTION 2 - End of life care | 10 |
| End of Life and admissions to acute and community hospitals | 10 |
| Identifying End of Life | 13 |
| Medical support - Palliative Care | 14 |
| End of Life Care in Hospital | 15 |
| Drug treatments | 15 |
| Providers of End of Life Care | 18 |
| Bereavement | 23 |
| Summary | 25 |
| SECTION 3 – How could we improve the end of life experience in Somerset? .26 | |
| Supportive Communities..... | 26 |
| Being Prepared..... | 31 |
| Working together | 38 |
| Summary | 40 |
| SECTION 4 - Conclusions and Recommendations | 42 |
| Sources of Support in End of Life Care | 45 |

SECTION 1 – Death in Somerset

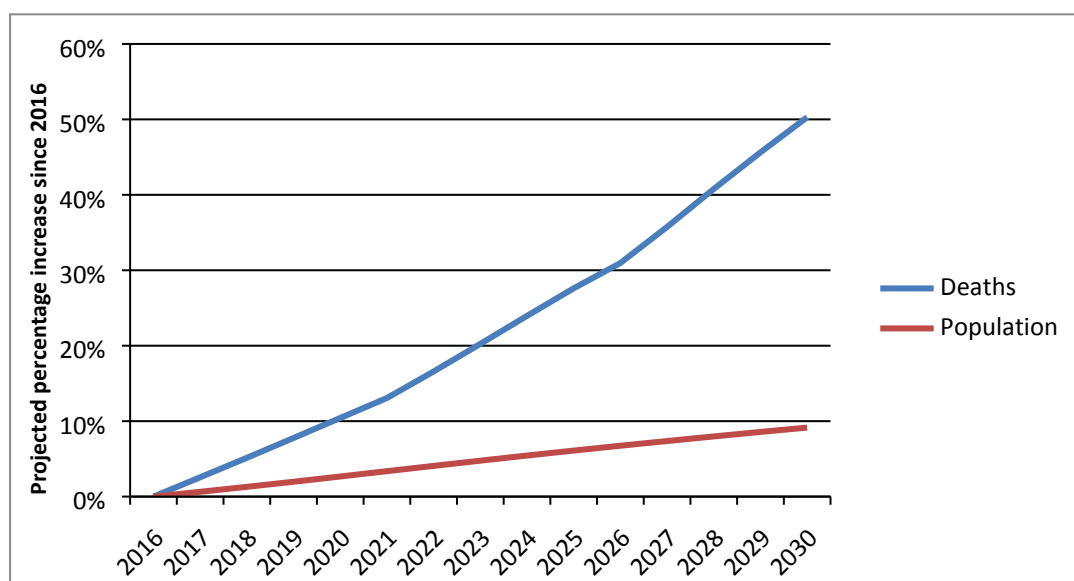
In this section we will look at some of the facts and figures about death and dying in Somerset. Examining these statistics can help us get a better understanding of the scale and nature of the issue and help guide our response.

Numbers of deaths

In last year's report I described Somerset in the 1930s. Then there were about 3,700 deaths each year in the current county area. Although life expectancy has risen considerably since then, that number has risen to about 6,115 deaths in 2015 (the last year for which we have figures). This is simply because of the increasing population, which has grown from just over 290,500 in 1936 to 545,400 in 2015, an increase of 88%. The number of deaths has only risen by 41%, because people now live much longer than they did then.

When we look at likely trends in the future, the ageing of the 'baby boomer' generation born after 1945 means that the numbers of deaths each year is expected to rise dramatically, and much faster than the population total.

Figure 1: Projected Numbers of Deaths (source: Public Health Somerset)

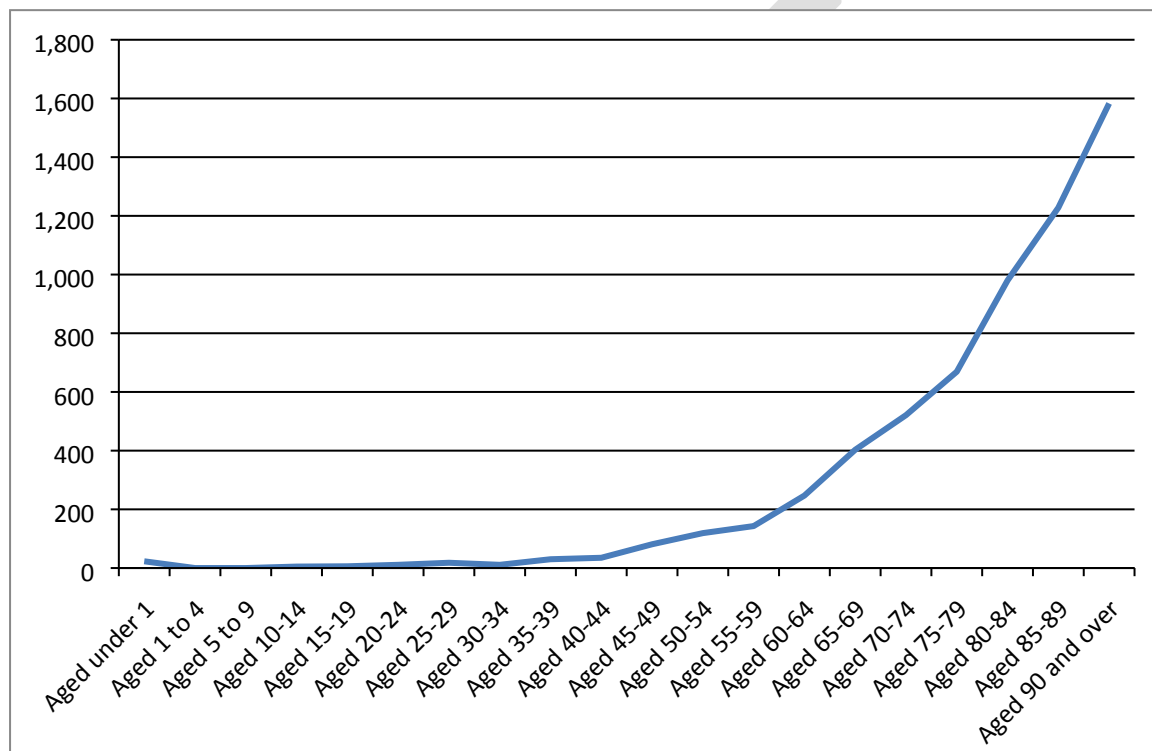


There is clearly a great deal of uncertainty in any projection of this sort, but this graph demonstrates that simply in terms of numbers, end of life care will become a more prominent issue for health and care in Somerset over coming years. There were 6,020 deaths in Somerset in 2016; that is projected to rise to over 9,000 by 2030.

Age at death

Figure 2 shows the age at which people died in Somerset in 2015. Nearly three quarters of all deaths were of people aged 75 or older, and more than 90% were of people aged 60 and over. Only 1.7% were of people aged under 40. In this report I will concentrate on the care of older people approaching death. This is not to overlook the needs of young people – many of which are the same of course, but I will focus on the large majority of those reaching the end of their life as, for this issue, this is where the greatest challenge for the county lies.

Figure 2: Age of death in Somerset 2015



Causes of Death

Figures 3 and 4 show the leading causes of death in Somerset in 2015 for men and women. Cancers, circulatory diseases and heart disease are the main causes of death in Somerset, mirroring the national prevalence. By sex, the broad patterns are similar, although cancer is the leading cause for men, and circulatory diseases for women. It can also be seen that diseases of the nervous system – mostly dementia and Alzheimer’s disease – are more significant causes of death for women than for men. Notably, many of the conditions that cause death may only do so after a protracted period of illness, with major implications for end of life care.

Figure 3: Leading causes of death, Men in Somerset 2015

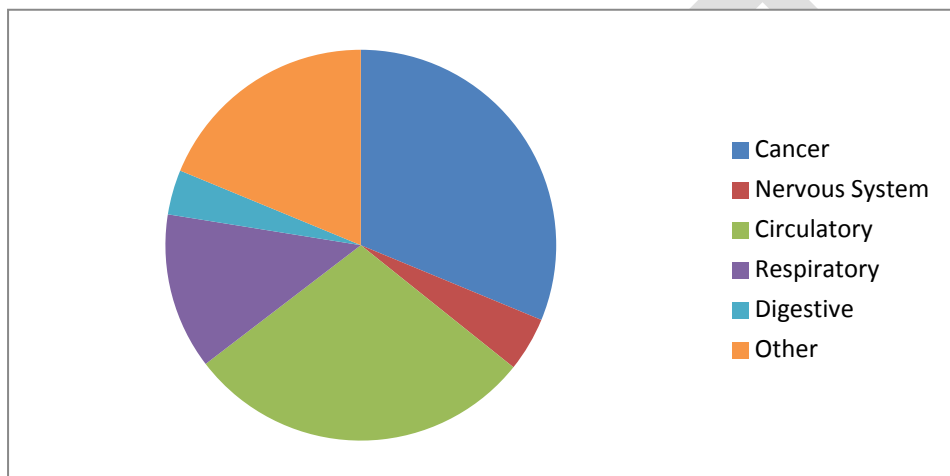
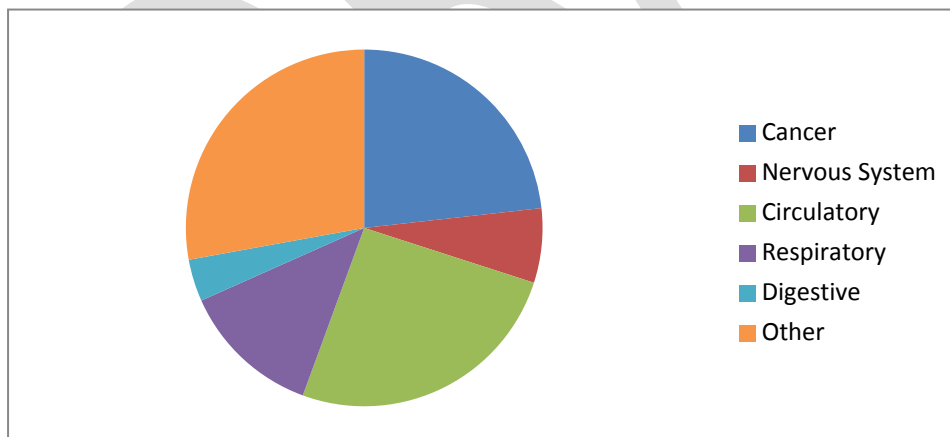


Figure 4: Leading causes of death, Women in Somerset 2015



Figures 5 and 6 below looks at the differences in the causes of deaths in Somerset over the past 10 years. There were 5,482 deaths in 2007 and 6,042 in 2016. The key points to pull out from this is that the proportion of deaths that were attributed to dementia (including Alzheimer’s) in 2016 was 13%, more than double the percentage from 2007 of 6%. Those attribute to circulatory disease, coronary heart disease and stroke accounted for a smaller proportion of deaths in 2016 than in 2007

Figure 5: Proportion of deaths by underlying cause of death 2007-2016

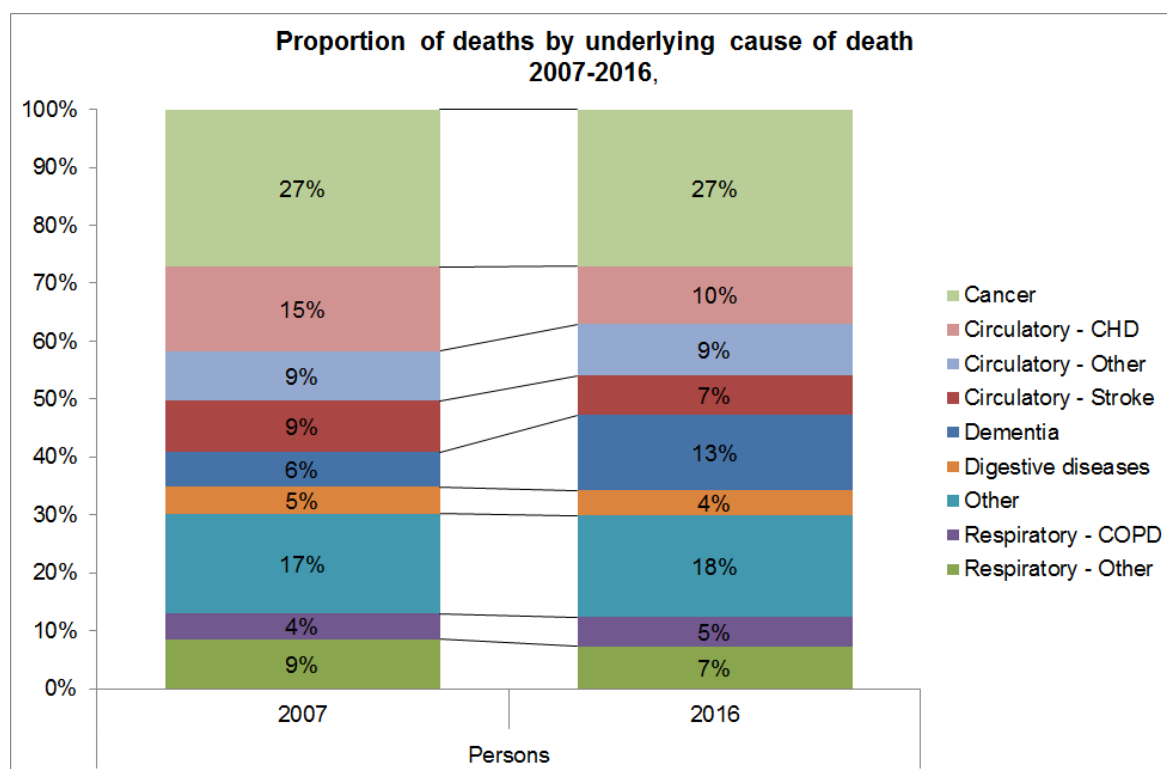
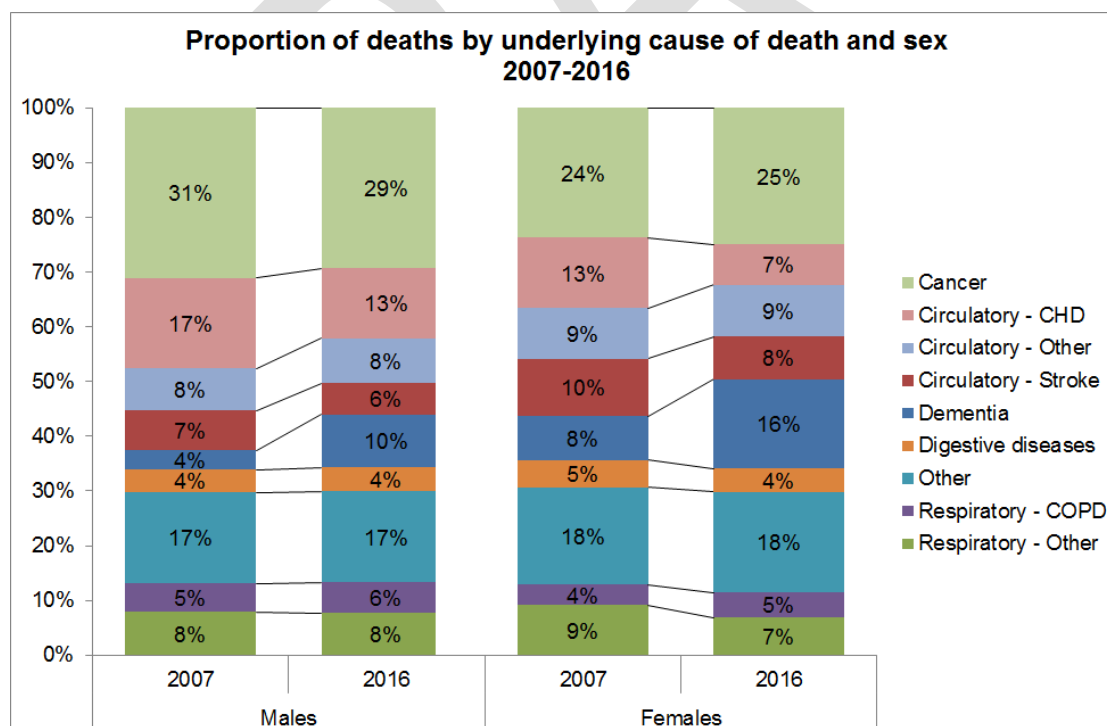


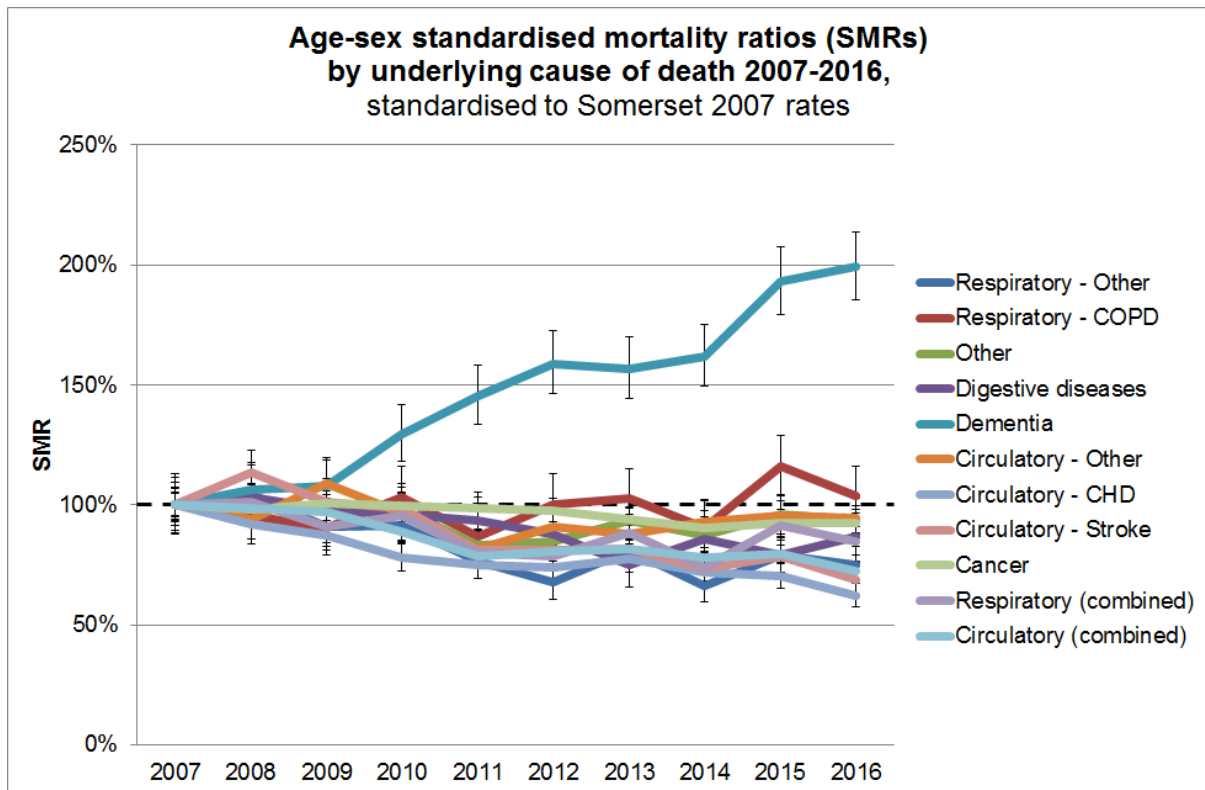
Figure 6: Proportion of deaths by underlying cause of death and sex 2007-2016



Source: Primary Care Mortality Database Copyright © 2017, re-used with the permission of The Health & Social Care Information Centre. All rights reserved. Deaths used in the production of these charts that occurred prior to 2015 and prior to 2011 have been adjusted. This is to account for coding changes introduced by the Office for National Statistics (ONS) at these times.

By standardising the data to the 2007 Somerset rates, we can consider how many deaths due to each condition would have been expected for the 2016 population size and structure. Figure 7 shows clearly that the dementia mortality rates have been steadily increasing over the past ten years and were around twice as high in 2016 than they were a decade ago. Mortality rates due to all other underlying causes have significantly declined over this period.

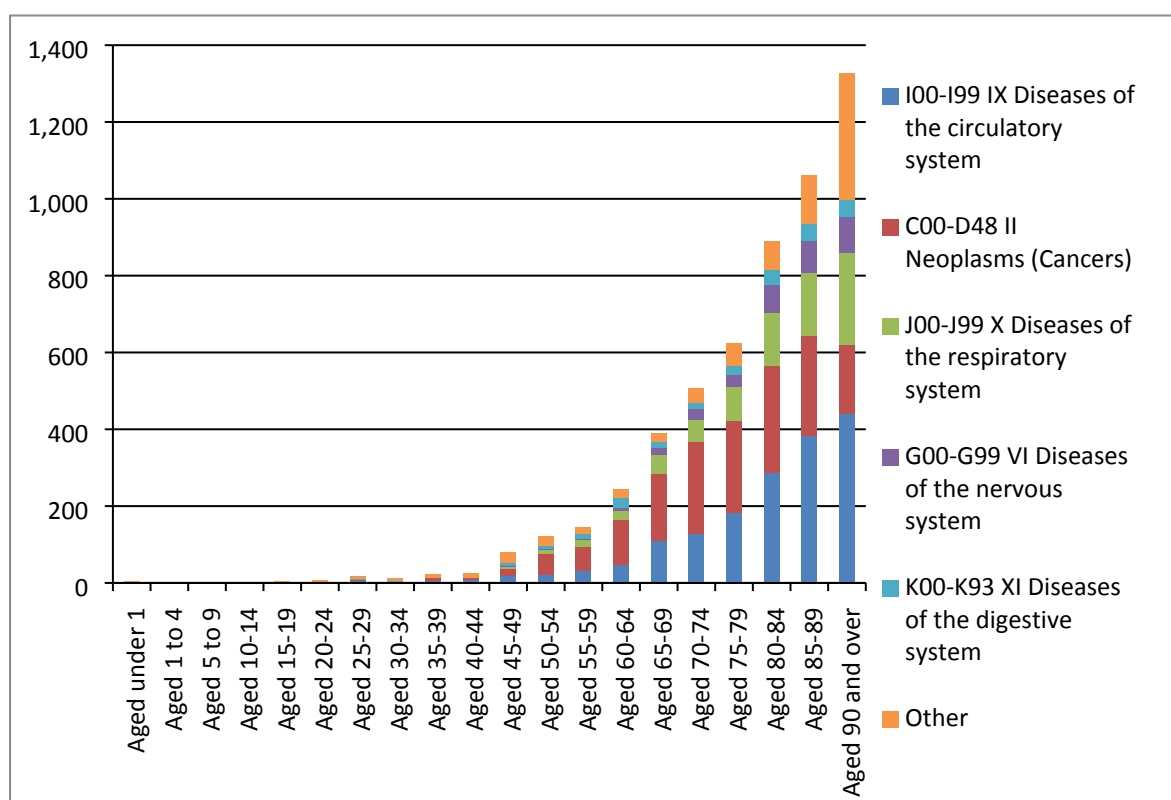
Figure 7: Age-sex standardised mortality ratios



Source: Primary Care Mortality Database Copyright © 2017, re-used with the permission of The Health & Social Care Information Centre. All rights reserved and Office for National Statistics (ONS) mid-year population estimates.

Figure 8 shows the same broad categories of cause of death by age for men and women together in the same graph. Cancer is the biggest killer for people aged between 50 and 80, and at older ages circulatory and respiratory disease and diseases of the nervous system rise in significance.

Figure 8: Major causes of death in Somerset by age, 2015 (Source: ONS Mortality Statistics)

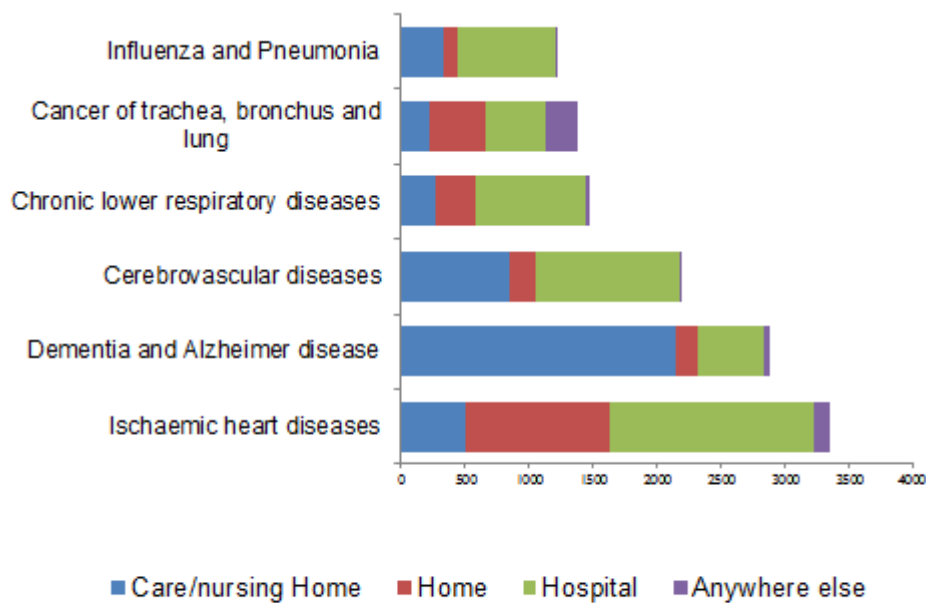


These statistics summarise the number of deaths, age and cause of death per year. Looking at this across the entire population rather than simply by conditions informs the nature of care and support that are needed by people approaching the end of their lives in Somerset. Most of the people in near end of life are older and have long term conditions that people live with for many years until death (which may, indeed, be the immediate result of a different condition entirely).

Place of death

Perhaps most noticeable in Figure 9, looking at the place people die, is that the largest proportion (40%) is in hospital, even though we know that about 66% of people in South West England would choose to die at home, and only about 4% would choose a hospital. And despite falling as a proportion over time, hospital is the most common place of death for those not dying of cancer. In this report, I want to look at ways in which more people are able to die in the place of their choosing. It is also striking that a very large proportion of the dementia and Alzheimer's deaths are in care homes. This situation reflects a number of issues including the nature of the disease and the degree to which support in our communities is able to cope with some of the issues relating to more advanced neurological disease.

Figure 9: Place of death by cause of death



Alzheimer's and Dementia

The rates of dementia are often thought to be underestimates, the number of people with the condition in the county is projected to rise by 75% by 2035 to reach approximately 12,000. In Sedgemoor the number is expected to rise by 83%, compared to an increase of 70% for England as a whole. The relatively low death rate from dementia is likely to be associated with low diagnosis and not recognising it as a cause of death. The process of dying from dementia is different from other conditions as individuals at the end stage of dementia often lose interest in food because they lose their sense of taste and their hunger drive. This can lead to malnourishment and being investigated for a cause of weight loss and admitted to hospital with complications such as infection. It is frequently this that is then documented as the leading cause of death with the dementia often not recognised.

There is a risk that communication problems associated with dementia may mean that such patients suffer more discomfort and pain during the period of end of life, this point can also apply to people with learning difficulties, of course. The drawn out development of dementia may mean fewer people make advance care plans than is the case for people who receive the shock of a cancer diagnosis, for instance, yet the impact on the family can be considerable as the disease affects behavior as it progresses.

The funding system also makes dementia more challenging for providers than, for example, cancer, with a far higher proportion of the costs falling to social care rather than the NHS. That means that it is means tested and costs are therefore more likely to fall on the individual or the family. Whilst there is no cure for dementia, people with the condition may live in steady decline for many years. Patients may require support in the basics of life, putting much of the physical burden, too, on carers within the family. Such pressure, particularly on an ageing spouse coping with his or her own failing health can lead to both needing social care support. With dementia set to increase in coming years this will be a growing challenge for end of life care in Somerset.

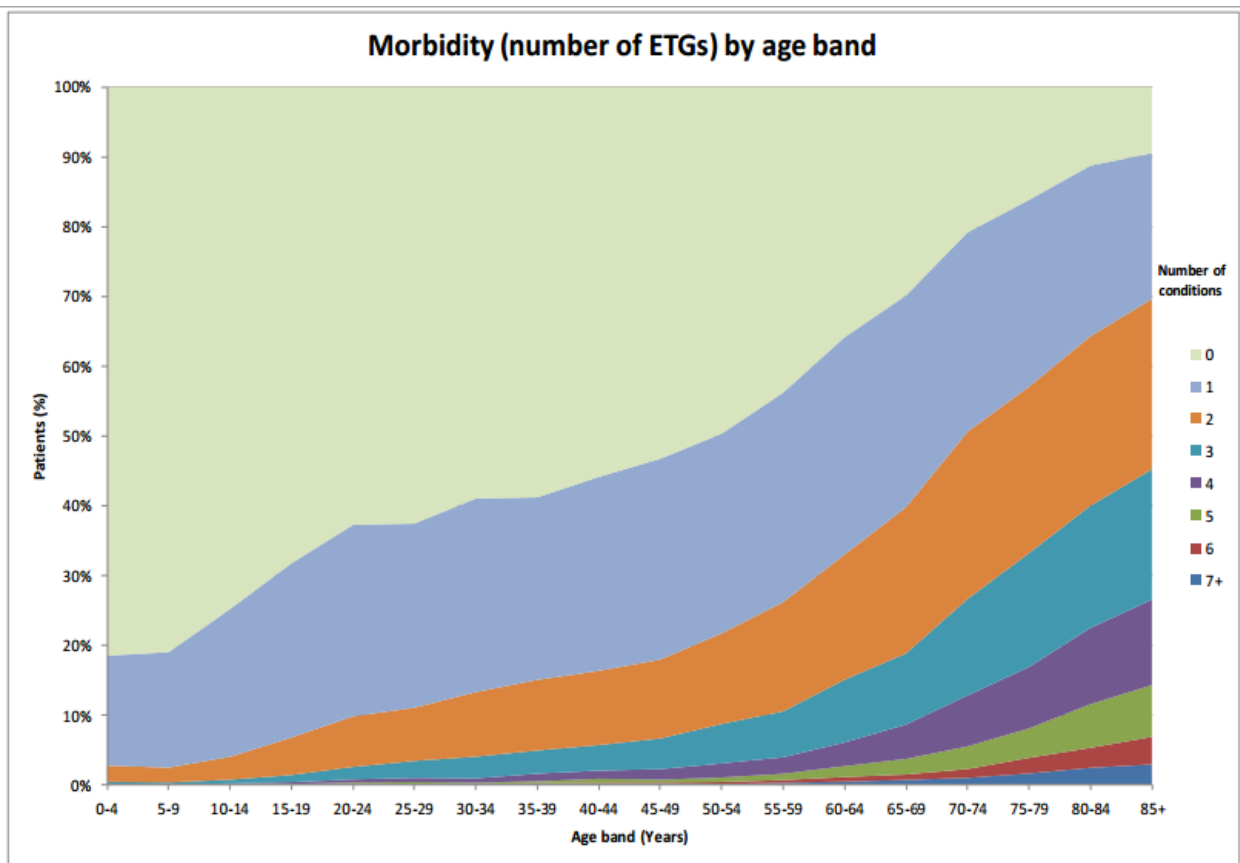
Long term conditions and multimorbidity

When infectious disease was the leading cause of death, there were typically two ways in which illness could run its course. Either someone would recover from the disease, even if with some long term effects, or they would die. In the 21st century, with more deaths from long term conditions such as dementia, cancer and chronic kidney disease, as shown in Figure 2, there are many people who live with gradual deterioration for years. Of course, over such a period it may be that the long term condition is not eventually the direct cause of death.

Perhaps more significantly for treating and managing end of life care, many people will develop more than one condition and show 'multimorbidity'. These patients, often referred to as 'complex', offer significant challenges to treatment because of the interaction between the different conditions or the treatments being provided. As a simple example, taking the medicine needed to manage cancer is far more difficult to manage for someone with dementia than someone without. And as a rather different example, in the past people would often have just 'one shot' at being treated for cancer, whereas now a far wider range of treatments is possible. Radiographers in Somerset report that people with late stage cancer now have different symptoms from people previously and some of those symptoms may have been caused by the treatments that were given 15 or even 20 years earlier.

Figure 10 uses data from the 'Symphony' project to show how the incidence of long-term conditions increases with age. By the age of 70, about half of the Somerset population has a long term condition, and by the age of 85 more than 40% have three or more. As the population structure ages so we can expect more people to have these complex conditions to live with.

Figure 10 Multimorbidity by age band in Somerset 2015



We will return to the issue of multimorbidity in the next section in relation to end of life care.

Despite the huge advances in treating disease, death is one certainty in life and it cannot be indefinitely postponed. Understanding and recognizing the process by which the body turns itself off can avoid intrusive, painful and ultimately fruitless efforts to extend the life of someone close to an expected and natural death.

Summary

This section has provided some background information on deaths, and the significant reasons for deaths, at a population level. End of life is something that all families have to face at some point. It is often an emotional and stressful time, just as birth often is, but there are things we could do as a community and as a health and social care system to try and reduce the impact of end of life and make it as dignified and peaceful as possible. Achieving this is absolutely better for the individual, the family and the system. I now want to describe what end of life care is, before considering what more we could do in the future to ease the experience of end of life.

SECTION 2 - End of life care

Evidently, those facing the end of life need support of many kinds. Some is medical, some is emotional and some practical. The burden can be so heavy that the carers themselves, particularly family members, can need their own support. In this section we will look at an overview of the end of life care provided in Somerset and give a brief overview of the types of help that can be provided before considering whether we can do more to make end of life care in Somerset as dignified and peaceful as it can be.

We know that the majority of people would prefer to die at home if they could, and hospital is the least preferred place of death; despite this, less than half (48%) of people actually do die at home in Somerset. We need to consider why this is the case? Firstly, it may be because the death is sudden and unexpected, and the patient is taken to hospital for urgent treatment. Such cases are sadly inevitable. Secondly, the patient, carer or family may feel more secure in hospital knowing that professional care and treatment is nearby and always on call, especially for conditions such as chronic obstructive pulmonary disease (COPD) which can exacerbate rapidly. For all the preparations made in advance, patients and family may find that the illness simply cannot be treated at home: changes in behaviour, or loss of bladder and bowel control, can lead to a serious reassessment of need. Thirdly, some deaths might have come about because the patient's wishes were not made clear in advance, or were not known to those responsible for their care at the end of life. In these circumstances someone may be taken to hospital and admitted as an emergency for treatment that may add little to the length of life. This issue is considered in more detail below.

End of Life and admissions to acute and community hospitals

An admission to hospital can be, literally, life-saving. It is though, despite the efforts of many, often not a pleasant event, particularly if it is an emergency admission. For someone who is close to death with a long-term, life-threatening condition, it may be a source of unnecessary suffering for little gain. We have looked at the patterns of admission for people in the last year of their lives, the large majority of which is direct to acute hospitals. This helps us understand what factors beyond immediate clinical need are involved, and suggests ways in which more rounded, 'whole person', care might be possible.

There were an average of 3.2 admissions to hospital (planned or emergency admission) in the year prior to death for all people who died in 2013-2015. Only 20% of those who died did not have an admission in the year prior to death. Excluding those with no admission, the average number of admissions in the final year was 4.1. People who died during 2013-15 spent on average 22.4 days in hospital in the year prior to death.

For *emergency* admissions only, there were on average 2.3 in the year prior to death for all those who died in 2013-2015, although that includes 37% with no emergency admissions. Excluding those without emergency admissions, the average was 3.7 in their last year. Those people who died during 2013-15 *and* had an emergency admission spent an average of 27.5 days in hospital after they were admitted.

Figures 11 and 12 below show the patterns of emergency admissions for the main condition-related causes of death. For all conditions, except Alzheimer’s and dementia, the majority of patients had at least one emergency admission in their last year of life.

Figure 11: Percentage of patients never admitted as an emergency in last year of life

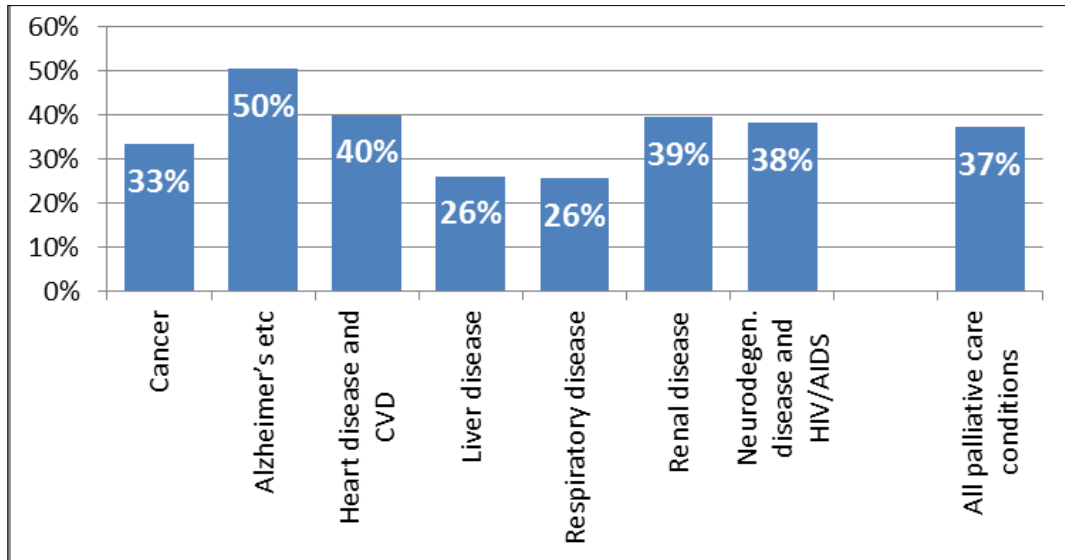
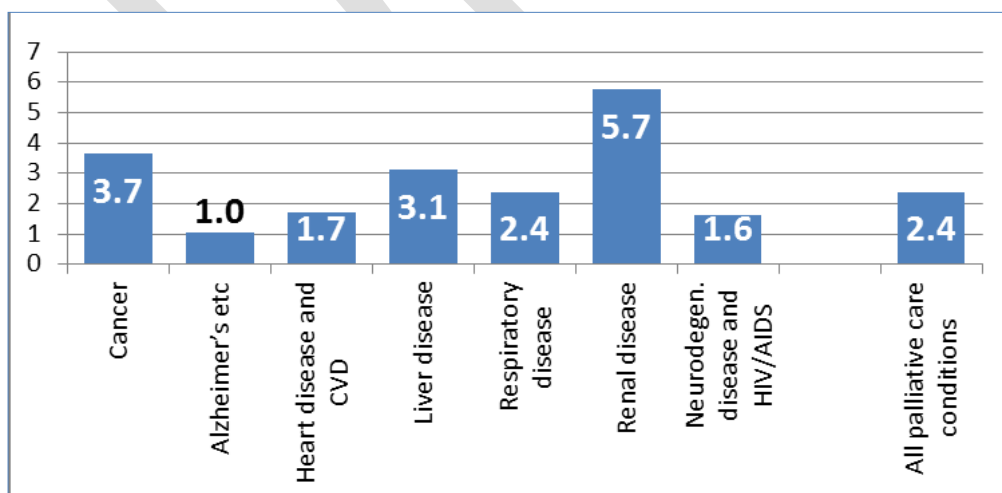


Figure 12 uses the same categories of disease, but this time looks at the average number of admissions for each disease category. Although renal disease is responsible for comparatively few deaths (all genito-urinary disease accounted for 113 out of the 6,115 death in 2015), it is striking that the average number of admissions was nearly six. Cancer is a major killer however, but cancer patients had 3.7 emergency admissions on average – perhaps suggesting that there better support processes are in place for cancer, that could y be learning opportunities to be applied to end of life care for other conditions.

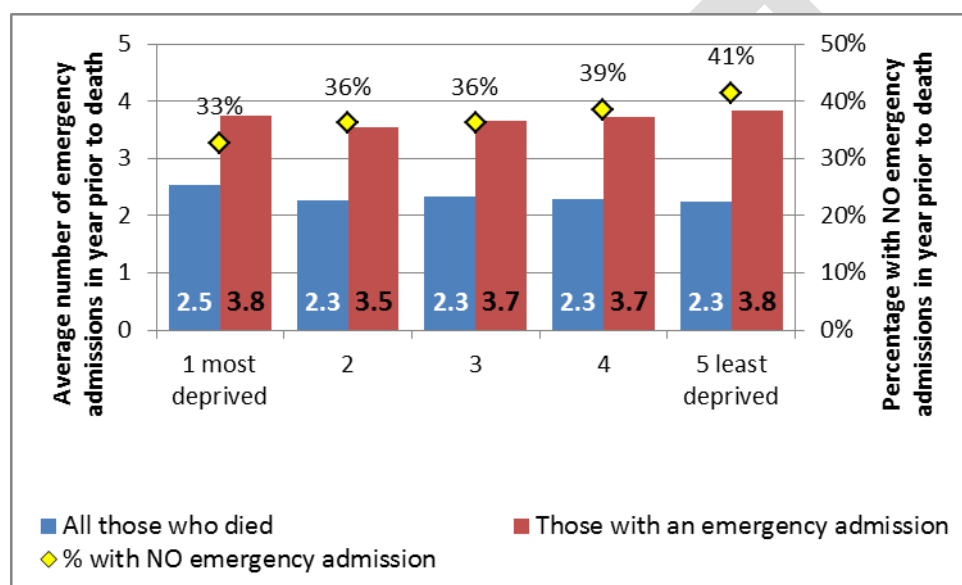
Figure 12: Average number of emergency admissions in last year of life



It is important that we give consideration to any inequalities that may exist in relation to end of life care. Figure 13 considers the rate of emergency admission by deprivation. People who had lived in a more deprived area were more likely to be admitted as an emergency than those who lived in a less deprived area. The percentage that had no emergency

admission ranged from 41% in the most deprived quintile of areas to 33% in the least deprived quintile. There are a number of possible reasons for this inequality. Firstly, it could be because predominantly deprived areas are in our more urban areas, where access to District General Hospitals is easier. Secondly, it may also be because people in more affluent areas have more financial and social capital, and more access to information than those in deprived areas. They are therefore more likely to be able to make appropriate preparations that help avoid emergency. Thirdly, the inequality may reflect the nature and complexity of the patients' illness. We know that people who live in the more deprived areas of Somerset experience a higher prevalence of almost all conditions, we also know that they are significantly more likely to experience multimorbidity.

Figure 13: Emergency admissions by deprivation



Alzheimer's/dementia deaths place the least burden on emergency admissions and those that produce the most are kidney disease, cancers and liver disease. The latter are more linked to lifestyle factors such as smoking/obesity/alcohol and are strongly associated with deprivation. It is no surprise therefore that the emergency admissions are higher for people who live in areas of higher deprivation. There are two ways of reducing emergency admissions, whether they are at end of life or not, the first is to detect disease early and manage the condition proactively where possible, the second is to prevent the condition in the first place and therefore the need for an emergency admission. There is scope to reduce emergency admissions by placing a greater focus on both of these forms of prevention. As highlighted by the Reform think tank for the NHSⁱⁱⁱ, effective preventative activity, which does not further increase inequality, needs to be done systematically and at scale and pace.

Inequality in end of life care is not only in relation to deprivation, of course. The Care Quality Commission looked at the outcomes for different groups in 2016^{iv}. Gypsies and travellers, and people whose first language is not English, found it harder to have their wishes met. People with learning difficulties need more time and preparation to understand the options open to them at end of life, and also need to be given more time to express their wishes. People with Down's syndrome are at increased risk of developing dementia, and those with both conditions will often need an extended period of support to express what they want to happen to them.

Identifying End of Life

In order to make preparations for death, there needs to be an assessment of when it is deemed that a person is at the end of life. This, like all predictions, can be hard to do. The progress of cancer is often rather predictable (which helps in end of life planning); the Care Quality Commission identified 'people as conditions other than cancer' as a group who may not receive the best care as a result. Dementia can progress very slowly and it may be hard to know the right point to shift from managing the condition to preparing for death.

The Gold Standards Framework (GSF) developed by the Gold Standards Framework Centre in End of Life Care, aims to promote quality, coordination and organisation in end of life care, leading to better patient outcomes. The GSF formalises best practice and provides an indicator of what 'good' looks like in end of life care.

The framework gives clinicians three ways of identifying whether a patient should be treated as being at the end of their life. One of them is a list of general indicators as seen in Table 1 below.

Table 1: General Indicators of Being at End of Life (Gold Standards Framework)

- Decreasing activity – functional performance status declining (e.g. feeding, bathing, grooming, dressing, continence, toileting, mobility & coping with stairs), limited self-care, in bed or chair 50% of day) and increasing dependence in most activities of daily living
- Co-morbidity is regarded as the biggest predictive indicator of mortality and morbidity
- General physical decline and increasing need for support
- Advanced disease - unstable, deteriorating complex symptom burden
- Decreasing response to treatments, decreasing reversibility
- Progressive weight loss (>10%) in past six months
- Repeated unplanned/crisis admissions
- Sentinel Event e.g. serious fall, bereavement, transfer to nursing home
- Serum albumen <25g/l (this blood indicator shows poor liver function)
- Considered eligible for DS1500 payment (Disability Living Allowance or Attendance Allowance for the terminally ill)

The second way uses specific indicators for particular conditions such as the development of secondary malignant growths for cancer, speech problems in neurological diseases and incontinence for dementia.

The third, and simplest test combines the various indicators with clinical judgement in the 'surprise' question:

'Would you be surprised if the patient were to die in the next few months, weeks, days?'

If the patient shows the general or specific indicators, or the answer to the 'surprise' question is, 'no', then the clinician or carer should go on to consider what measures 'might be taken to improve the patient's quality of life now and in preparation for possible further decline'.

The next part of this section considers what some of those measures may be, starting with palliative care.

Medical support - Palliative Care

It is worth drawing out here that the decision to treat an individual palliatively should ideally involve the patient and/or family however care planning for individuals who have lost capacity is rarely done and therefore the responsibility for decisions relating to treatment rests with the senior clinician. In the community this is the GP, but discussions should also involve the family wherever possible. Often decisions are made to treat people rather than manage them palliatively which may not be in their best interests. This issue will be considered further later in this report.

It is important that when discussing treatment options with people that we focus on what could be done as well as what might not be done so patients and families can make an informed decision about the options. For example, when discussing an admission to hospital with someone at the end of their life, what could be done for them at home if they chose not to go to hospital should be discussed also, such as pain control etc. Sometimes there is a belief that agreeing a ceiling of treatment escalation means there will be no more treatment at all.

Much of the medical treatment given to people with life-limiting conditions will, necessarily, be specific to that condition. We will not consider the condition-specific treatments here, important as they can be to the individuals concerned, but focus specifically on what's termed 'Palliative Care'.

There are a number of treatments that come under the umbrella of 'palliative care', which try to reduce the painful and unpleasant effects of disease, or of other treatment, rather than trying to cure the illness. Palliative care puts more emphasis on maximising the quality of life than extending its length (although this may be an effect). It is often provided alongside more conventional 'treatment', such as chemotherapy for cancer. By reducing the impact of pain or discomfort it can enable patients to live something closer to a normal life. This can also help the patient's carers, and might make the difference between being able to live at home or needing to be in hospital.

In his book *Being Mortal*, Atul Gawande describes the treatment of an elderly patient with many long term conditions, including the cancer that would eventually lead to her death. The cocktail of drugs she received made her condition even more complex. When she was treated by a gerontologist, who looked at the needs of the whole person rather than the individual illnesses, it became clear that her greatest distress came from the state of her feet, which reduced her mobility and so her independence. Treating her feet, rather than the more 'serious' conditions, did not extend her life, perhaps even the reverse, but contributed far more to the quality of the life she had left.

Often in medicine, each specialty treats the patients' range of needs, illnesses and symptoms independently, it's the way medicine has developed over the years and we rely on this approach to provide us with the very best, very specialist care. There are times however, where this very specialist approach may not be best for the patient and at the end of life is potentially one of those times.

End of Life Care in Hospital

Palliative and end of life care should ensure the whole person and those important to them are cared for no matter where. Hospitals are a place of safety and in Somerset are open all hours. A feeling of safety is a key element of good end of life care. In Somerset the acute hospitals have made great improvements to their end of life care in recent years. Their shared aims are for hospice level support and care for those who choose to die in a hospital. For those who do not want to be in hospital to be safely supported either at home or in a place of care. Hospitals provide the specialist equipment and expertise when needed, and work with communities to join up the care as much as possible.

Hospitals are taking a leading role in planning for the future. An admission to hospital is likely to be a point of inflection in someone's health, such as being diagnosed with a life limiting illness or be assessed as deteriorating from an existing chronic condition. This recognition should be discussed as appropriate and the patient's needs as a person considered. Taunton and Somerset Trust has introduced a specific discharge summary for those with life limiting illness to record the start of these conversations and allow community practitioners - professional and volunteer - to continue this 'what is important to you' approach when back at home. Yeovil District Hospital has strong links with the symphony complex care teams who can also aid whole-person care and facilitate wellness. This planning starts an approach that can be supported by projects such as the Marie Curie conversation volunteers who consider the person and their thoughts by asking, amongst other key questions, 'What is important to you now and in the future?' They are trained to elucidate and communicate wishes and wants for end of life care which can enhance the professional decisions within advance care planning. This approach enhances a person's dignity in ensuring they as a person are communicated throughout their care, wherever it is taking place. This home based, non-clinical work is led by the person themselves.

Drug treatments

These can reduce the impact of, for example:

- Pain
- Nausea and Vomiting
- Breathlessness (Dyspnoea)
- Respiratory Tract Secretions
- Restlessness and Agitation

Whilst these are rarely life-threatening in themselves, they can all be the most noticeable effects of the terminal illness and be the greatest contributors to poor quality of life for the patient, as well as family and carers. They can also arise suddenly and distressingly, so, administration of drugs such as Midazolam for breathlessness for example can be hugely comforting.

Many people, especially perhaps cancer patients, may need palliative drugs such as opiate painkillers delivered continuously. This is typically done using a syringe driver, one of which is shown in Figure 14. Although far from necessarily the case, they are associated by many people with the final stage of illness, with a perception that once set up they will remain in

place until the death of the patient. Other treatments, such as steroids and sub-cutaneous fluid, can, with training, be administered at home by family members.

Figure 14: Syringe Driver (Source: Oxfordshire CCG)



Despite the benefits that can be gained from such drug treatments, our expectations have to be managed. Pain can be treated and minimised but no physician can guarantee a painless death, conversely, the grief of bereavement should not be added to by feelings that a loved one has endured unnecessary suffering. Good communication – reassuring the patient and, even more, the family, that the best possible care is being provided is the key to ensuring this balance.

Providing palliative medicine is often rather more complex than other medicine, and there are a few techniques that make it easier and safer.

- **MAR charts (Medicines Administration Record).** This tells paramedics, called to someone's home at the end of life, what drugs can (and can't) be used
- **Just in case boxes.** These contain the correct medicines to treat the patient at home.
- **Message in a Bottle:** 'a sticker on your fridge and the inside of your front door tells paramedics that a bottle can be found inside the fridge. This will contain essential personal and medical details. Bottles are free of charge and can usually be obtained from your local chemist'^v.
- **MedicAlert:** a registered charity that provides an identification system for individuals with medical conditions and allergies. This is usually provided in the form of a bracelet or necklet, which you purchase. The scheme is supported by a 24-hour emergency telephone service^{vi}.
- **'Comfort calling'.** This is when GP, nurse, or out of hours doctor calls can give reassurance, even if no new treatment is needed.

'Self help' as part of Palliative Care

Palliative care need not be simply medical. As the Motor Neurone Disease Association describe:

'People living with MND have found the following helpful:

- *doing something physical, like gardening, with assistive equipment to help you stay active for as long as possible*
- *planning a trip, event or holiday (many travel providers provide accommodation adapted for people with disabilities)*
- *seeking out experiences with family and friends that will provide lasting memories*
- *using speech and communication aids to help you maintain communication and social contact should your ability to speak and gesture be affected*
- *listening to music or going to music therapy sessions*
- *having physiotherapy, with a qualified physiotherapist who has experience of MND*
- *having hydrotherapy, where exercise is assisted and supported in water to help you move and flex joints safely*
- *trying one of the many complementary therapies with a qualified and registered practitioner'*

We will consider the ways in which families and communities can provide tremendous support to people at the end of life further in this report however, it is clear from this list that there are many forms of help that do not require medical intervention from clinicians.

Individuals facing the end of life can have many things to deal with, from examining the meaning of life to practical matters of finance and planning. These issues can feel overwhelming and it's important that a wide range of patient concerns are considered during palliative care. The section below outlines the Integrated Palliative Outcomes Score^{vii}, which brings these together in a single, simple form.

Integrated Palliative Outcomes Score

Firstly, patients are asked what their main concerns are, of whatever type. This 'open' question is important, as it puts the patient at the heart of the assessment. Whatever the medical conditions may be, if the patient is most concerned about the welfare of a pet dog, for instance, then this is what has the greatest impact on wellbeing. There is a second question that asks about the severity of symptoms such as drowsiness and shortness of breath. The remainder of IPOS moves on to a wide range of potential concerns, as shown in Figure 15.

Figure 15: Questions from the Integrated Palliative Outcomes Score

Q3. Have you been feeling anxious or worried about your illness or treatment?

Q4. Have any of your family or friends been anxious or worried about you?

Q5. Have you been feeling depressed?

Q6. Have you felt at peace?

Q7. Have you been able to share how you are feeling with your family or friends as much as you wanted?

Q8. Have you had as much information as you wanted?

Q9. Have any practical problems resulting from your illness been addressed? (such as financial or personal)

Q10. How did you complete this questionnaire?

The wider use of IPOS in Somerset, ideally undertaken weekly, offers a good way of tracking a patient's wellbeing that may not be the same as the purely 'medical' process. Even more helpfully, perhaps, it can help open up the difficult conversations that can really help understand the patients' needs. It reminds professionals that they are treating human beings, making it harder to fall into the trap of treating symptoms rather than the person. It may even help give professionals the bravery to speak honestly about a prognosis. For patients, it may be a chance to raise issues that can be causing considerable concern but that seem to be outside the remit of the specialist looking after them. Many end of life care professionals take a consistently broad view of patient wellbeing, and have a strong desire take on responsibilities relating to wellbeing as well as medical needs.

Providers of End of Life Care

End of life care is wide ranging and stretches far beyond the traditional NHS organisations. Below is a summary of some of the main support for end of life that is provided outside of the NHS.

Carers

Supporting the broad range of needs for someone at the end of life takes a lot of work. And the bulk of that effort tends to fall on family carers – typically, but not exclusively, a spouse or children. Carers in the family help people stay at home and reduce emergency admissions. This is consistent with the 'just in case' admissions of rural elderly identified in last year's JSNA on rural Somerset: whereas for most age groups there are higher admission rates from urban areas, reflecting generally greater health need, the rates are higher from rural areas for the over 75s. The isolation of older rural people means clinicians and paramedics admit them at a lower threshold than for people living closer to acute hospitals.

As a former GP who had also cared for two close family members at the end of life told us;

'Being a carer is a wonderful thing'.

But it is exhausting work, and formal support can be limited: as someone else described it:

‘this very poorly paid 24/7 job, lots of forms to fill in, but bear in mind, you don’t get any holidays, there are no days off, no clock watching, work every weekend, work every bank holiday, oh yes, and don’t forget the night shift’

Another said that the formal support available means:

‘Carers are only entitled to four nights sleep a week’.

There is no doubt caring for someone is a challenging and demanding role. The changing patterns of health needs that we described in the introduction – more people living with long term conditions – affects carers just as much as the cared for and carers themselves often have their own long term conditions to manage as well as managing the needs of their loved ones. In addition to carers pre-existing conditions, the health of carers themselves can deteriorate as a result of caring for another individual, in particular the mental and physical health impact of isolation and loneliness can be a significant determinant of carers’ health and wellbeing. There are approximately 43,000 unpaid carers in Somerset (we do not know how many are caring for people at the end of life). Of these, 3,500 are in bad or very bad health, and of these 1,500 provide at least 50 hours of care each week.

Voluntary carers, overwhelmingly family members, make an invaluable contribution to end of life care, and are frequently in great need of support. Supportive, compassionate communities can help carers in practical ways, such as cooking meals or night-sitting (for which someone might have to pay £180), but also in maintaining social contacts for people who can otherwise become isolated.

Employers, too, have a role in supporting carers. Good employers can help carers through flexible working arrangement, signposting to the sources of support we describe in this report and, when the time comes, helping the bereaved. As we have seen, caring for someone who is terminally ill is time-consuming and exhausting, and can take people away from work for a long time; a considerate employer can help a carer return to work at their own pace and resume their contribution to society.

Hospices

The modern hospice movement began with the work of Dame Cicely Saunders in the 1960s. She recognised that beyond the medical, palliative, element of treatment, the whole person’s psychological and spiritual needs, and those of their family, needed to be taken into account. Hospices in Somerset are charities and are therefore not an NHS organisation. They do receive funding from the NHS for their services but they principally rely on money raised through donations, and their charity shops.

Hospices are not only concerned with cancer, despite the common public perception that this is the case. Cancer is important, not only because it remains the leading cause of death in the UK (if all cancers are taken together), but because it can be a condition that leads to a lengthy and relatively predictable period of decline. Palliative care for cancer typically requires symptom control, including managing the side-effects of medication that has been prescribed to deal with the cancer itself. Such work normally takes place within multi-disciplinary teams to address the range of the patient’s needs.

Although many people associate hospices with their buildings, most of the care that they provide is not residential, and all palliative care consultants are based in the community. The north east of Somerset is served by Dorothy House Hospice, and the north west by Weston Hospice. The large majority of the county's population is in the catchment of St Margaret's – in Taunton and Yeovil – and for that reason alone I will concentrate on their work in this report.

St Margaret's Hospice has 24 in-patient beds, but is typically helping with the care of 450 people at any one time. Of the 6,000 or so deaths in Somerset each year, about 3,500 will have contact with St Margaret's. The support includes much out-patient treatment: in recent years, St Margaret's has seen a fourfold increase in their contact with care homes. Some support is, of course, medical, but in line with seeing the whole person's needs, it includes help in writing 'last minute' wills, arranging weddings and preparing for funerals. Underlying this support is a desire to empower the patient, including using DVD recordings of others in the same position describing how they manage their conditions most effectively.

St Margaret's provides a 24 hour telephone advice line that has run since 2011 – necessary when the need for help can strike at any time of the day or night. It is predominantly used by patients and carers in the out of hours periods, but there are now increasing numbers of calls from care homes, too, and more staff are being allocated to the service.

Care Homes and Nursing Homes

There is a wide range of provision between largely 'residential' care homes and more intensive help available in nursing homes, with dementia by far the most common cause of additional care needed in these environments. There are a high proportion of deaths in care homes, many of which will have been associated with some form of palliative care. There is a similarly a wide range of reasons that people will find themselves in care homes at the time of death. It should not be assumed that everyone who dies in a care home is as a 'resident': it is thought that one third of the deaths are of temporary residents. A frequent pattern is that of a death in residential care being of someone with dementia as an underlying factor, even if an infection may be the immediate cause; this may well be someone who has been cared for at home, perhaps by a surviving spouse, but who can no longer manage in that environment. The move away may be prompted by a crisis, such as a fall or infection, and may be seen at the time as 'temporary' rather than 'end of life'. It is not unusual for someone to be moved to a care home due to the ability of the carer to cope, rather than the patient's illness.

Unfortunately though, even in care homes, there are cases when people are admitted to hospital inappropriately. We heard of one case where a GP had said that a care home resident was close to death, and likely to die within 24 hours. Sadly, the care home staff, confronted with the bodily changes at the end of life, did not have the confidence to let her die, and called for an ambulance. She died shortly after being admitted to hospital, but now had to be classified as an unexpected death, so her body was kept in the hospital mortuary rather than being released to the family. Unfortunately, this is a situation which is not uncommon in Somerset.

In the last 8-12 weeks of life a patient may become eligible for Continuing Health Care. This means that all care and support at home can be funded by the NHS, rather than by the

County Council adult social services team. This enables more help to be given, but we heard that some people find the process of applying for CHC to be cumbersome.

As is no doubt clear already, end of life care typically involves long periods of low level illness, interspersed by occasional crises. The confidence needed to accept the progression of expected deaths, both at home and in care homes of residents should not be underestimated. More could be done to improve the planning and support of end of life to help carers and care home staff at times of crisis. Frequently at these times, the ambulance service plays a vital role, however this can often result in an emergency admission to hospital that may have been avoided. Support such as the Somerset Hospice case study detailed later in this report could provide really significant support to carers and care home staff.

Approaching death

When death is near, awareness of cultural and religious differences is significant^{viii}. Even though individuals differ, there are certain religious features, such as that in Buddhism, many will want to die with a clear mind, even if that means more pain, and in Hinduism sacred images, flowers and Ganges water may help provide the right atmosphere for the progression of the soul to the next state of existence. We heard that many of the people and families who were best able to cope with death were sustained by their strong religious convictions.

It is important that we are clear of what a normal, 'healthy', death is like. The Dying Matters Coalition, set up in 2009, by the National Council for Palliative Care (NCPC) aims to promote public awareness of dying, death and bereavement. They identify certain signs in the last few weeks, days and sometimes hours of life that indicate when someone is preparing to die (see box below). Recognising what these signs are can help both families and staff to prepare for what is to come.

SIGNS THAT DEATH IS NEAR (from Dying Matters)

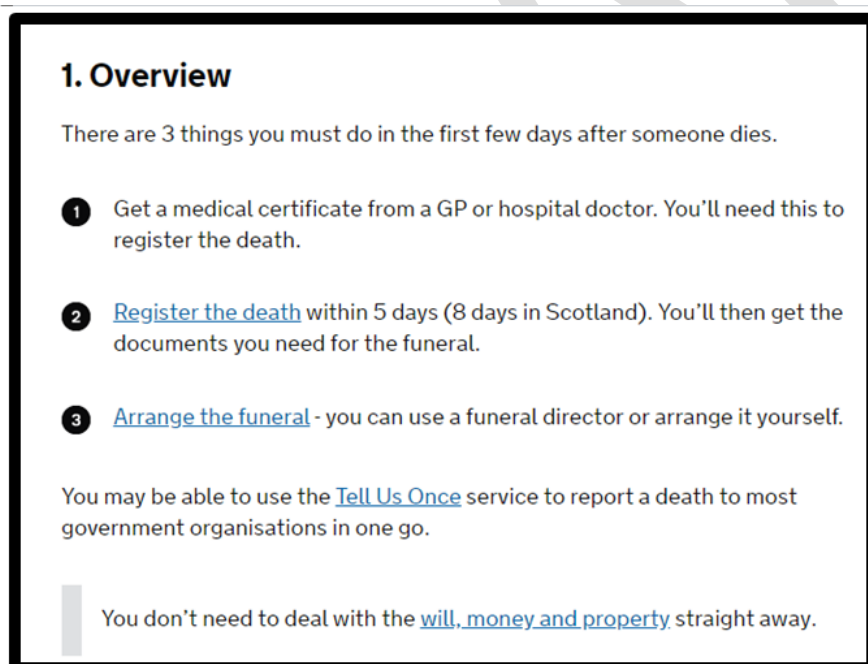
When someone starts to die, these are the signs that indicate death is nearing:

- **Physical changes:** in older people, skin can become paper-thin and pale, with dark liver spots appearing on hands, feet and face. Hair can also thin and the person may shrink in stature. Teeth can discolour or develop dark stains.
- Their **external world begins to diminish** until the dying person no longer wants to leave the house or their bed and may not want to talk very much. Their mood, character and behaviour may change. For example, some may become uncharacteristically anxious. Others who have held atheist views may suddenly want to explore religious or spiritual teachings.
- Increased **sleep:** the person begins to sleep for long periods. This can be distressing for relatives, but it's important to understand that even the mildest physical exertion for someone approaching death can be exhausting, and for the moment all effort is being put into staying alive. Nearer the end, the dying person may increasingly drift in and out of consciousness.
- **Appetite reduces:** the body knows it no longer needs fuel to keep it going so those who are dying often lose their desire to eat or drink. They can begin to lose weight, sometimes rapidly. It's important not to force food or drink onto someone who no longer wants it. But do take guidance from the nursing staff.
- **Changes of expression:** the person may start to talk about 'leaving', 'flying', 'going home', 'being taken home', 'being collected', 'going on holiday' or making some kind of journey. They may also begin to express heart-felt gratitude to their carers and to their family as a preparation to say their farewells.
- **Special requests:** the dying person may want something special such as to visit a particular place, or to be surrounded by their favourite flowers. They may want to hear certain music, to have family photographs nearby or to make contact with someone who has been important in their lives.

Bereavement

Bereavement, and care for the bereaved, is an important topic in its own right and applies at least as much to those sudden deaths, or deaths of young people, as to older people dying with long term conditions who are the subject of this report. Care for those who are (or know they soon will be) bereaved is an important part of end of life care. It starts with advance care planning and legacy work. A person needs to consider what their legacy will be; what stories they would and perhaps would not like to be told - even to people they will never meet. As they plan for their death and express their wishes, this is hard. It will allow those who will care for them to ensure they have the best possible individualised care as they die. Without this planning people will always try to their best but may not engage an individual's wishes to a full extent. This can adversely affect the bereavement of their loved ones. Bereavement should be considered as a process which leads to establishing and showing resilience toward a 'new normal'. A 'normal' when a person builds a life after the death of another, when the bereaved person will function in society and so reduce the burden on social and statutory networks. Good bereavement care, either facilitated or delivered, should be considered preventative activity for poor mental health. The Gold Standards Bereavement Care tools provide guidance and training, particularly to improve the experience of those whose loved ones die at home rather than hospital.

Figure 16: Immediate tasks on bereavement (from gov.uk website)



1. Overview

There are 3 things you must do in the first few days after someone dies.

- 1 Get a medical certificate from a GP or hospital doctor. You'll need this to register the death.
- 2 [Register the death](#) within 5 days (8 days in Scotland). You'll then get the documents you need for the funeral.
- 3 [Arrange the funeral](#) - you can use a funeral director or arrange it yourself.

You may be able to use the [Tell Us Once](#) service to report a death to most government organisations in one go.

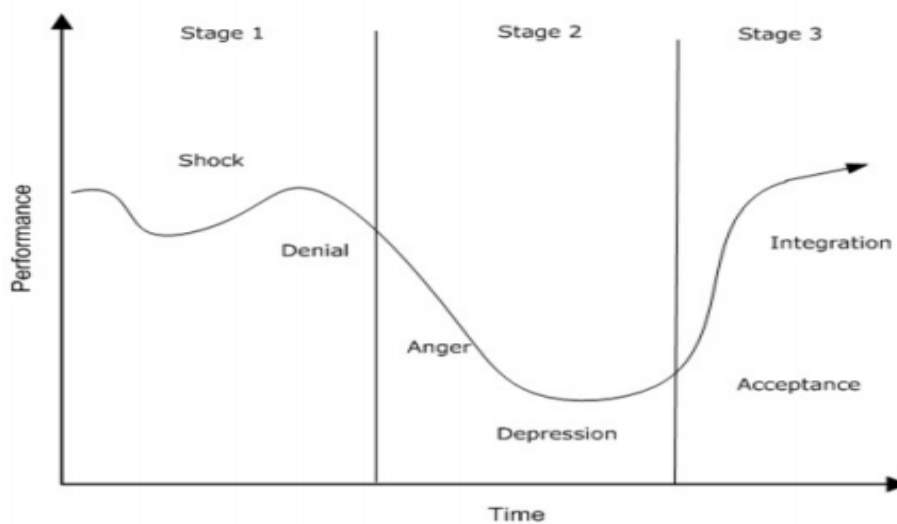
You don't need to deal with the [will, money and property](#) straight away.

St Margaret's Hospice is one agency that supports the bereaved. This includes help with the practicalities such as those immediate tasks shown in Figure 16 and longer term issues such as getting back to work and probate. (The six month time limit for probate may be a major source of stress and worsened mental health for some people). St Margaret's also helps with the potential isolation of the family, changes in family dynamics and risks to mental health – beyond the inevitable grief – that can be associated with bereavement. Other voluntary agencies, such as the Citizens' Advice Bureaux and Macmillan (founded in Castle Cary) are also involved in providing help.

Somerset's approach to bereavement care is less coordinated than it could be. Commissioning has attempted to ensure a support service is available to primary care, but this may not be able to cater for needs associated with clinical incidents, unexpected or traumatic deaths. It is challenging to describe fully a simple grief service or pathway for people who may need support beyond normal and healthy grief. All families will experience a death. Not all will need extra help in recovering their 'normal' after it, but for those who do, local services should be integrated and complementary so people can access appropriate support when needed.

Figure 17 shows the 'change curve'^{ix}, which shows a typical route taken by someone through a traumatic event, such as bereavement. It is thought that 'Everyone goes through these stages. But not consistently, not at the same pace and sometimes not even in the same order.' (*Palliative care professional*).

Figure 17: The Kübler-Ross 'change curve'



The bereavement emotions shown in Figure 17 can be overwhelming, and are hugely different from each other. Care for the bereaved requires great patience and great sensitivity to someone's varying needs. These may vary with different cultural or religious traditions, such as the speedy burial of the body in Islam and Judaism that does not apply in Christianity. They may also vary with personal preference - for some people, swift removal of reminders of the person who has died can be part of the coping process. This may be clothes, for instance, but also equipment associated with the last months and days, such as 'hospital' beds and lifting equipment. For others, though, a degree of continuity can be important, and well-meaning carers wanting to remove this equipment can be intrusive and distressing.

Bereavement is a huge subject in itself, and can only be touched on here. But importantly, how someone dies can have a big impact on how their family and friends are able to cope in their grief, and a dignified death is clearly easier to come to terms with. For some bereaved, grief can become entangled with concern about poor care – real or perceived – in a painful and angry mixture. Dame Cicely Saunders said

'How people die remains in the memory of those who live on.'

This is an important message to be kept in mind by all who care for the dying. In public health we stress the value of prevention; that is usually in preventing ill-health but applies equally to preventing unnecessary distress.

Summary

I hope I have given some flavour of the range of activities that come under the umbrella of 'end of life care', from the medical, through to the social and emotional support provided by carers and families, and to the needs of those carers and families when they have to come to terms with the death of a loved one.

The prospect of our own death, or the loss of a family member, are experiences as profound as we ever face as human beings and the above only gives a superficial description of some of the issues involved. In the following sections we hope to show how working together, drawing on community resources and making early preparations to prevent more serious consequences later, can make the inevitable end of life more acceptable and bearable.

SECTION 3 – How could we improve the end of life experience in Somerset?

Public health is concerned with the health and wellbeing of whole populations. Of all ‘health conditions’, death is the one that every one of us will experience and should therefore rightly be considered, not only on an individual need basis, but also from a population basis. Taking a whole population perspective on end of life can help us all think about the ‘big picture’ of end of life, the preparation for it, the care that is provided to the individual and support to the carer and family. In preparing this report many examples of good practice have emerged in Somerset as well as areas where we could do much better. In this section we will consider what more we could do as a county, drawing on our own local experiences as well as good practice from elsewhere. We have grouped these proposals under the headings of supportive communities and being prepared and working together

Supportive Communities

A survey by Dying Matters in May 2017 found that only 16% of people in this country thought that end of life care should be a matter solely for professionals, suggesting that as a society we are open to taking a broad view of the resources available and accepting of the notion that responsibility for end of life care lies with the whole system, not just at one particular door.

Communities are starting to be more proactive in taking more responsibility for improving the health and wellbeing of their local population, but matters to do with death, dying, loss and care in communities is not yet widely considered.

A Compassionate Community approach helps to shift our thinking from a largely traditional medical approach to end of life, to an approach which considers a greater role for the community alongside medicine, in providing genuine support, care and information.

Compassionate Communities can provide support for the physical, psychological, social and spiritual challenges at the end of life, but importantly the approach also aims to achieve openness toward those affected by death, dying, and loss. We heard, for example, about Porlock, where someone collapsed at another’s funeral. This led to a community drive to fund and install two defibrillators, one at each end of the village – recognizing the time it might take some residents to get from one end to the other. Notwithstanding the value of the defibrillators, the discussion of death and the community links forged may have been even more valuable.

There is no question that compared to many other countries the NHS provides the UK with a strong and effective, publicly-funded system of healthcare for all periods of life. In other countries such as Albania, by contrast, a terminal diagnosis leads to responsibility for care being passed to the family and community. This has led to very active community networks in Albania as there is little else to depend upon. Surely the approach which would provide the best quality care would be one which uses strong community support alongside and very much in partnership with the exceptional services we receive from our NHS.

South Petherton

South Petherton, a large village between Yeovil and Chard in South Somerset, demonstrates how a community, in this case the parish, can work together to support its members, with end of life care an essential part of supporting people throughout the life course.

In South Petherton the parish council works alongside the local hospital, the GP practice, health coaches, the village agent, eight 'micro-providers' of care and a palliative care nurse specialist. The local area actively seeks out people who are more isolated in the village, often these people are isolated by their caring duties. Activities such as annual street parties are not specifically intended to improve end of life care, but the neighbourliness that this encourages has real benefits. As well as the vital business of helping foster social contact, community support can include simple but essential practical help such as walking the dog and mowing the lawn. Statutory services cannot cover all the needs of a family with a member needing end of life care: an active, supportive community can reduce the reliance on these services.

At a conference for Dying Matters Week in May this year, Tom Barber, working in communities in South Petherton as part of the Symphony project, highlighted three important elements to a community partnership for end of life care. They are:

- Information sharing in person - important in developing local relationships and ensuring there is clarity
- Local solutions to local problems – often these are the most creative and low cost
- Creating a road map for wellbeing and resilience.

South Petherton shows how end of life care is a matter for families and communities, not just the medical specialists. A Compassionate Communities approach can really help in times of considerable stress and emotional turmoil, possibly like no other part of society can.

Figure 18: South Petherton village centre



Volunteers

There is clearly already an important role played by volunteers in end of life care, but this is valuable, often rewarding work which could potentially be increased. Just as there is a shortage of suitable paid staff reported by hospices, often more volunteers are also in short supply. Greater cooperation between hospices, Macmillan, Marie Curie and others could make more effective use of the resources available.

Volunteers can contribute in vital ways that are beyond the scope and perhaps even awareness of professionals. One example is the work of the Cinnamon Trust, which provides volunteer dog walkers for housebound people with pets. This means that the pets can stay at home and contributes enormously to the quality of life of someone who is very ill.

DRAFT

Marie Curie – Volunteer Companions and Helpers

In 2014, Marie Curie launched their companion service at Musgrove Park hospital, aiming to improve the experience of people who die in hospital and emotionally support their families. By recruiting, training and supporting 25 specialist volunteers, the service provides patients and their families with emotional support and someone they can talk to at this difficult time. This also helps support the hospital nurses. The volunteers are trained in patient confidentiality, safeguarding, communication skills, and issues concerning bereavement and loss. The Service has received more than 500 referrals since it launched in July 2014 compared to a target of 75 referrals a year. The service is now offered 12 hours a day, seven days a week, including bank holidays, to all 20 adult wards within Musgrove Park Hospital, with patients often referred by nurses who notice their lack of visitors. This is, however, the only hospital in Somerset to offer the service.

“I am sure you already know that comfort and support is so much needed during difficult periods and I would like to say how grateful we were for the kindness and care shown to us”

Bereaved family member

Marie Curie volunteer helpers work in the community, giving practical support to patients at home, such as taking them to the doctor, but most of the help is simply to be there and provide emotional comfort. This can include continuing conversations about Advance Care Planning that started in hospital, in a more relaxed atmosphere allowing for clearer thought. The visits are usually at a regular time as best fit the patient's needs.

Such volunteer support involves ‘coming alongside people’, and ‘de-medicalizes’ the patient's condition. Talking about oneself as a person, talking about poetry or the news, rather than just an illness, gives identity and dignity. But it is not always easy, and at the base involves a recognition that ‘We can't fix it’. Volunteers need to be trained, and local businesses support by offering rooms for this to happen in. But more resources are needed, and the companion service cannot be made available overnight when, as we have seen, things can be at their hardest.

As ever, this can all be rewarding for the volunteer as well.

‘A quite unexpected “benefit” I have experienced on occasions, is a deep sense of profound peace and tranquillity, which comes from sitting quietly for up to three hours, often just gently holding a patient's hand and reassuring them of your presence.’

Companion volunteer.



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'A quite unexpected "benefit" I have experienced on occasions, is a deep sense of profound peace and tranquillity, which comes from sitting quietly for up to three hours, often just gently holding a patient's hand and reassuring them of your presence.'

Companion volunteer.

Housing and homelessness

The links between housing and its impact on health are well established and this applies equally as strongly during the end of life. Well-designed housing can mean that people are not forced out of their home because of illness. Features such as wet rooms, wider doors, level access, joist that can take hoists to help lifting are of less advantage to those in good health, but come into their own for those who require adaptations to maintain independence.

There are many positive examples of where changes to the home make a significant difference to enable people to stay at home. The case below is just one example using some of the adaptations that can be needed.

'Most modern homes are not intended to be a hospital ward, but ours was for a full 12 month, or at least one and a half rooms, but where do you put the furniture that you have to move, to get the hospital bed into the family home? Somehow or other you do. This move included using the neighbour's garage because ours is full, but not with the transport vehicle. This bed also included an air mattress and with it came a Nebulizer, Oxygen Concentrator, Mobile Hoist, (try pulling or pushing this when loaded on a carpet) a Rotunda, Electric operated lift & rise arm chair, to help get the patient upright, Shower chair, (eventually, for the wet room) outdoor Wheelchair, mobile Commode and a couple of ramps for the back door, later on two ceiling hoists. Because of the Oxygen Concentrator the local fire service has to be informed that the device is in the home. Thank goodness for modern devices, like wireless door bells, the wife would have the push button bit downstairs in her bed and the ding dong bit was plugged in by my bed upstairs.'

'We got financial help to get a wet floor put in, what a difference that made to the wife, to have a decent daily shower and wash twice a day.'

I am very grateful to a member of the Somerset Engagement Advisory Group for this account.

The design of buildings has a major impact on health and independence. A greater focus on achieving Lifetime Homes Standards would for new housing, even if just for selected properties would be a significant step forward.

Homeless people have a typical life expectancy of only 55 years. Facing the end of life they are often admitted to hospital as the obvious place of safety. This may not be comfortable for them and they often discharge themselves early; hostels may be based on the idea of 'recovery' and be similarly inappropriate. However, in researching for this report, we heard of one case where a homeless man was able to work with health professionals to develop his own Advance Care Plan, and expressed clearly that he did not want to die in hospital. Instead, arrangements were made for him to stay with his brother, which he did until his death.

St Margaret's Hospice actively pursues links with the homeless population and the traveller community in the county. As Ann Lee, the chief executive wrote:

'According to Homeless Watch, for many in the homeless community, early life experiences are shaped by a difficult upbringing, whether this is related to sexual, physical or substance abuse, or even living in relative poverty with a lack of opportunity. As a result of these experiences, homeless people are more likely to have a combination of chronic physical and mental health issues and substance misuse problems, which can often mean that they require some of the most complex palliative care.'^x

Being, or caring for someone, at end of life brings many things into sharp focus, including facing challenges about the way we live our lives. The role that stronger communities can play in providing support to the dying and their families is not very different from that supporting young families or those who are lonely, we need to listen carefully to the needs and wishes of individuals and not assume that one size fits all. Planning our communities and local environments with a recognition of the ageing population structure, and consequent rise in the total number of deaths, will help us be prepared for future challenges.

Being Prepared

Whilst we all know that we are going to die, we put that awareness to one side in everyday life. There are psychological and cultural barriers to thinking about or discussion our deaths. Our lives, though, and not just at the end, may be more fruitful if we remain more aware of our mortality. Many people talk of having a 'bucket list' of things we would like to achieve or experience in our lives, one can presume that the greater this list is checked off the more accepting we may be of the end of our lives. As well as the 'bucket list' however, further preparation could help us to die with dignity and peace. In order to die with dignity we have to really know ourselves, and what we value, and communicate that to those closest to us.

Putting awareness of our death to one side means that much can be overlooked – for example we heard of a case where a couple had simply assumed that they would be buried. However, the shortage of burial plots meant that they had to rethink, and that led to new ideas about where they would want their ashes scattered. A dignified death involves respecting an individual's wishes – and only thinking and talking about death can bring them to the fore. We consider below the sort of preparation to be made when receiving a terminal diagnosis, before moving onto the more general preparation that we can all make.

Preparation for the terminally ill

The idea of a woman's choice in childbirth has become entirely accepted and having a birth plan is now the norm. The attitudes and planning relating to death however has been much slower to change. We cannot pretend that being prepared for a death will prevent it being unpleasant, painful or distressing; but it may make it *less* unpleasant, painful and distressing.

Figure 19: End of Life Choices (from St Margaret's Hospice)

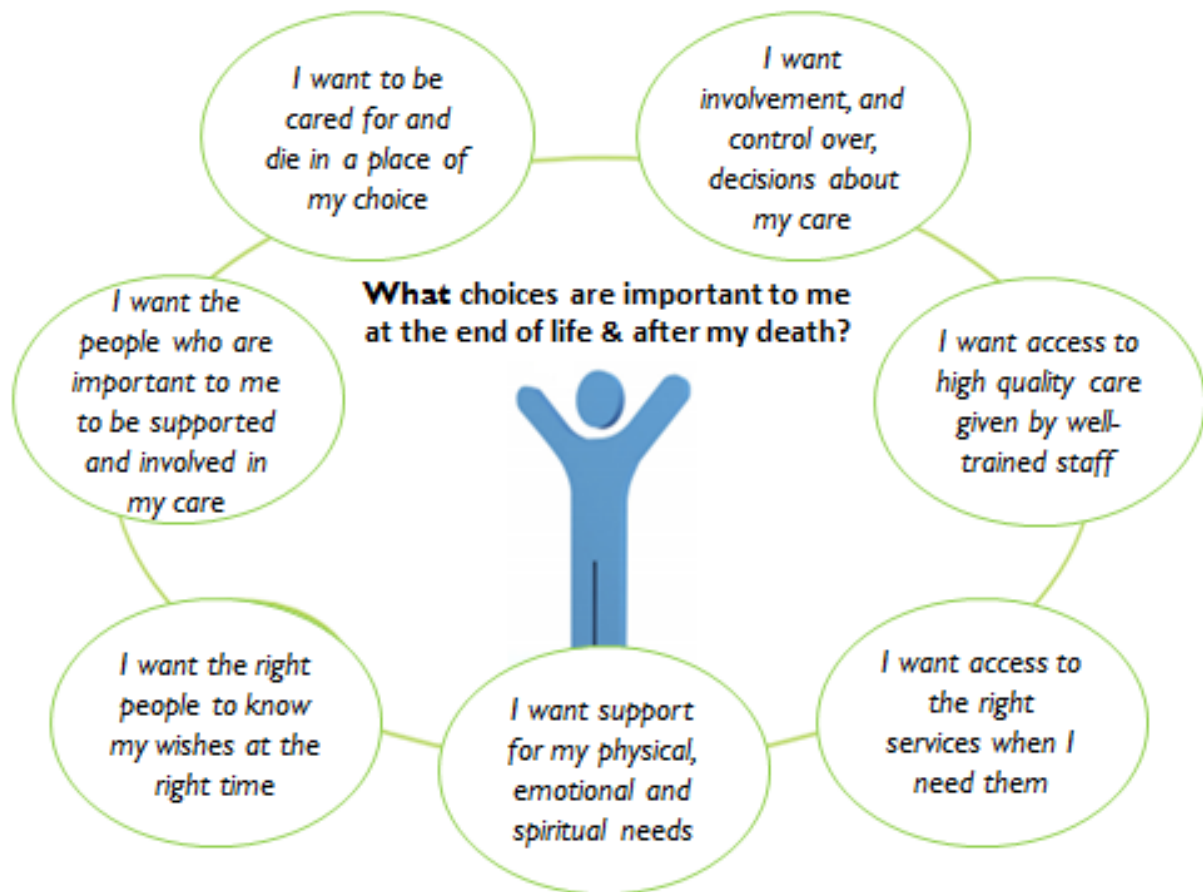


Figure 19 shows diagrammatically the sort of assertions made by people receiving end of life care, and the range of choices that can be made in preparing for death.

Advance Care Planning (ACP)

For individuals and families, the sort of preparation required is covered by the Advance Care Plan, for Somerset this is the document called 'Planning Ahead'. Of those who have completed an ACP, 80% die in the place of their choice. This is partly a result of using the ACP itself, but mostly it is because it means that the patient has thought about the future, and usually has had the difficult conversations with family about treatment. The medical elements of ACP are in some ways the least important, but planning includes the 'Treatment Escalation Plan', which shows when new treatments should, or should not, be brought in, according to medical need and patient wishes.

We heard one example of a life-long Somerset farmer who had, in the course of a family lunch, explained how he would not want to be left incapacitated and housebound as a result

of illness. When he had a serious stroke and could not communicate, his family were able to tell the physicians that he should not receive surgery that would, at best, restore only a small fraction of the quality of his active, outdoor, life, and so he was able to die at a natural pace.

The falling proportion of deaths in hospital is thought to be linked to the increased use of ACP, and it is hoped that it should also lead to fewer admissions, fewer tests and fewer intrusive investigations in the last year of life. The efforts being made to use the 'number of days spent out of hospital in the last 90 days of life' as a good indicator of quality for End of Life Care is to be applauded.

Advance Care Planning can be undertaken at any time, of course, but tends to be done when the medical opinion is that a condition is life-limiting, which may still be some time from the end of life itself. It includes such decisions as whether to have a 'Do not attempt cardio-pulmonary resuscitation' (DNAR) notice. For some people, the acceptance of imminent death means that they prefer not to have intrusive resuscitation procedures attempted, in the belief that they are likely to add little to the length of life and that they would prefer to let the illness take its own course. This is especially the case for people whose quality of life is diminished by illness. Others, of course, wish for everything to be attempted that might keep them alive for any length of time. ACP means that professionals know how to respond in accordance with the patient's wishes.

The ACP document 'Planning Ahead' has been produced in Somerset and is the way in which most professionals encourage patients to consider and record their wishes for end of life. It works well, but for some the 'Stanford letter'^{xi} or a phone app may be better – the important thing is to do the thinking and let others know.

Figure 20: Advance Care Planning in Somerset



Simple good organisation can make life and death easier for all, with medication, contact details and advance care plans up to date, accessible and legible. Doing this 'in hours' can make things much more manageable for those working out of hours. Many of the difficult situations are out of hours, the night-time can often be the hardest, but that does not mean we need to look at out of hours services to improve matters.

The work done at East Quay medical practice in Bridgwater provides an excellent example of this, the practice has a real focus on encouraging families to use advance care planning. The practice has a robust system in place to ensure this planning is completed and all the loose ends in making arrangements are tied up. Elsewhere, other professionals also undertake a similar role including village agents and Mendip Health Connectors. In Frome, the Health Connectors undertake 'eco-mapping' of the support available, helping to link them with the people who need them.

The relief advance care planning brings to relatives and carers should not be underestimated, as well as reducing the burden of care placed on GPs. The following case study provided by Dr Ed Ford, Somerset GP and Chair of Somerset Clinical Commissioning Group demonstrates just how important they can be from a patient and family perspective.

Case Study – Provided by Dr Ed Ford

My patient was prone to seizures and had lost capacity and the family were extremely anxious about her care. We had a frank conversation about what the family expectations were for her care. They wanted her kept comfortable at all costs and appreciated that she would not want to be kept alive at all costs.

We discussed the types of treatment that would be suitable or not. We all agreed that resuscitation, admission to the Intensive Care Unit, dialysis or force feeding with a tube would not be appropriate for her if she ever required them. We did however agree that we could treat her with antibiotics for simple infections but if she were ill enough to need hospital for an infection then treatment would cause her distress and possibly be futile so we should treat her palliatively in the nursing home. We also discussed what we would do if she had an accident and broke her hip. Likewise, we agreed not to send her to hospital and keep her in bed appreciating that this would be a terminal event so we would manage it as such. Lastly, we discussed medication and what we were treating. We agreed to keep her on her anti-epileptic drugs but we reviewed all other medication and agreed to stop them unless they were managing symptoms. Hence we stopped her statins and other secondary prevention drugs.

Since this discussion, the family have been clear about the care and have felt more confident, not needing to contact me as frequently about new symptoms etc. We all know the plan and are comfortable with any potential outcome. Whilst these discussions are detailed and do take time, an hour invested for this case and many others will undoubtedly save a number of hospital admissions for the patient and provide considerable reassurance to the family.

Another potential benefit of Advance Care Planning is organ donation. Individuals may choose to donate organs, or not, for a wide range of very personal reasons. In English law, the current^{xii} presumption is that consent for donation has not been given if the patient's wishes are not known, so cases where people's wishes have not been expressed during their lifetime may result in missed opportunities that can be literally lifesaving. Practitioners will often try to raise the issue with families at the time of death, but this can be the most difficult time to do so.

An individual's legacy takes many forms, and some people find writing 'all about me' or making recordings of themselves helps them prepare for death. And even if painful initially, it can help the bereaved come to terms with their grief.

End of life care is complex, and some patients and families may be more able to negotiate their way through the system than others. Those with the fewest resources of economic and social capital are often least able to make their wishes for the end of life known or put into practice. Whilst this report aims to promote good end of life care for everyone in Somerset,

it is particularly important that support is provided to those people who are least able to make the preparations needed for the end of life on their own.

Like any plan, advance care planning is only useful if the plan is actually used and adhered to. The Goldline case study below was set up by Airedale NHS Foundation Trust as an alternative to the NHS out of hours 111 service for patients on an end of life care plan. It is a good example for Somerset to follow as this area too includes significant rural areas where the simple distance between patients, practitioners and services makes effective care a challenge. It is also acknowledged there are still people who are excluded from the benefits of modern technology who are no less deserving attention, but where possible communication solutions using technology should be supported and promoted.

Goldline

The Goldline service provides patients or carers with support 24 hours a day, every day of the year. The nurses operating the service have access to the advance care plan and, via telephone or Skype, are often able to provide the advice or reassurance needed without requiring a doctor's visit or admission to hospital.

About two thirds of the calls are during the night, which reflects the reduced availability of other professionals at that time, but also when the strains of being terminally ill, or caring for someone who is, can be the most pressing. As Stephen Lock, one carer who used Goldline, states simply:

'You do need help, you know; you really do, you can't do these things on your own.'


Figure 21: Patient calling Goldline (Airedale NHS Foundation Trust)



Goldline allows the range of professionals to see the patient's electronic records – with the patient's permission, of course. For the patient and carer, one of the greatest advantages is the sharing of information. Stephen Lock described the first time he called the Gold Line when caring for his partner Bea:

'I first rang Gold Line a couple of days after Bea had come home, just to ask about the drug that she was on. It was a fairly minor little question but it meant that we didn't need to go anywhere, we just rang one number, we didn't need to figure out "should I ring the GP, should I ring the pharmacy?"'

Figure 22: Goldline guidance to users from the Airedale NHS Foundation Trust Website

| | |
|--|---|
| <p>Airedale, Wharfedale and Craven Bradford Districts Bradford City</p> <p>CCGs working together</p>  <p>When should I use the Gold Line? The Gold Line is mainly for you or your carer's use when:</p> <ul style="list-style-type: none">• Your GP surgery is closed• Instead of phoning 111• If you are finding it difficult to get help during the day and you need some advice | <p>How can the nurses help me? The nurses can give you advice, support and can contact other services on your behalf if needed, including a doctor, district nurse, hospice or other.</p> <p>By providing extra advice and support in your own home you may be able to avoid going into hospital. However if needed, admission to hospital or hospice can be arranged.</p> <p>With your permission the nurses will be able to access your health record on the computer, so they are able to see your current situation and medication.</p> <p>They will also enter the details of your call into your health record so your usual health care team can see the details.</p> |
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We know that some elderly people in rural Somerset are admitted to hospital 'just in case' – unquestionably well-meant, but also a further source of stress for the patient and family, as well as a cost to the already stressed health and care services.

Goldline has been shown to reduce avoidable admissions to hospital for people receiving end of life care, by shifting care away from hospitals and into the community. The impact of Goldline seems striking. Nationally only 20% of people die at home, whereas for Goldline patients the figure is 40%. Some of this effect may be because of the types of patient and condition being cared for, but even so this does suggest that similar approaches could help reduce the hospital requirements for end of life care, and most importantly provide a better death for the terminally ill, and their families, in rural areas.

Deprivation of Liberty

One consequence of failing to make preparations is 'Deprivation of Liberty', and the associated Deprivation of Liberty Safeguards (DOLS). This is a procedure prescribed in law where it is necessary to deprive people of their liberty who lack capacity to consent to their care and treatment in order to keep them safe from harm. Such a procedure can take time and delay providing appropriate care to people at the end of life, especially those with dementia. It is better to put arrangements in place when patients or service users are still in a position to make decisions themselves. This can be promoted through raising awareness of end of life issues.

Preparation for us all

A diagnosis of serious illness, either for ourselves or a family member, is shocking. It may also be an opportunity to rethink priorities, and make preparations for the future. It may not though, be the best time to think in a logical and rational way, it is easier to make those preparations whilst still in good health. Below are some simple actions that all adults can take to make the end of our lives more manageable for ourselves and our families. These should be advocated by professionals.

Making a Will

The most obvious preparation, perhaps, is to make a will. Without one, the process of managing an estate can be expensive but also very onerous, as described by 'Brian' to the BBC in 2016, following the death of his cousin.

'We had to pay £240,000 in inheritance tax so that hurts. If he had gone to a solicitor or a nice little company which I've used, they would have sorted all that out for him. It took two years of my life. I really took it on as a bit of a challenge really, and I felt obliged to do it because we were fairly close, and I just felt I had to do it. I think my message to everyone would be to please make a will, because then you can give your money to the people of your choice.'

A survey by YouGov in 2015 suggested that only 38% of British adults had made a will.²

Lasting Power of Attorney

For end of life care in particular, Lasting Power of Attorney can be vital.

*'A lasting power of attorney (LPA) is a legal document that lets you (the 'donor') appoint one or more people (known as 'attorneys') to help you make decisions or to make decisions on your behalf. This gives you more control over what happens to you if you have an accident or an illness and can't make your own decisions (you 'lack mental capacity').'*³

This power can be over financial affairs, or healthcare, or both. It means that decisions about end of life care, such as whether to undertake painful or risky medical procedures, can be taken by someone you have chosen, rather than by a court.

Talking to others

Practical preparations rely on us having the impact of our deaths in mind, when often it is something we tend to try to put to one side. There are increasing efforts being made by those such as Dying Matters⁴ to bring awareness of death back into our lives, as it was in Victorian times. 'Death cafes', where people can spend a short time talking about death in a relaxed atmosphere have been held in parts of the country and in Somerset earlier this year. These events could prepare and inspire us to support a compassionate communities approach, make our own preparations and work together to enable more people to die according to their wishes.

Figure 23: A death cafe in Manchester



Working together

Providing end of life care is complicated and difficult, and requires the skills of many specialists, taking the example of Motor Neurone Disease I would like to highlight some of the complexities people at the end of life and their carers' experience.

The Motor Neurone Disease (MND) Association suggests that someone diagnosed with this terminal condition is likely to come into contact with the following 16 types of people, and to this list should be added many more including paramedics, volunteer supporters and the patient's own GP.

- MND consultant
- Specialist palliative care team members
- Neurology or MND specialist nurse
- MND coordinator
- Community nurse
- Speech and language therapist (SLT)
- Dietician
- Physiotherapist
- Occupational therapist (OT)
- Counsellor
- Psychologist or neuro-psychologist
- Pharmacist
- Complementary therapist
- Wheelchair service representative
- Social worker
- Benefits adviser

In Somerset, these people would be working for numerous different organisations, including the acute hospital trusts, Somerset Partnership, the hospices, Somerset County Council and the Department of Work and Pensions. Although 16 roles are described, there may be more than 16 people doing the work. Such a number and range of people cannot work as an effective team, they have to work as a collection of specialists and try and achieve co-ordination.

Palliative and end of life care in Somerset is adapting to integration with a consortium funded, CCG led, consultant body and increasing co-production of services which aim to wrap around a person and those important to them. Face to face care and its continuity will be improved by shared ownership and goals for end of life care. People do not do well if they are ill in isolation, services must reflect the journey of understanding, adjusting, hoping and coping when they have an illness which has shortened their life.

One of the most frustrating things for all of us is having to tell the same story many times. If it's a good story it gets tedious, if it's a story about the end of life for yourself or a loved one, it's often tied up with emotions such as stress, sadness and fear and is therefore not a story you want to be repeating too often. Quite rightly, the public generally assumes that even though professionals often work within different organisations, that shouldn't stop us talking to each other. As a carer told us:

'Why didn't the local Out of Hours Doctor know about the phone call? Was because it was diverted to the NHS Direct number, so they were not involved within the story?'

Co-ordination of care

For patients with multiple conditions the coordination of care becomes of paramount importance. Part of the success of Goldline is the coordinating role that the senior nurses are able to provide.

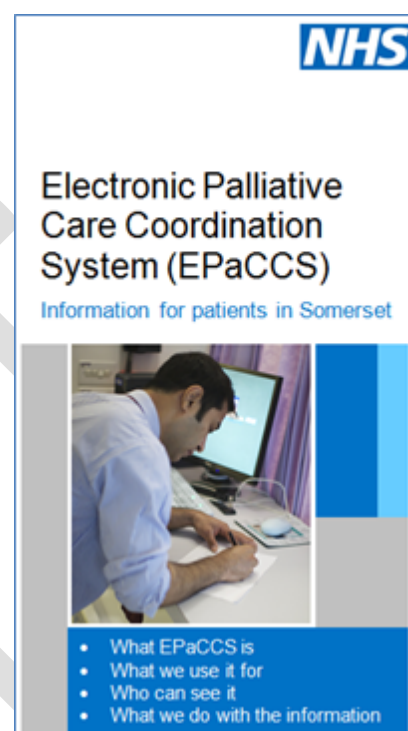
Effective coordination of care for all end of life patients in Somerset is what we should be striving to achieve. For example, Somerset is working hard to introduce a common 'Treatment Escalation Plan' to be used by all involved in care. The coordinator role can be taken by different professionals depending on the circumstance; it may be the GP, a nurse in the practice or hospital, or a professional from a hospice. Every person, and every death, is different and so we should not try to enforce a single model of care on anyone; rather we must have a framework towards which the whole system works for end of life care otherwise better coordination will be impossible.

Palliative Care Co-ordination in Somerset

In Somerset the Electronic Palliative Care Co-ordination System (EPaCCS) is used to hold information about patients' illness, treatment, next of kin and wishes in a form that can be updated and viewed by those involved in providing care. Although undoubtedly a self-selected group, it is striking that only 7% of those patients with EPaCCs will die in acute hospitals. The information held in EPaCCS is available to Out-Of-Hours staff through their operating system and includes the patient's advance care plan, indicating which treatments they do or do not want to receive in particular circumstances. Making information available easily to out-of-hours staff is a particularly good way of reducing 'over-treatment'; in the absence of other information a physician will naturally seek to do everything to prolong a patient's life. We heard of a case where someone was administered a high dose of antibiotics and taken into hospital, only for the hospital consultant to know the next day that the patient had asked to avoid such intensive treatment at the end of life. The low rate of deaths in an acute hospital achieved by using this system is an excellent result and use of the system needs to be much more widely spread.

Unfortunately, at present, this information cannot be viewed by the hospices as they, like care homes, are outside the NHS. Perceived difficulties in sharing the right information in the right form, to the right people is an impediment to many staff working in the health and social care system. Whilst some progress has been made in recent years in appropriate information sharing, far more can be achieved help to fulfil the wishes of individual patients and their families. Sadly, not all the records needed are even kept electronically, and these paper records are often slower and more difficult to share.

Figure 24: EPaCCS leaflet



The issue of appropriate sharing of data is highlighted as a problem not just in end of life care but across many aspects of care. It is an issue significant confusion and frustration for staff and requires far greater consideration and action across the whole health and social care system. I will return to this issue in the final section of this report.

Co-ordination for professionals

Sparsely populated as it is, West Somerset has 47 people per square kilometre; New Mexico by contrast has just six. It is perhaps unsurprising that New Mexico has led the way in using information technology to bring widely separated clinicians together to support each other in end of life care in the 'ECHO' project (Extension of Community Healthcare Outcomes).

Outlines in the case study below, Hospice UK is committed to the ECHO model, as is St Margaret's locally, and this way of working is being extended across the county. End of life care requires both the expert skills of specialists and a broad overview of patient need, and technology can enable the necessary communication between all those who contribute.

'ECHO started as a way to meet local healthcare needs. Sanjeev Arora, M.D., a liver disease doctor in Albuquerque, was frustrated that thousands of New Mexicans with hepatitis C could not get the treatment they needed because there were no specialists where they lived. He created Project ECHO so that primary care clinicians could treat hepatitis C in their own communities. Launched in 2003, the ECHO model™ makes specialized medical knowledge accessible wherever it is needed to save and improve people's lives. By putting local clinicians together with specialist teams at academic medical centers in weekly virtual clinics or teleECHO™ clinics, Project ECHO shares knowledge and expands treatment capacity.'

Figure 25: Sanjeev Arora, founder of ECHO



Summary

In this section we have considered a wide range of working practices, drawing from examples of good practice locally, nationally and internationally. What is clear is that there is some exceptional practice in end of life care in Somerset but this practice is often not fully rolled out across the county.

Overwhelmingly there are three themes which emerge:

- The need for preparation is a message for all of us. It is clear that good preparation can reduce some of the stresses associated with end of life and can help increase the possibility of patients wishes being fulfilled.

- End of life is far from just a medical issue. The social, emotional, practical and spiritual support that can be achieved through the development of a more Compassionate Communities approach far exceeds what could ever be achieved through support from health and social care services and can help provide very innovative solutions to the very sensitive and diverse wishes of the dying.
- The importance of working together to achieve coordination between the huge range of specialists and carers who provide end of life care. Good communication and the ability and willingness to share information is critical to achieving this.

DRAFT

SECTION 4 - Conclusions and Recommendations

'Are you able to contemplate your death and the death of those closest to you? Accepting the fact of death, we are freed to live more fully. In bereavement, give yourself time to grieve. When others mourn, let your love embrace them.'

Advices and queries (Society of Friends).

Death is very different for everyone, and sensitivity to individuals' and families' wishes is paramount in avoiding unnecessary offence. Some people may want to be fully conscious, some prefer to slip away with analgesics easing the pain. Some want the windows open, others to have their dog on their laps. Sometimes the circumstances are not necessarily or wholly in our own gift, but where they are it is a sign of respect to the dying to have their wishes fulfilled.

The bereaved, too, may have very different responses. Some will want to see bulky equipment such as hoists and 'hospital beds' taken from home as quickly as possible (even if just for practical reasons such as playing host to the wake); others need a period of delay to come to terms with the death before this is done. Some people want to get through dealing with the will and probate immediately, but for some people the six month limit on probate can be too hurried and can have a significant impact on mental health.

There are many examples of where patients and their families had been supported hugely by professionals and communities at the end of life. Although, this is a time when great sensitivity is required and what may be normal, hurried activity can seem brusque and thoughtless to the family. People in such circumstances are naturally less tolerant of bureaucracy than in more normal times. Issues such as car parking charges at hospitals, that can be annoyances on other occasions, can be deeply upsetting when visiting a dying relative. Professionals need to consider that they need to care for patients' physical, mental, social and spiritual wellbeing, which can be difficult, especially under pressure of time in the middle of the night.

Being able to die with dignity is something we would all aspire to, regardless of where we die. The quote below from one carer described his terminally-ill wife's experience in hospital is just one example, and there will be many more positive examples of where people have been supported to die with dignity, but this example shows that we have not always got this right:

'There was one occasion, a few days later, when things had slightly improved, when the bed pan was wanted and the nurse told her to soil the bed, 'because I am busy' was the answer and 'we will clean you up later'. Where has the compassion and dignity gone to these days?'

There is much that can be drawn from this report and below highlights some of the main conclusions and provides recommendations as to how we can improve end of life experience in Somerset.

For everyone

- **Breaking the taboo**

Talking about the death of loved ones is difficult, often emotional and, as such frequently avoided. Becoming more open about death can help prepare us and ease the situation when it does arise. It can help give people peace of mind and enable us to ensure we make the most of the time we have.

- **Preparation**

Making preparations, such as power of attorney or making a will, may seem morbid, but done in advance, rather than at a time of crisis, can make end of life more bearable, especially for relatives and carers. This only has to be done once and revisited occasionally – there is no need to think about it all time.

- **Realistic expectations**

We cannot expect end of life – for ourselves or our loved ones – to be painless or stress-free. Accepting that can make the tribulations somewhat more manageable.

- **Sources of support**

Whilst the range of needs at end of life is huge, so is the range of support available. In the annexe to this report are contact details of many sources of support operating in Somerset.

For Communities and Voluntary Sector groups

- **Stronger Communities**

The importance of strong, vibrant communities in providing support to individuals, carers and families at the end of life should not be underestimated. This is particularly the case in supporting carers, who can otherwise become very isolated.

For NHS and Care organisations

- **Talking about death**

There is still an understandable stigma about death, and this can hold back making the best long term decisions. End of life is, of course, a very difficult time and we can't stress enough the importance of sensitivity.

- **Sharing information**

The integration of health and care is something that we are working towards in Somerset, and end of life care is an integral part of this progress. There is a need to explore the extent to which we can share information legally to benefit patient care and maximise the opportunities. This is an issue of confusion within the Somerset system

and one whereby each organisation seems to have different sharing thresholds.

- **Using technology**

Systems such as St Margaret's Hospice Care Line, Goldline, EPaCCS and ECHO help patients, carers and professionals have access to support from health services, particularly out of normal working hours. In a large rural county, use of technology and phones to keep people connected and supported at this difficult time is paramount and should be embraced to a far greater extent by health and social care services.

- **The spectrum of care**

The medical support available in EoLC is clearly crucial and is able to reduce the pain of an inevitable process. The needs of the dying also range from the very practical, such as managing finances, to the spiritual. Support in all these issues is available but can be uncoordinated.

In summary, the principal aim of using the Annual Report of the Director of Public Health to focus on end of life was to raise awareness of the growing importance of a peaceful and dignified end of life as an integral part of the whole life course.

In 'accepting the fact of death', I hope that we can indeed make life more full but I also hope that this report can encourage us all to be sensitive and prepared.

Sources of Support in End of Life Care in Somerset

| | |
|--|---|
| Alzheimer's Society (Dementia) | https://www.alzheimers.org.uk/ 0300 222 1122 |
| Dorothy House Hospice (Mendip area) | https://www.dorothyhouse.org.uk/ 01225 722 988 |
| Dying Matters | http://www.dyingmatters.org/ |
| Macmillan Cancer Care | https://www.macmillan.org.uk/ 0808 808 00 00 |
| Marie Curie | https://www.mariecurie.org.uk/ 0800 090 2309 |
| Motor Neurone Disease Association | https://www.mndassociation.org/ 0808 802 6262 |
| NHS Choices | http://www.nhs.uk/Planners/end-of-life-care/Pages/End-of-life-care.aspx |
| Somerset Carers' Network | http://www.somersetcarers.org/ 01749 836633 |
| Somerset Choices | https://www.somersetchoices.org.uk/adult/information-and-advice/carers/end-of-life-care/ |
| Somerset Clinical Commissioning Group | http://www.somersetccg.nhs.uk/about-us/how-we-do-things/palliative-care/ |
| St Margaret's Hospice | https://www.somerset-hospice.org.uk/ 0845 070 8910 |
| Weston Hospicecare (North Sedgemoor) | http://westonhospicecare.org.uk/ 01934 423 900 |

Acknowledgements

I could not have written this without the help of the many people who have shared their experience of the end of life in their personal and professional capacity. I am very grateful, and hope I have represented them fairly. I am also very grateful to members of the Somerset Public Health team who have helped with the analysis and editing of the report.

I would like to thank:

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Endnotes

ⁱ http://www.endoflifecare-intelligence.org.uk/resources/publications/lp_and_place_of_death

ⁱⁱ <https://discover.dc.nihr.ac.uk/portal/article/4000673/an-end-of-life-strategy-probably-improved-choice-of-where-to-die-for-people-with-severe-respiratory-disease>

ⁱⁱⁱ <http://www.reform.uk/wp-content/uploads/2017/03/Brochure-Web.pdf>

^{iv} Care Quality Commission, A different ending, our review looking at end of life care (2016) (www.cqc.org.uk/news/stories/different-ending-our-review-looking-end-life-care-published)

^v <https://www.mndassociation.org/wp-content/uploads/2015/07/eol09-advance-care-planning-and-advance-decisions.pdf>

^{vi} www.medicalert.org.uk

^{vii} www.pos-pal.org

^{viii} <https://www.stgeorges.nhs.uk/wp-content/uploads/2017/01/Faith-at-end-of-life.pdf>

^{ix} Kübler-Ross, *On death and dying*, 1969.

^x Life - And Death - On The Streets | HuffPost UK. Available at: http://www.huffingtonpost.co.uk/ann-lee1/life-and-death-on-the-str_b_13167898.html. (Accessed: 24th May 2017)

^{xi} <https://med.stanford.edu/letter.html>

^{xii} An 'opt-out' system was proposed by the Prime Minister in October 2017.

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Somerset County Council

Cabinet

15th November 2017

2017/18 Revenue Budget Monitoring Month 6

Cabinet Member(s): Cllr David Hall – Cabinet Member for Finance and Economic Development

Division and Local Member(s): All

Lead Officer: Lizzie Watkin – Service Manager – Chief Accountant

Author: Lizzie Watkin – Service Manager – Chief Accountant Contact Details:

kbnacey@somerset.gov.uk Tel: 01823 355213

| | Seen by: | Name | Date |
|---|--|---------------|-------------|
| | County Solicitor | Honor Clarke | 01/11/2017 |
| | Monitoring Officer | Julian Gale | 01/11/2017 |
| | Corporate Finance | Lizzie Watkin | 01/11/2017 |
| | Human Resources | Chris Squire | 01/11/2017 |
| | Senior Manager | Kevin Nacey | 01/11/2017 |
| | Cabinet Member | David Hall | 01/11/2017 |
| | Opposition Spokesperson | Simon Coles | 01/11/2017 |
| | Relevant Scrutiny Chairman | Tony Lock | 01/11/2017 |
| Forward Plan Reference: | FP/17/08/05 | | |
| Summary: | The purpose of this report is to update members on the current Revenue Budget outturn position for the 2017/18 financial year based on the end of September (Month 6). | | |
| Recommendations: | To note the contents of this report and the potential outturn position for the year. | | |
| Reasons for Recommendations: | As above. | | |
| Links to Priorities and Impact on Service Plans: | The report indicates how the Council's resources are forecast to be used to support the delivery of budgetary decisions. The Medium Term Financial Plan (MTFP) sets the funding for the County Plan and the use of those funds is then monitored throughout the year to ensure delivery of Council objectives and actions. | | |
| Consultations and co-production undertaken: | Information and explanations have been sought from directors on individual aspects of this report and their comments are contained in the report. | | |
| Financial Implications: | A deficit on the Revenue Budget will impact on the Council's General Balances. The Council's financial position is constantly reviewed. This report highlights significant concerns with regard | | |

| | |
|--|--|
| | to Children's service spending. |
| Legal Implications: | There are no implications arising directly from this paper. |
| HR Implications: | There are no implications arising directly from this paper. |
| Risk Implications: | <p>If the overspend were to be at the same level by year end, this would significantly reduce the Council's General Balances placing them well below the recommended range.</p> <p>We have to face up to the increasing demand and devise better ways of managing the increases while continuing to provide statutory services.</p> <p>The availability and use of reserves is critical in being able to manage spikes in demand and costs incurred. Our corporate risk register recognises this and we will put mitigating actions in place to reduce the level of overspends wherever possible.</p> <p>The increase in spend within Children's Services even since the beginning of the year is the most worrying aspect of this report.</p> |
| Other Implications (including due regard implications): | There are no other implications arising directly from this paper. However, as services take remedial action, including any formal decisions required to address the in-year overspend, then appropriate consideration will need to be given to the legal, HR and equalities issues, as necessary. |
| Scrutiny comments / recommendation (if any): | Not Applicable |

1. Background

- 1.1. Last year, the main areas of overspend were in Adults and Children's services. The demands upon these services have not reduced in the early part of this financial year and are not likely to over the course of the year. The transformational work under way to improve demand management and simultaneously improve outcomes for vulnerable children and adults is well under way. The additional funding from government alongside the management action in adults is keeping this budget under control. There has been no additional funding for children services and management action is struggling to change patterns of expenditure.
- 1.2. SCC is therefore in a position where we are trying to mitigate pressures across the whole Council as well as in those core care services to off-set the overspend while transformation takes place in line with our MTFP themes as trailed in budget papers throughout last financial year.

2. Summary Forecast 2017/18 – Revenue Budgets

- 2.1. The Authority's forecast shows a projected net overspend of £9.098m (see Appendix A) when compared to the Revenue Budget. This represents 2.92% of base budget. The majority of the overspend lies in the Children's Services budgets (section 3).
- 2.2. Most other areas of the Council are within reasonable tolerance although some corporate and support budgets are under pressure (as covered in section 7).
- 2.3. The implication of this forecast is that Cabinet and the Senior Leadership Team will need to continue to exercise more stringent control in all areas of council spend to ensure the final outturn position is much lower than this.

3. Children's Services

3.1. Children and Families Operations: (+) £13.077m: movement (+) £0.239m

- 3.1.1. The success of the service's recruitment campaign in training Assessed and Supported Year in Employment staff to be able to undertake permanent social worker roles has led to a significant reduction of £0.841m in the pressures previously reported against staffing budgets – the overall salary pressure now standing at £3.258m against a budget of £12.376m.
- 3.1.2. The lack of capacity within the fostering and residential market has resulted in an increase in the number of external residential placements (from 46 in the first quarter to 55 currently), with the average weekly cost of external residential placements increasing from £4,163 to £4,205 in the same period. The effect of this has been to increase the projection for external placements by £0.670m, creating an overall pressure of £5.204m against a budget of £12.303m.
- 3.1.3. A revised Foster Carer Progression scheme has been introduced this quarter to increase sufficiency of foster placements within our In-house foster carer population. This should provide the skills and experience to allow us to better support children and young people with more complex needs in house and be less reliant on the (more expensive) external market. The costs of this are included in the quarter 2 projection resulting in a pressure of £0.495m, an increase of £0.213m, (50% of which relates to the revised scheme).
- 3.1.4. Costs of Care Leavers not able to be accommodated through the Pathway to Independence agreement with the YMCA, and increased volumes, is resulting in a pressure of £0.413m, a decrease of £0.136m on the previous quarter.
- 3.1.5. The innovative use of the Assistance to Families budget to prevent children coming into care has added a further pressure of £0.176m, an increase of £0.046m on the first quarter. This prevention work should however lead to lower costs elsewhere in the system.
- 3.1.6. There is a continuing dialogue with Somerset Clinical Commissioning Group and Somerset NHS Partnership Trust to secure contributions for children with complex needs, which had been agreed at the multi-agency Complex Cases Panel.

- 3.1.7. Pressures around the accommodation and welfare of Unaccompanied Asylum Seeking Children remain similar to that reported in the first quarter but still leave a pressure of £0.247m. This is being addressed through a revised commissioning approach, closer matching needs with provision.
- 3.1.8. Transport costs, primarily associated with school and contact visits account for a further £0.202m pressure, similar to last quarter.
- 3.1.9. Financial pressures of £1.858m attributed to positive outcomes for the permanence of children and young people, (including increases in the number of Special Guardianship Orders, Adoption and Leaving Care allowances and accommodation), have resulted in an increased overspend in the quarter of £0.211m
- 3.1.10 The number of families taking advantage of the Direct Payments scheme within the Disabilities service and the allocation of Disability Grants has resulted in a pressure of £0.401m, similar to that reported in the last quarter.
- 3.1.11 Specific activities associated with the Children and Young People's Plan, including focussed training and support have so far incurred costs of £0.375m, not previously budgeted, an increase of £0.175m from the last quarter and Business Support continues to project a £0.440m pressure, a decrease of (-) £0.028m. The Business Services review is due to report shortly.
- 3.2. Children and Learning Central Commissioning: (+) £2.292m: movement (+) £0.109m**
- 3.2.1. The on-going pressure across transport budgets is forecast at £1.900m, an increase of £0.135m against a budget of £9.563m.
- 3.2.2. Of this overspend, Home to School transport is showing a pressure of £1.177m against a budget of £6.111m. Inflation pressures are impacting on the service, but these have been offset via managed savings and reduced school calendar days within 2017/18. In addition, much of the increase is also due to the impact of employment opportunities and pay rates offered by Hinkley Point and cross county issues, where contractual/wage variations between South Somerset and Dorset are leading to increased driver turnover. Removing occasional use transport and a pay seats policy change have been implemented. A service based on live occupancy levels, which is being piloted in the spring is also being considered to address levels of spend. A consultation is now underway in this area.
- 3.2.3. The Special Educational Needs (SEN) transport pressure is forecast at £0.723m against a budget of £3.453m, due to the on-going issue of increased placements. Inflation pressures are being offset by reduced school calendar days. The full Year implication of additional route costs following the opening of the new Mendip Free School, plus additional 19yo and over placements are also impacting on spend. Half day transport and dual placement transport in Pupil Referral Units have been removed to reduce costs.
- 3.2.4. The managed saving within Early Help is now forecast at (-) £0.523m, an increase of £0.076m. This is part of the planned underspend as detailed within the Early Help business case. The original estimate was £0.205m; however there was an increase in carry forward and grant supporting the service. Further

increases are due to vacancy savings and significant staff turnover. The service have requested this is earmarked as a carry forward to 2018/19 given reductions in grant funding, plus a potential staffing restructure and building closure delays, pending decisions to be made, following the consultation now underway.

- 3.2.5. The planned invest to save costs relating to posts within Children's Commissioning is forecast to be £0.202m, a decrease of £0.074m, due to vacancy savings and delayed recruitment. This will be carried forward as a managed overspend as part of the agreed business case.
- 3.2.6. The Somerset Education Partnership Board (SEPB) programme is now forecast as a pressure of £0.639m, an increase of £0.019m. This includes £0.186m in relation to Team around the School posts (the increase relating to a fixed term support post until the end of the Financial Year), £0.269m for School Education Partners (SEPs) and bids for match funded Raising Achievement Plans (RAPs) for the Secondary phase that have been agreed at £0.138m, with no pressure expected for the Primary phase.

3.3. Schools Budget

Children and Learning Central Commissioning: (+) £1.892m: movement (+) £0.009m

- 3.3.1. The Out of County Independent & Non Maintained Special Schools budget is projecting a pressure of (+) £2.234m against a budget of £10.238m, an increase of £0.314m, due to continuing and extended high cost placements into the new Academic Year and at higher than average costs, totalling £0.191m. There were also 10 new placements made during the quarter, totalling £0.328m. However, this has been partially offset by reduced estimates of £0.220m for Specialist Post 16 Institution placements. The High Needs sub group is considering plans to recover the overall overspend.
- 3.3.2. There was a planned increase in School contributions towards maternity costs, to recover the cost of previous year pressures and this is now forecast at (-) £0.386m, increasing the underspend by £0.104m.
- 3.3.3. A reduction in costs of £0.120m for the Somerset Learning Platform have been realised following the transfer of the service from Southwest One.

3.4. Schools and Early Years Providers: (-) £12.000m: movement of (+) £7.528m from the b/fwd Schools Budget of £19.528m

There is a projected reduction of £7.528m in schools balances for 2017/18 based on spend as at month 6, including budget and income yet to be allocated to individual schools. This figure takes into account schools use of reserves to balance the 2017/18 individual budget plan and the in-year conversions of academies.

4. Adult Services including Learning Disabilities

4.1. Adult Social Care Variation: (-) £1.316m underspend: movement (-) £0.782m

- 4.1.1. There continues to be an overall downward trend in the projected costs for Adults

Social Care Operations. The Mental Health Operations budget has been moved to sit under this heading following the quarter one report. The main changes since the previous report are:

- Residential/Nursing +£0.455m
- Direct Payments -£0.232m
- Staff Costs -£0.673m
- Mental Health +£0.365m
- Home Care -£0.216m

4.1.2. Residential/Nursing

Residential, Specialised Residential Care (SRC) and Nursing placements have all increased since the quarter two report. This has led to the projected increase of £0.455m. There have been 14 new Residential placements, 17 new Nursing placements and 6 new SRC placements. 11 of the new placements made in 2017/18 are over our published fee rate.

Despite this upward trend over the past two months, the total forecast spend for 2017/18 is £40.045m which is £1.123m less than in 2016/17.

4.1.3. Home Care

Home Care delivery has reduced slightly since the previous report and as a result of this the forecast has dropped by £0.216m.

The Home First service began on 4th September changing the way that people are provided a service following discharge from hospital, and bringing health and social care services closer together to help people get home quicker. This service combined with a streamlined reablement service provides a much improved option for supporting people following discharge.

4.1.4. Direct Payments

The number of Direct Payments setup in the past two months has reduced with 908 currently in place compared to 924 at quarter one. The variation is now an underspend of £0.449m with projected spend of £8.550m. The total spend in 2016/17 was £9.449m so reducing numbers and unit cost of direct payments has had a big effect on overall spend.

4.1.5. Staffing

Salaries budgets are forecast to be underspent by £0.774m, a reduction of £0.673m since quarter one.

A recruitment exercise is under way to fill all operational vacancies; however the timeframes involved mean that projections continue to reduce for 2017/18. The majority of vacancies are due to be filled by the start of February.

The business support service restructure is due to be completed by January and the projections now take this into account.

4.1.6. Mental Health

The overspend against Mental Health now stands at £0.621m.

Increased Residential, Nursing and Direct Payments have increased the overspend by £0.146m. There have been an additional 5 Residential, 3 Nursing and 3 Direct Payments since the quarter one report.

On top of this there has been a redirection of budget (£0.203m) to commissioning to fund the new Mental Health community support service which began on 1st October.

4.2. Learning Disabilities: (+) £2.124m overspend: movement (-) £0.174m

- 4.2.1. The overspend is made up of £1.798m Learning Disabilities Purchased and £0.326m Discovery. The majority of the change between quarter one and quarter two is reductions to the Discovery contract forecast.
- 4.2.2. Adjustments have now been made to projections for both expenditure and income to reflect actual delivery up to 17th September, and against the contract within Supported Living and Residential placements this means a projected cost of £1.352m less than the original contract figure for the year.
- 4.2.3. The contract adjustment for Domiciliary Care has been revised to £0.550m based on actual delivery during the first six months of the contract.
- 4.2.4. Offsetting these changes is a reduction in the amount of income it is anticipated to be collected. We are now projecting a shortfall against the budget of £0.513m.
- 4.2.5. Taking all of the above into account, the overall position against the contract is an underspend of £0.288m. This has been a positive quarter as a degree of stability has been achieved across the LD expenditure lines. There is a one off pressure in year of £0.614m relating to old year costs for the Provider Service.
- 4.2.6. The reported position assumes achievement of £2.089m savings in year through the Reviewing to Improve Lives project. This would leave a balance of £4.089m of the MTFP saving to achieve in future years. This is shown as a pressure for 2017/18 and the results of a checkpoint review of the RTIL programme will feed into the figures next quarter.
- 4.2.7. The reported position takes into account a transfer of £6.158m from an equalisation reserve and £1.086m transformation investment funded from capital receipts.

4.3. Adults Commissioning: (-) £0.051m underspend: movement (+) £0.028m

- 4.3.1. There has been no considerable change against any of these budgets since quarter one.
- 4.3.2. As reported above the Mental Health operations budget that was previously sat here has now been moved to Adult Social Care operations.
- 4.3.3. The above position is net of £0.033m which will be drawn down from the Carers Earmarked Reserve to fund the Carers Support Worker post.
- 4.3.4. We estimate that £0.093m will need to be drawn down from corporate reserves to pay for the Local Assistance Scheme programme costs.

5. Public Health: (-) £0.237m underspend

- 5.1. The Public Health budget is currently £0.237m underspent. This is a planned underspend as the service begins to make changes required to meet savings in 2018/19 and beyond. It will be requested that this underspend is moved to the Earmarked Reserve at year end to help with the savings that are required from the grant in future years.
- 5.2. Somerset Drugs and Alcohol Partnership (SDAP) is currently projected to overspend by £0.013m following a reduction in the SCC funding available of £0.150m. The service will work to reduce this variation throughout the year however any overspend will need to be drawn down from the SDAP earmarked reserve (currently £0.135m). This means the impact on the Public Health budget is nil.

6. Economic and Community Infrastructure Services (ECI): (-) £0.287m underspend: movement (-) £0.302m

- 6.1. Overall ECI services are showing an underspend of £0.287m (0.46% of the total budget) which is due to SCC's contribution to Somerset Waste Partnership which has a significant underspend of £0.854m, principally due to tonnages remaining lower than budgeted for.
- 6.2. Other services therefore are overspent by £0.567m (0.91% of the total budget). A proportion of the overspend relates to staffing budgets, these are under review with the budget holders. In addition, the services are reviewing capitalisation of salary costs as a way of reducing this, together with a review of commuted sums and balances held, and holding staff vacancies.
- 6.3. The non-provision of inflation continues to be an issue, particularly for services which are entirely externally provided.
- 6.4. Within the current forecast there are still risks around waste tonnages, concessionary fares, winter and emergency maintenance.

7. Corporate and Support Services: (+) £1.807m overspend: movement (-) £1.005m

- 7.1. There are some forecast overspends in ICT and Strategic Property totalling £1.2m. There are also some projected procurement savings that may not be achievable and we will need to find replacement projects to identify the £1.3m savings required. The forecast funding requirement for the Core Council Programme is £1.288m which will be funded from capital receipts under the new flexibilities regulations.

7.2. Commercial and Business Services

7.2.1. Commercial Procurement and Contract Management: (+) £1.222m overspend; movement (-) £0.090m

The forecast overspend arises from Third Party MTFP savings (£1.068m Third Party savings and £0.291m Third Party agency spend) currently identified as

being unachievable. Work is continuing through the Strategic Opportunities Board to identify where savings will fall against this cross-cutting target. It should be noted that this MTFP saving target is a place holder, and for reporting purposes only, as the budgets sit within services and does not form part of the Commercial and Procurement budget.

The forecast underspend of £1.370m on Building Schools for the Future (BSF) will be transferred to the earmarked BSF Equalisation Reserve at year-end as planned.

7.2.2. Core Council Programme (Including Business Change) (+) £1.288m Funding Requirement; movement (+) £0.019m

The approved Core Council Programme is currently projecting a requirement of £1.288m to be funded from capital receipt flexibility.

7.2.3. Strategic Property: (+) £0.023m overspend; movement (-) £0.882m.

Costs in 2017/18 relating to the BMIS R&M schemes are forecast to result in a £0.316m overspend. £0.216m of this arises from outstanding works from the previous BMIS scheme, which couldn't be accrued. An estimated £0.100m cost has resulted from the contractor's loss of earnings and profit, and the cost of redundancies due to the reduction in school properties within the corporate R&M contract. The BMIS overspend will be requested to be written off to the BMIS earmarked reserve at quarter 3 and a further request will be made at outturn for the final treatment of the balance in this reserve.

The Corporate Repairs and Maintenance budget is projected to be overspent by £0.363m. The cost of providing the service has risen since the introduction of the single contractor. This is partly due to an increase in a higher number of assets being recorded, and being included in the contract, resulting in an increase in costs. An estimated £0.050m of this is has resulted from the contractor's loss of earnings and profit, and the cost of redundancies due to the reduction in corporate properties within the corporate R&M contract. As reported in previous years, the cost of the contract alone exceeds the current budget before taking account of any exempt works. The Repairs and Maintenance overspend will be requested to be written off to the R&M earmarked reserve at outturn.

The other service lines within Strategic Property are forecast to overspend by £0.023m in total.

Net costs have reduced by £0.203m in comparison to the previous projection. This is as a result of a £0.037m increase in rent following delays in selling County Farms, savings on Hybrid mail within Facilities Management of £0.025m, reduced costs on the Land Management account of £0.079m and further reductions in costs of £0.062m including staff savings.

7.2.4. Strategic ICT: (+) £0.527m overspend; movement (+) £0.037m

Strategic ICT has an income budget for overhead costs that Support Services for Education (SSE) recover from their customers. These recovered amounts are then transferred to the Corporate and Support Services. However there is a projected shortfall of £0.149m for the ICT overheads in 17/18.

Despite making savings of £0.750m of revenue savings there is currently a projected overspend on staff costs of £0.257m. Work is being undertaken to fully understand the true cost of ICT following the return of the service from SWO and it is expected that the overspend will be offset against capital allocation of projects work.

The projected net costs have increased by £0.037m since the previous quarter's monitoring. ICT now have responsibility for the authority's iCasework system £0.020m plus other IT systems.

7.2.5. Finance and Performance

Finance: (+) £0.076m overspend; movement (+) £0.019m

Finance has been allocated £0.405m of the £1.281m further Corporate and Support Services MTFP savings. When offset by current vacancies in Finance, this has created an overspend on salaries of £0.042m in this financial year.

8. Non-Service Items: (-) £8.537m underspend: movement (+) £0.943m

8.1. The underspend in this area is mainly due to uncommitted contingency budget and additional s31 grant received from DCLG for the Non-Domestic Rates schemes. There is a reduction in uncommitted contingency of £0.812m as we need to set aside funds to meet the increased costs of pension fund deficit. Previously we had expected this cost to be picked up by a third party. This is subject to a current legal dispute and we cannot provide more detail at this stage.

8.2. Central Redundancies: (+) £0.145m; movement (-) £0.107m

Current estimates for the costs of central redundancies that have been arranged in 2017/18 to date come to £1.482m. An extrapolation of costs based on the remainder of the financial year in previous years suggests a further £0.662m, which will push costs over the £2.000m budget by £0.145m.

8.3. Sustainable Transformation Programme (STP): (+) £0.230m overspend; movement (+) £0.230m

It has been agreed that the costs incurred by SCC as part of the delivery of the STP will be funded from Non Service

9. Trading Units

Trading Units have a net nil budget and any underspend is described as a surplus and any overspend is described as a deficit on the trading account.

9.1. Support Services for Education: (-) £0.201m surplus; a movement of (-) £0.203M

SSE Grounds and Property Services have a reduced deficit of £0.077m due to extra projects taking place in the next 6 months and increased fee income as a result.

Education Psychology's deficit has reduced by £0.120m primarily due to increased trading income through work with North Somerset County Council. Staff savings as a result of a recent restructure has also contributed to the reduction.

9.2. Dillington House: (+) £0.141m deficit; a movement of (+) £0.010m

Dillington House is currently forecasting an overspend of £0.141m which is due to a drop of income across all areas of the business. Dillington is working to increase income and review spend during the year to reduce the current forecasted overspend.

10. Aged Debt Analysis

10.1. As at the end of September 2017, the outstanding debts over 90 days old totalled £3.069m or 27.88% of gross debt outstanding. This is above the target set for reporting performance on the Performance Wheel of no more than 15% of total debt. By way of comparison, the percentage of debt over 90 days old in September 2016 was 13%. The aged debt profile is not at an acceptable level and we will need to purge this old debt quickly so that our usually excellent record on collecting over 99% of debt is maintained.

10.2. Services' total outstanding debt relating to external income on the Accounts Receivable system stood at £11.007m on 30 September 2017, (September 2016 £10.877m). Over 72.12% (£7.938m) of the total gross debt is less than 3 months old, with the remaining debt being split over the timeframes of '3-12 months old' and those 'over 12 months old', which can be seen in the table 10.3 below.

10.3.

| Service | Not o/due | 0-30 Days | 1-3 Mths | 3-12 Mths | 12+ Mths | Total | Un-assigned Cash | Total (Net) |
|---------------------------|-----------|-----------|----------|-----------|----------|--------------|------------------|--------------|
| | £m | £m | £m | £m | £m | £m | £m | £m |
| Adults & Health Comm. | 0.000 | 0.000 | 0.000 | 0.122 | 0.004 | 0.126 | 0.000 | 0.126 |
| Adults & Health Ops | 0.091 | 1.921 | 0.173 | 0.792 | 0.200 | 3.177 | 0.000 | 3.177 |
| Business Development | 0.027 | 0.549 | 0.082 | 0.232 | 0.091 | 0.981 | 0.000 | 0.981 |
| Customers & Communities | 0.000 | 0.054 | 0.059 | 0.000 | 0.000 | 0.113 | 0.000 | 0.113 |
| Children & Family Ops | 0.002 | 0.001 | 0.002 | 0.517 | 0.006 | 0.528 | 0.000 | 0.528 |
| ECI Comm. | 0.004 | 0.002 | 0.002 | 0.002 | 0.000 | 0.010 | 0.000 | 0.010 |
| ECI Ops | 1.019 | 0.570 | 2.647 | 0.171 | 0.165 | 4.572 | 0.000 | 4.572 |
| Schools & Early Years | 0.029 | 0.013 | 0.005 | 0.007 | 0.005 | 0.059 | 0.000 | 0.059 |
| Finance & Performance | 0.006 | 0.018 | 0.001 | 0.017 | 0.479 | 0.521 | 0.000 | 0.521 |
| Children & Learning Comm. | 0.274 | 0.029 | 0.046 | 0.166 | 0.003 | 0.518 | 0.000 | 0.518 |
| LD Ops | 0.017 | 0.000 | 0.001 | 0.044 | 0.038 | 0.100 | 0.000 | 0.100 |
| Support Services for | 0.045 | 0.205 | 0.065 | 0.008 | 0.000 | 0.293 | 0.000 | 0.293 |

| | | | | | | | | |
|-----------------|--------------|--------------|--------------|--------------|--------------|---------------|--------------|---------------|
| Education | | | | | | | | |
| Public Health | 0.000 | 0.008 | 0.001 | 0.000 | 0.000 | 0.009 | 0.000 | 0.009 |
| Total £m | 1.484 | 3.370 | 3.084 | 2.078 | 0.991 | 11.007 | 0.000 | 11.007 |
| Total % | 13.48 | 30.62 | 28.02 | 18.88 | 9.00 | 100.00 | | |

Total Debt Analysis

| | Net Debt £m |
|----------------|-------------|
| September 2016 | 10.877 |
| September 2017 | 11.007 |

10.4. Aged Debt – Service Commentary

10.4.1. Adults and Health: £1.835m

There is currently £1.213m of outstanding debt over 90 days old across all Adults services. £609k of this debt is with NHS partners relating to CHC contributions and the joint finance agreement. Discussions are on-going with the CCG to bring these disputes to a conclusion and we anticipate the majority of the debt being cleared.

The majority of the remainder relates to outstanding debts with clients of the service who have been assessed as being able to contribute to their support. A review is currently underway to assess how likely we are to receive payment against these. A number of these have already been referred to our legal team for further action.

10.4.2. Children and Learning: £1.046m

Of the debt over 90 days as at quarter 2, 93% relates to invoices owed by partner health authorities for agreed contributions towards costs of children in specialist provision with therapeutic and health related support. These contributions were agreed through the Complex Cases panel and further discussions are taking place regarding the settlement of these debts. The amount owed by partner health authorities has increased compared with quarter 1 due to continued raising and ageing of these invoices.

10.4.3. Support Services: £1.615m

Aged debt over 90 days old totals £0.819m.

- Finance £0.495m: £0.471m of the Finance debt is a part paid invoice to SW One that is to be cancelled.
- Carbon £0.122m: this is owed to SCC from British Gas. These will be paid by the end of October, as disputes over amounts British Gas claim they are owed have been settled.
- Property General £0.062m: these are four invoices related to rent for Broughton House. These amounts are currently in dispute.
- Property Maintenance £0.074m: these are being actively pursued by the service
- Business Client £0.015m: this is a SW One debt which is being pursued by the service.
- Other Commercial & Business Services £0.051m.

10.4.4. **Economic and Community Infrastructure: £4.582m**

Aged debt over 90 days old totals £0.338m.

- £0.125m relating to defects following utilities work and with recovery team.
- £0.077m relates to damage to Highway from oil spillage and has reached legal stage of recovery.
- £0.050m relates to Transport debt with Somerset Partnership
- £0.032m represents County Ticket debt which is being pursued by recovery team.
- £0.019m also relates to Highways damage but has been delayed by process via insurers.
- £0.012m contribution from SSDC towards A30 Highways works.
- £0.007m is small value libraries debt and partner contributions for Libraries West Partnership

Remaining £0.008m is much small balances across remaining ECI services

10.4.5. **Public Health: £0.009m**

The debt for Public Health is less than 90 days old and not considered to be at risk of non-recovery.

10.4.6. **Support Services for Education: £0.293**

The increase in the level of debt is due mainly to the raising of invoices sent each term to schools and academies for children attending residential course as well as services delivered through SSTEP by Support Services for Education.

The amount of debt older than 90 days is relatively low. For the majority of this debt, is with legal or agreed repayment plans are in place to recover outstanding balances.

11. Delivery Progress of 2017/18 MTFP Proposals

- 11.1.** In February 2017, the Council approved £19.506m of savings proposals and £14.332m of pressures. Many of the proposals will require significant management action to insure implementation is successful.

This section of the report provides an update of the progress towards delivery of the proposals with a RAG status showing the level of risk around delivery (Appendix B).

11.2. Savings

As all savings have been taken from service budgets at the commencement of the financial year, the real risk is that service areas will not be able to deliver the full saving and overspend.

Over 61% of the savings have been classified as having a green status, meaning service directors are confident that these savings will be delivered at the financial impact predicted in proposal documents.

A further 7% has been classified as an amber risk status, meaning that at this point in the year service directors cannot be sure they can deliver the same level of savings originally anticipated.

This leaves 32% of savings that are no longer deliverable in 2017/18. Therefore there is more work required to secure the full value of savings required.

11.3. Pressures

During the MTFP process services worked hard to limit the level of additional resources requested. Therefore the £14.332m approved should be viewed as mitigating unmanageable pressures.

12. Consultations Undertaken

- 12.1.** The individual service content within this report has been considered by Service Management Teams prior to submission together with on-going briefings of Cabinet Lead Members.

13. Financial, Legal, HR and Risk Implications

- 13.1.** Financial implications are dealt with in the body of this report, and where decisions are required. There are no other direct implications arising from this paper.

14. Background papers

- 14.1.** County Council – 15 Feb 2017 – 2017/18 Revenue Budget and MTFP
County Council – 15 Feb 2017 – S151 Robustness and Adequacy report
Cabinet – 27 September 2017 – Revenue Budget Monitoring 2017/18 Month 4

Note:

For sight of individual background papers please contact the report author(s):

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Appendix A – Revenue Budget Monitoring – Headline Summary Table

| Service | Original Base Budget | Budget Movements | Total Budget Approvals | 17/18 Projection | Gross Variance Under (-) / Overspend | | Transfers (to) and from Grant / Earmarked Reserves | SCC Variance Under (-) / Overspend | | Planned Use of Capital Receipts Flexibility | Forecast Under (-) / Overspend | Movement from Previous Report |
|---|----------------------|------------------|------------------------|------------------|--------------------------------------|----------------|--|------------------------------------|----------------|---|--------------------------------|-------------------------------|
| | £m | £m | £m | £m | £m | % | £m | £m | % | £m | £m | £m |
| Adults and Health - Operations | 72.683 | 5.722 | 78.405 | 77.089 | (1.316) | (1.68) | 0.000 | (1.316) | (1.68) | | (1.316) | (0.782) |
| Children and Families - Operations | 48.749 | (1.693) | 47.057 | 60.133 | 13.077 | 27.79 | 0.000 | 13.077 | 27.79 | | 13.077 | 0.239 |
| Learning Disabilities | 48.183 | 2.488 | 50.671 | 58.953 | 8.282 | 16.34 | (6.158) | 2.124 | 4.19 | | 2.124 | (0.174) |
| Adults and Health - Commissioner | 14.756 | (7.048) | 7.708 | 7.690 | (0.018) | (0.24) | (0.033) | (0.051) | (0.66) | | (0.051) | 0.028 |
| Children and Learning - Commissioning Central | 18.013 | 3.180 | 21.193 | 25.468 | 4.276 | 20.17 | (1.984) | 2.292 | 10.81 | | 2.292 | 0.109 |
| Public Health | 1.070 | 0.000 | 1.070 | 0.838 | (0.232) | (21.70) | 0.232 | 0.000 | (0.02) | | 0.000 | 0.000 |
| ECI Services | 61.655 | 1.244 | 62.899 | 62.636 | (0.263) | (0.42) | (0.024) | (0.287) | (0.46) | | (0.287) | (0.302) |
| Key Services Spending | 265.109 | 3.894 | 269.003 | 292.807 | 23.804 | 8.85 | (7.967) | 15.837 | 5.89 | | 15.837 | (0.884) |
| Corporate and Support Services | 25.449 | (1.502) | 23.947 | 26.748 | 2.801 | 11.70 | 0.293 | 3.095 | 12.92 | (1.288) | 1.807 | (1.005) |
| Non-Service Items (Inc Debt Charges) | 21.214 | (21.919) | (0.705) | (9.250) | (8.546) | (1,211.48) | 0.000 | (8.546) | (1,211.48) | | (8.546) | 0.934 |
| Trading Units | 0.000 | 0.000 | 0.000 | (0.060) | (0.600) | 0.00 | 0.060 | 0.000 | 0.00 | | 0.000 | 0.000 |
| Support Services and Corporate Spending | 46.663 | (23.421) | 23.242 | 17.438 | (5.804) | (24.97) | 0.353 | (5.451) | (23.45) | (1.288) | (6.739) | 0.071 |
| Individual Schools Budget (ISB) and Early Years Providers | 0.000 | 19.528 | 19.528 | 7.528 | (12.000) | (61.45) | 12.000 | 0.000 | 0.00 | | 0.000 | 0.000 |
| SCC Total Spending | 311.772 | 0.000 | 311.772 | 317.772 | 6.000 | 1.92 | 4.386 | 10.386 | 3.33 | (1.288) | 9.098 | (0.955) |

Appendix B: Savings Month 6 2017/18

| | Value of Approved Saving | Red | Amber | Green |
|---|--------------------------|------------------|------------------|-------------------|
| Adults and Health - Operations | 764,600 | 184,600 | 50,000 | 530,000 |
| Learning Disabilities - Operations | 4,733,800 | 3,066,900 | 0 | 1,666,900 |
| Adults and Health - Commissioner | 727,000 | 250,000 | 0 | 477,000 |
| Public Health | 168,500 | 0 | 0 | 168,500 |
| Adults and Health | 6,393,900 | 3,501,500 | 50,000 | 2,842,400 |
| Children and Families - Operations | 18,000 | 18,000 | 0 | 0 |
| Children and Learning - Commissioning Central | 3,095,600 | 1,286,900 | 665,900 | 1,142,800 |
| Children's | 3,113,600 | 1,304,900 | 665,900 | 1,142,800 |
| Somerset Waste Partnership | 760,000 | 0 | 0 | 760,000 |
| Highways | 800,000 | 0 | 400,000 | 400,000 |
| ECI Other Services | 2,587,400 | 65,200 | 180,000 | 2,342,200 |
| Economic and Community Infrastructure | 4,147,400 | 65,200 | 580,000 | 3,502,200 |
| Key Services Spending | 13,654,900 | 4,871,600 | 1,295,900 | 7,487,400 |
| Commercial and Business Services | 5,677,600 | 1,359,300 | 0 | 4,318,300 |
| Finance and Performance | 173,600 | 0 | 0 | 173,600 |
| Customers and Communities | 0 | 0 | 0 | 0 |
| Support Services | 5,851,200 | 1,359,300 | 0 | 4,491,900 |
| | | | | |
| Total Services | 19,506,100 | 6,230,900 | 1,295,900 | 11,979,300 |

2017/18 MTFP Savings Performance

■ 31.94% ■ 6.64% ■ 61.41%



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Somerset County Council

Cabinet

15th November 2017

Capital Investment Programme 2017/18 – Quarter 2

Cabinet Member(s): David Hall – Cabinet Member, Resources and Economic Development

Division and Local Member(s): All

Lead Officer: Lizzie Watkin – Service Manager, Chief Accountant

Author: Ian Trunks – Finance Manager, Capital

Contact Details: KBNacey@somerset.gov.uk Tel: 01823 355213

| | Seen by: | Name | Date |
|---|--|---------------|-------------|
| Report Sign off | County Solicitor | Honor Clarke | 03/11/2017 |
| | Monitoring Officer | Julian Gale | 03/11/2017 |
| | Corporate Finance | Lizzie Watkin | 03/11/2017 |
| | Human Resources | Chris Squire | 03/11/2017 |
| | Senior Manager | Kevin Nacey | 03/11/2017 |
| | Cabinet Member | David Hall | 03/11/2017 |
| | Opposition Spokesperson | Simon Coles | 03/11/2017 |
| | Relevant Scrutiny Chairman | Tony Lock | 03/11/2017 |
| Forward Plan Reference: | FP/17/08/05 | | |
| Summary: | This report outlines the Council's Capital Investment Programme position for the second quarter of the 2017/18 financial year. | | |
| Recommendations: | The Cabinet is recommended to note the contents of this report. | | |
| Reasons for Recommendations: | To inform members of the financial position for the Capital Investment Programme relating to the financial year 2017/18. | | |
| Links to Priorities and Impact on Service Plans: | The Capital Investment Programme is the means by which the Council provides the assets and infrastructure required to deliver the County Plan. | | |
| Consultations undertaken: | Information and explanations have been sought from service managers on individual aspects of this report and their comments included as appropriate. | | |
| Financial Implications: | The financial implications are dealt with in detail in the body of the report and are in line with expectations. | | |

| | |
|--|---|
| Legal Implications: | There are no specific Legal implications arising directly from the report. |
| HR Implications: | There are no specific HR implications arising directly from the report. |
| Risk Implications: | <p>Overall the performance in relation to the Capital Investment Programme remains good and services are managing to maintain control over expenditure within the resources available.</p> <p>The key risks remain unchanged, a potential demand for the provision of new schools to meet the basic need for places arising as a result of new residential developments and the ability of the Council to realise capital receipts.</p> |
| Other Implications (including due regard implications): | Equalities Impact Assessments for projects in the existing programmes were undertaken during the budget setting process and are updated as projects are implemented as necessary. |
| Scrutiny comments / recommendation (if any): | Not applicable. |

1. Background

- 1.1. This report provides a corporate overview of the financial aspects of the Capital Investment Programme (CIP) for the 2017/18 financial year. It highlights movements in the programme since the end of July contained in the first quarter report to Cabinet on 27 September 2017.

2. Options considered and reasons for rejecting them

2.1. Active Approvals 2017/18

- 2.1.1. CIP active approvals at the end of July 2017 stood at £588.714m. There have been a number of movements between the end of July and the end of September amounting to a net increase in approvals of £7.760m. The majority of this increase is due to additional external funding and the details of the movements can be found in Appendix A.
- 2.1.2. The resulting programme contains approvals of £596.471m; details at service level are contained in Appendix A. Of this sum £365.217m was spent in prior years leaving £231.254m available to complete the package of projects within the CIP.

2.2. Forecast Expenditure

- 2.2.1. At the end of September 2017 services were forecasting future expenditure of £231.830m over the current and subsequent four financial years. Details of the projected spend are included in Appendix B.

- 2.2.2. Services have continued to work at providing estimates of actual spending that are as realistic as possible in order to create a measure of the changes during the financial year. Forecasting capital expenditure levels is particularly difficult due to the reliance on contractor activity, the weather and capacity within the Council's providers to design and support the programme. The actual programme is also only fully developed later in the financial year as individual projects are finalised and specifically programmed from the generic programmes, and only at this later stage can a more realistic estimate of the timing of expenditure be made.
- 2.2.3. The forecast expenditure for the end of September 2017 shows that there has been an increase in the 2017/18 forecast of £3.094m from £117.152m to £120.246m. Appendix C summarises the movements at service level and provides further detail for the projects that have contributed movements of +/- £0.050m to this change. The detailed information excludes movements that are as a consequence of the changes in approvals outlined in Appendix A.

2.3. Forecasting Net Over or Under Spends

- 2.3.1. The net over/under spending is calculated using the actual expenditure to date on a project added to the predicted expenditure in future years, the total of these is compared to the recorded approvals. The over or under spend is the difference. Details at service level are included in Appendix D. Current forecasts are that £597.048m will be required to complete the programme. Of this £231.830m will be required in the current and future financial years after taking into account the £365.217m incurred prior to 31 March 2017. This is £0.577m more than the approval currently available (£596.471m).

This is made up of a number of schemes as detailed in Appendix D.

- 2.3.2. An overview of the Capital Investment Programme indicates that the programme is being managed proactively by services within the resources that they have available. Commitments are not being entered into without an available budget and generic approvals are being managed as costs become more certain and the programme of work adjusted accordingly.

2.4 Other Matters

Capital Receipts

- 2.4.1. Sales of assets at the end of September 2017 amounted to £2.752m of general property sales. Current estimates are that up to £8.000m might be realised from property sales by the end of the financial year. This is an increase of £1.170m from quarter one following a revision of the forecasts. Realising this sum will however depend on circumstances outside the direct control of the County Council including the wider economic outlook and third parties. It could also be compromised if any of the properties are subject of a Community Asset Transfer application.

3. Consultations undertaken

- 3.1. Information and explanations have been sought from services on individual aspects of this report and their comments are included as appropriate.

4. Financial, Legal, HR and Risk Implications

4.1. Risk Implications

4.1.1. Additional School Places

The requirement to build new schools in Somerset to meet the growing basic need for school places remains the key risk within the capital investment programme. We are bidding for funding to the DfE and through the Housing Infrastructure Fund to provide resource for the capital programme. If we are unsuccessful, we will have to find a source of funding to meet this need.

4.1.2. Capital Receipts

Increasingly limited capital resources continues to place further demands on the Council to rationalise its use of assets and develop shared facilities with other public and third sector organisations.

The objective is to maximise asset utilisation and release surplus assets to fund transformation initiatives. This will have the benefit of easing pressure within the revenue budgets.

4.1.3. Capital Fund

The Capital Fund is formed from Revenue sources of income and has been set aside as a contingency in case the need arises. The benefit of doing this allows the revenue funding to be redirected back to the revenue budget to assist with mitigating pressures seen within services.

4.1.4. Mid-Year Pressures

Capital investment and planning decisions are predominantly taken during the MTFP process in setting the annual budget. During this process a view is taken on the level of available resources which allows a minimal reserve to be held for unforeseen in year requirements

If significant in year requirements are identified and the funding cannot be met from existing resources the Council will need to identify alternative sources of funding which could include external borrowing or revise and reduce the core investment plan. If external borrowing is to be used then it must be noted that there will be an additional charge to the revenue budget.

4.1.5. Budgetary Control

This report indicates that overall the budgetary control of the capital investment programme remains good. There remains a risk that this may be subject to some weakness as capacity is reduced and staff responsibilities change due to the rate of corporate change and switches between funding streams takes place frequently.

5. Other Implications

- 5.1.** Issues such as access, equality and diversity, human rights, community safety, health & well-being, sustainability, information request/data protection issues, organisational learning, partnership and procurement would normally be considered and managed at service, operational and project level.

6. Background papers

6.1. 2017/18 CIP Quarterly Monitoring Reports to Cabinet

Note: For sight of individual background papers please contact the report author.

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Cabinet

15th November 2017**Capital Investment Programme Approvals**

| Col 1 | Col 2 | Col 3 | Col 4 | | Col 5 | | Col 6 | Col 7 |
|---------|---|----------------------------------|-----------------------------|-----------|---------------------------------|-----------|-------------------|-------------------------------|
| | | | Approval Amendments | | | | | |
| Row No. | Service Area | Approvals as at end of July 2017 | New Schemes Aug to end Sept | N O T E S | Alterations to Existing Schemes | N O T E S | Technical Changes | Approvals as at end Sept 2017 |
| | | £m | £m | | £m | | £m | £m |
| 1 | Schools - Primary and Secondary Sector | 130.989 | | | +3.507 | 1 | -0.200 | 134.296 |
| 2 | Local Enterprise Partnership | 125.531 | | | | | -0.500 | 125.031 |
| 3 | Economic Development | 107.861 | | | | | | 107.861 |
| 4 | Highways and Traffic Management | 87.521 | | | +1.750 | 2 | | 89.271 |
| 5 | Highways Engineering Projects | 58.173 | | | +3.000 | 3 | | 61.173 |
| 6 | Support Services | 34.536 | | | | | | 34.536 |
| 7 | Schools - SEN and Access | 13.994 | | | | | +0.200 | 14.194 |
| 8 | Early Years and Community Services | 9.576 | | | | | | 9.576 |
| 9 | Flood And Water | 6.616 | | | | | | 6.616 |
| 10 | Adult Social Care and Learning Disabilities | 6.106 | | | | | | 6.106 |
| 11 | Other Services | 7.811 | | | | | | 7.811 |
| 12 | TOTAL | 588.714 | | 0 | +8.257 | 0 | -0.500 | 596.471 |

Notes:

1. Schools – Primary and Secondary Sectors (+£3.507m)

This sum comprises of the following:

- +£0.160m S106 Contribution to Huish Primary (Yeovil) Temporary Classroom;
- +£1.210m S106 Contribution to Yeovil Lufton (Kingfisher) & Community Hall;
- +£2.137m Northgate S106 Contributions made up of +£0.345 from Sedgemoor plus +£1.792m from EDF.

2. Highways & Traffic Management (+£1.750m)
DfT Road Patching Grant for 2017/18.
3. Highway Engineering Projects (+£3.000m)
Funding for Colley Lane, Bridgwater from the DfT National Productivity Investment Fund.

Members should note that within the Technical changes column (col 5) there was a correction made to the LEP approval of -£0.500m. This amount was moved across to revenue funding as it had been included in the Capital Approval in error. A virement of £0.200m has also been processed between Schools Access Initiative and General Provisions. This virement, among other smaller virements ensure we utilise all available current approvals and therefore not impact on the overall corporate cost of the Capital Improvement Programme.

Cabinet

- 15th November 2017**Forecast Expenditure for 2017/18 and Future Years**

| <i>Col 1</i> | <i>Col 2</i> | <i>Col 3</i> | <i>Col 4</i> | <i>Col 5</i> | <i>Col 6</i> | <i>Col 7</i> |
|---|----------------------------|-----------------------|-----------------------|-----------------------|-----------------------------------|----------------|
| Service Area | Current Year £m | 2018/19 £m | 2019/20 £m | 2020/21 £m | 2021/22 onwards £m | Total |
| Schools - Primary and Secondary Sector | 23.878 | 15.730 | 5.951 | 0.012 | | 45.571 |
| Local Enterprise Partnership | 34.278 | 32.025 | 6.213 | 0.806 | 5.411 | 78.733 |
| Economic Development | 12.449 | 20.394 | 9.080 | 0.051 | | 41.974 |
| Highways and Traffic Management | 30.103 | 0.638 | 0.902 | | | 31.643 |
| Highways Engineering Projects | 4.305 | 7.355 | | | | 11.660 |
| Support Services | 7.014 | 2.974 | | | | 9.988 |
| Schools - SEN and Access | 0.835 | 0.709 | 0.203 | | | 1.747 |
| Early Years and Community Services | 2.974 | 2.093 | 0.183 | | | 5.250 |
| Flood And Water | 0.001 | | | | | 0.001 |
| Adult Social Care and Learning Disabilities | 1.617 | 0.149 | 0.050 | 0.050 | 0.046 | 1.912 |
| Other Services | 2.794 | 0.352 | 0.207 | | | 3.353 |
| TOTAL | 120.246 | 82.419 | 22.789 | 0.919 | 5.457 | 231.830 |
| Financing | | | | | | |
| Loans Pool Funded | 11.781 | 6.587 | 3.074 | 0.012 | | 21.454 |
| Internal Funds | 0.140 | | | | | 0.140 |
| Capital Receipts | 3.132 | 3.002 | 1.569 | | | 7.703 |
| Revenue | 0.092 | | | | | 0.092 |
| Third Party Contributions | 8.527 | 8.232 | 5.574 | 0.050 | 0.046 | 22.429 |
| Grants | 96.574 | 64.598 | 12.572 | 0.857 | 5.411 | 180.012 |
| Leasing | | | | | | |
| TOTAL | 120.246 | 82.419 | 22.789 | 0.919 | 5.457 | 231.830 |

Cabinet

15th November 2017**Movements in Forecast Expenditure during Quarter 2**

| <i>Col 1</i> | <i>Col 2</i> | <i>Col 3</i> | <i>Col 4</i> | <i>Col 5</i> | <i>Col 6</i> |
|---|----------------------------|-----------------------|-----------------------|-----------------------|-----------------------------------|
| Service Area | Current Year £m | 2018/19 £m | 2019/20 £m | 2020/21 £m | 2021/22 onwards £m |
| Forecast Expenditure Movements | | | | | |
| TOTAL as at end July | 117.152 | 76.110 | 22.215 | 0.919 | 7.364 |
| Schools - Primary and Secondary Sector | +0.216 | +3.125 | -0.034 | | |
| Local Enterprise Partnership | +1.890 | -0.483 | | | -1.907 |
| Economic Development | | +0.283 | -0.283 | | |
| Highways and Traffic Management | +1.458 | -0.271 | +0.890 | | |
| Highways Engineering Projects | -0.630 | +3.678 | +0.001 | | |
| Support Services | +0.192 | -0.216 | | | |
| Schools - SEN and Access | +0.200 | | | | |
| Early Years and Community Services | -0.062 | +0.062 | | | |
| Flood And Water | | | | | |
| Adult Social Care and Learning Disabilities | -0.030 | +0.030 | | | |
| Other Services | -0.140 | +0.101 | | | |
| TOTAL as at End September | 120.246 | 82.419 | 22.789 | 0.919 | 5.457 |
| Financing Movements | | | | | |
| TOTAL as at end July | 117.152 | 76.110 | 22.215 | 0.919 | 7.364 |
| Loans Pool Funded | -1.414 | +1.415 | -0.039 | | |
| Internal Funds | | | | | |
| Capital Receipts | +0.309 | +0.317 | -0.283 | | |
| Revenue | | | | | |
| Third Party Contributions | -0.352 | +2.540 | +0.890 | | |
| Grants | +4.551 | +2.037 | +0.006 | | -1.907 |
| Leasing | | | | | |
| TOTAL as at End September | 120.246 | 82.419 | 22.789 | 0.919 | 5.457 |

Appendix C continued.

Notes:

The following notes relate to movements of over £0.050m between years on individual schemes. This appendix excludes movements that result from the changes in the levels of approvals described in Appendix A. The balance of the change between the figures in the tables above and below will comprise one or more schemes having movements below the £0.050m threshold and any movements following the changes in approvals in Appendix A.

Schools – Primary and Secondary Sector

| N O T E S | Project | Current Year £m | 2018/19 £m | 2019/20 £m | 2020/21 £m | 2021/22 onwards £m |
|-----------------------|--------------------|-----------------------|---------------|---------------|---------------|--------------------------|
| 1 | Schools Basic Need | -1.952 | +1.946 | +0.006 | | |
| 2 | Kingfisher School | -1.209 | +1.209 | | | |

1. **Schools Basic Need** – This relates to a potential land purchase for a new School that at Quarter 1 looked likely to be required in the current year however this has now been deferred meaning that if a land purchase is required it is not likely to take place until 2018/19.
2. **Kingfisher School** – This relates to the receipt of a substantial Section 106 Contribution which has been applied to the scheme. As the Contribution will be spent first, the forecasted spend against Loans has slipped into the following year.

Highways and Traffic Management

| N O T E S | Project | Current Year £m | 2018/19 £m | 2019/20 £m | 2020/21 £m | 2021/22 onwards £m |
|-----------------------|-------------------------|-----------------------|---------------|---------------|---------------|--------------------------|
| 1 | Traffic Signals | -0.136 | +0.136 | | | |
| 2 | Cross Rifles Roundabout | -0.041 | -0.850 | +0.891 | | |
| 3 | Bridgwater Hopsital | -0.076 | | | | |

1. **Traffic Signals** – Slippage in delivery of large Signal schemes for North Taunton.
2. **Cross Rifles/Canon Roundabout, Bridgwater** – Agreement to progress the scheme was only recently confirmed. Therefore slippage of some 6 months in the programme has occurred which has a knock on effect on programme for delivery of scheme.
3. **Bridgwater Hospital** – Works completed. Minor works associated with safety audit concerns to be addressed. The remainder of funding allocation to be returned to the PCT.

Highways Engineering Projects

| NOTES | Project | Current Year £m | 2018/19 £m | 2019/20 £m | 2020/21 £m | 2020/21 onwards £m |
|-------|-------------------------|--------------------|---------------|---------------|---------------|--------------------------|
| 1 | Yeovil Western Corridor | -0.579 | +0.579 | | | |
| 2 | NIDR Taunton Station | -0.100 | +0.100 | | | |

- Yeovil Western Corridor** – Delay in progressing scheme in accordance with programme due to challenge made to the original Tender Award recommendation. Procurement procedure was subsequently undertaken again and tender has now been awarded but this has led to a 4 -5 month slippage in the programme.
- NIDR Taunton Station** – Planning consent and type of junction still yet to be finalised by the developer. Therefore we are currently unable to progress the implementation of the scheme.

Support Services

| NOTES | Project | Current Year £m | 2018/19 £m | 2019/20 £m | 2020/21 £m | 2021/22 onwards £m |
|-------|-------------------------|--------------------|---------------|---------------|---------------|--------------------------|
| 1 | One Public Estate/ CASA | +0.284 | -0.255 | | | |
| 2 | County Farms | -0.075 | +0.075 | | | |
| 3 | Change Programme | +0.060 | -0.060 | | | |

- One Public Estate/ CASA** – Some aspects of the project has seen forecasts slip into next year as solutions are still being developed (Yeovil and Bridgwater are key examples). The Taunton solution is being developed linked with the “priority 1” repairs and maintenance work required in A Block, County Hall. It has been agreed that £535k will now be spent this year on this project.
- County Farms** – Some slippage in the programme is expected although a more accurate forecast will be known in time for Quarter 3 reporting.
- Change Programme** – It has been identified during Quarter 2 of this year that there is a potential requirement for the purchase of a scheduling toll with the TAP Programme that will possibly now fall into the current year rather than 2018/19.

Business Growth

| N O T E S | Project | Current Year £m | 2018/19 £m | 2019/20 £m | 2020/21 £m | 2021/22 onwards £m |
|-----------------------|-----------------|-----------------------|---------------|---------------|---------------|--------------------------|
| 1 | Somerset Energy | | +0.283 | -0.283 | | |

1. **Somerset Energy** – The forecast for Phase 3 has been brought forward from 2019/20 in to 2018/19 as works are expected to be completed sooner than previously forecast.

Other Services

| N O T E S | Project | Current Year £m | 2017/18 £m | 2018/19 £m | 2019/20 £m | 2020/21 onwards £m |
|-----------------------|---------------|-----------------------|---------------|---------------|---------------|--------------------------|
| 1 | Rights of Way | -0.085 | +0.085 | | | |

1. **Rights Of Way Network** – Forecast adjusted due to slippage caused by protracted procurement.

Cabinet

15th November 2017**Net projected over/under spend as at 30 September 2017**

| <i>Col 1</i> | <i>Col 2</i> | <i>Col 3</i> | <i>Col 4</i> | <i>Col 5</i> | |
|---|---|---|--|---|----------------------------------|
| Service Area | Approvals Position as at end September 2017 £m App A Col 7 | Predicted Over Spend £m | Predicted Under Spend £m | +Over/- Under spend as % of Approval Col 3 or 4/Col 2 | N O T E S |
| Schools - Primary and Secondary Sector | 134.296 | | | | |
| Local Enterprise Partnership | 125.031 | | | | |
| Economic Development | 107.861 | | | | |
| Highways and Traffic Management | 89.271 | +0.023 | -0.280 | 0.03% | 1 |
| Highways Engineering Projects | 61.173 | +0.075 | -0.139 | 0.12% | 2 |
| Support Services | 34.536 | +1.088 | -0.137 | 3.15% | 3 |
| Schools - SEN and Access | 14.194 | | | | |
| Early Years and Community Services | 9.576 | | | | |
| Flood And Water | 6.616 | | | | |
| Adult Social Care and Learning Disabilities | 6.106 | | | | |
| Other Services | 7.811 | | -0.052 | -0.67% | 4 |
| TOTAL | 596.471 | +1.186 | -0.608 | 0.10% | |

Notes – Summarised below are details of the key items contributing towards the £0.577m forecasted overspend reported in the above table.

1. This sum comprises of the following:

- £0.190m under spend of Grant for Yeovil Eastern Corridor;
- £0.076m under spend of Contributions for Bridgwater Hospital;
- £0.005m under spend of Contributions for Godminster Lane, Bruton;
- £0.005m under spend of Contributions for Wheddon Cross;
- £0.003m under spend of Contributions on South Petherton Hospital;
- £0.002m under spend of Contributions for the Ilchester to Yeovil Cycleway;

- £0.003m over spend on Porlock Link Road;
 - £0.020m over spend of Grant on the Bridgwater Sustainable Transport Improvements (LSTF).
2. This sum comprises of the following:
- £0.120m under spend of Contributions for Wyndham Bus Gates;
 - £0.020m under spend of Contributions for Market Street, Highbridge Pedestrian Crossing;
 - £0.006m over spend of Contributions for Cannington Traffic Calming Measures;
 - £0.069m over spend of Contributions for A38 Huntworth Roundabout;
3. This sum comprises of the following:
- £0.088m under spend of Capital Receipts for SMART Office;
 - £0.032m under spend of Capital Receipts for Northgate;
 - £0.011m under spend of Contributions for the Data Room Replacement Cooling System;
 - £0.006m under spend of Grant for County Farms Replacement Barns and House;
 - £0.028m over spend of Capital Receipts for Frome Shared Services;
 - £1.060m over spend of Loans for Corporate ICT Investment.
4. This sum comprises of the following:
- £0.038m under spend of Loans for Rights of Way Network;
 - £0.014m under spend of Grant for Libraries Management System.

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Somerset County Council

Cabinet

15th November 2017**Treasury Management Mid-Year Report 2017-18**

Cabinet Member: Cllr David Hall – Cabinet Member for Resources

Division and Local Member: All

Lead Officer: Kevin Nacey, Director of Finance & Performance

Author: Alan Sanford, Principal Investment Officer

Contact Details: 01823 359585/6

| | Seen by: | Name | Date |
|------------------------------------|---|----------------|-------------|
| Report Sign off | County Solicitor | Honor Clarke | 23/10/17 |
| | Monitoring Officer | Julian Gale | 23/10/17 |
| | Corporate Finance | Kevin Nacey | 23/10/17 |
| | Human Resources | Chris Squire | 23/10/17 |
| | Senior Manager | Stephen Morton | 20/10/17 |
| | Cabinet Member | David Hall | 01/11/17 |
| | Forward Plan Reference: | FP/17/08/11 | |
| Summary: | <p>The Treasury Management Strategy for 2017-18 is underpinned by the adoption of the Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management (Revised 2011), which includes the requirement for determining a treasury strategy on the likely financing and investment activity for the forthcoming financial year. The Code also recommends that Full Council is informed of Treasury Management activities at least twice a year.</p> <p>This report is for information only. It gives a summarised account of Treasury Management activity and outturn for the first half of the year, and ensures Somerset County Council (SCC) is embracing Best Practice in accordance with CIPFA recommendations.</p> | | |
| Recommendations: | <p>That the Cabinet endorses the Treasury Management Mid-Year Report for 2017-18 and recommends it is received and endorsed by Full Council on 29th November 2017.</p> | | |
| Reasons for recommendations | <p>The Local Government Act 2003 requires the Council to operate the overall treasury function with regard to the CIPFA Code of Practice for Treasury Management in the</p> | | |

| | |
|--|---|
| | Public Services. The Code requires Full Council to receive as a minimum, an annual strategy and plan in advance of the year, a mid-year review, and an annual report after its close. This is the mid-year review for 2017-18. |
| Links to Priorities and Impact on Service Plans: | Effective Treasury Management provides support to the range of business and service level objectives that together help to deliver the Somerset County Plan. |
| Consultations undertaken: | None |
| Financial Implications: | As per links to priorities box |
| Legal Implications: | As above |
| HR Implications: | As above |
| Risk Implications: | There are no specific risks associated with this outturn report. The risks associated with Treasury Management are dealt with in the Annual Treasury Management Strategy, Annual Investment Strategy, and Treasury Management Practice documents. |
| Other Implications (including due regard implications): | None |
| Scrutiny comments / recommendation (if any): | The Audit Committee is the nominated body to provide scrutiny for Treasury Management and this report will be sent to Audit Committee members. |

1. Economic Background

1.1 UK economic activity expanded at a much slower pace as evidenced by Q1 and Q2 GDP growth of 0.2% and 0.3% respectively. With the dominant services sector accounting for 79% of GDP, the strength of consumer spending remains vital to growth, but with household savings falling and real wage growth negative, there are concerns that these will be a constraint on economic activity in the second half of the year.

August Inflation (CPI) rose to 2.9%, its highest since June 2013 as the fall in the value of sterling following the June 2016 referendum result continued to feed through into higher import prices.

The unemployment rate fell to 4.3%, its' lowest since May 1975, but the squeeze on consumers intensified as average earnings grew at 2.5%, below the rate of inflation.

The unscheduled General Election in June, called to resolve uncertainty, resulted in an enhanced level of political uncertainty. Although the potential for a so-called hard Brexit may have diminished, lack of clarity over future trading partnerships, in

particular future customs agreements with the rest of the EU block, is denting business sentiment and investment.

The Bank of England made no change to monetary policy at its meetings in the first half of the financial year. The vote to keep Bank Rate at 0.25% narrowed to 5-3 in June highlighting that some MPC members were more concerned about rising inflation than the risks to growth. Although at September's meeting the Committee voted 7-2 in favour of keeping Bank Rate unchanged, the MPC changed their rhetoric, implying a rise in Bank Rate in "the coming months". It also reiterated that any increase will be gradual and limited as the interest rate backdrop will have to provide substantial support to the UK economy through the Brexit transition.

In contrast to the UK, near-term global growth prospects improved. The US Federal Reserve increased its target range of official interest rates in June for the second time in 2017 by 25bps to between 1% and 1.25%, and a further similar increase is expected at its December 2017 meeting.

The Euroland economic outlook got another upgrade in September, in Bloomberg's latest economic survey. Gross domestic product is now forecast to rise 2.1 percent this year, up 0.1 percentage point compared with August, and the eighth positive reassessment in the past year.

The European Central Bank also raised its forecasts in September, to 2.2%. ECB President Mario Draghi said at the time that the expansion "continues to be solid and broad-based across countries and sectors." Against that backdrop, ECB policy makers have begun a debate on how to slow the monthly asset purchases they've used to help support the economy in recent years.

On the downside, geopolitical tensions escalated in August as the US and North Korea exchanged escalating verbal threats. The provocation from both sides helped wipe off nearly \$1 trillion from global equity markets but benefited safe-haven assets such as gold and the US dollar.

The FTSE 100 nevertheless powered away reaching a record high of 7,548 in May but dropped back to 7,377 at the end of September.

Gilt yields displayed some volatility over the six-month period with the change in sentiment in the Bank of England's outlook for interest rates, the push-pull from expectations of tapering of Quantitative Easing (QE) in the US and Europe, and from geopolitical tensions. To highlight the volatility, the yield on 5-year gilts fell to 0.35% in mid-June, but then rose to 0.80% by the end of September. The 10-year gilt yield similarly rose from their lows of 0.93% to 1.38% at the end of the quarter, and those on 20-year gilts from 1.62% to 1.94%.

As gilt yields have a direct correlation to PWLB borrowing rates, the movements, and particularly the spike upwards in September, can be seen in Tables 2 and 3 in Appendix A.

LIBID rates supplied by the British Bankers' Association show that there was barely any movement in rates out to 3-months, with a general drift down in periods beyond this. This changed dramatically in September as Mark Carney implied an impending rise in rates. Rates for 3-months and longer have risen sharply in the last couple of weeks in September.

3-month, 6-month and 12-month LIBID rates have averaged 0.18%, 0.32% and 0.53% respectively over the period from April to 30th September 2017, closing on year-to-date highs of 0.21%, 0.37%, and 0.60% respectively.

Rates paid by banks to Local Authorities have continued to be volatile and non-uniform, being based on individual institutions' wholesale funding requirements at any given time. Some counterparties have quoted negative yields for periods up to 3-months during the first half of the year.

Tables showing the effect that economic conditions had on money market rates during the period, can be seen in Table 1, Appendix A.

1.2 Debt Management

The Council's need to borrow for capital purposes is determined by the Capital Programme. Council Members are aware of the major projects identified for 2017-19. As planned, some £107.6m of major projects for 2017-2018 is to be financed by government grants, capital receipts and contributions, and re-profiled funding as outlined in the Treasury Management Strategy Statement passed by Council in February 2017. No borrowing has been taken during the period, nor is there any envisaged to be taken in the second half of the year.

The debt position at the beginning and end of the period are shown overleaf:

| | Balance on 31/03/2017 £m | Debt Matured / Repaid £m | New Borrowing £ms | Balance on 30/09/2017 £m | Increase/ Decrease in Borrowing |
|--|-------------------------------------|-------------------------------------|------------------------------|-------------------------------------|--|
| Short Term Borrowing | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| PWLB | 159.05 | 0.00 | 0.00 | 159.05 | 0.00 |
| LOBOs | 113.00 | 0.00 | 0.00 | 113.00 | 0.00 |
| Fixed Rate Loans (Including Ex-Barclays LOBOs) | 57.50 | 0.00 | 0.00 | 57.50 | 0.00 |
| Total Borrowing | 329.55 | 0.00 | 0.00 | 329.55 | 0.00 |

The overall rate paid on loans remained unchanged for PWLB at 4.59%. The average LOBO (Lenders Option, Borrowers Option) rate at 30th September was also the same as at 31st March, at 4.72%. The combined average rate was 4.66%.

As there has been no change to the PWLB portfolio during the period, the average weighted maturity as at 30th September had decreased by six months to 26.7 years. The average duration of all Market Loans dropped to 34.2 years from 34.7.

1.3 Investment Activity

The Guidance on Local Government Investments in England gives priority to security and liquidity and the Council's aim is to achieve a yield commensurate with these principles.

Security of capital remained the Council's main investment objective. This was achieved by following the counterparty policy as set out in the Annual Investment Strategy, and by the approval method set out in the Treasury Management Practices. Counterparties having approval for use during the period are listed below. Those used during the first half of the year are denoted with a star.

| Bank or Building Society | | Bank or Building Society | |
|---------------------------------|---|---|---|
| Bank of Scotland | * | Oversea-Chinese Banking Corp | * |
| Barclays Bank Plc | | Commonwealth Bank of Australia | * |
| Close Brothers Ltd | | National Australia Bank | * |
| DBS Bank Ltd | * | Bank of Montreal | * |
| Goldman Sachs Inv Bank | * | Toronto-Dominion Bank | * |
| HSBC Bank | * | Landesbank Hessen-Thuringen | * |
| Lloyds Bank | * | Canadian Imperial Bank of Commerce | |
| National Westminster | * | | |
| Nationwide BS | * | Sterling CNAV Money Market Funds | |
| Santander UK | * | Goldman Sachs | |
| Standard Chartered Bank | | Deutsche MMF | |
| Australia & NZ Bank | * | Invesco Aim | * |
| Svenska Handelsbanken | * | Federated Prime Rate | * |
| Nordea Bank | * | JP Morgan | * |
| Rabobank | * | Insight | * |
| United Overseas Bank | * | Standard Life | * |
| OP Corporate Bank | * | LGIM | * |
| | | | |
| Other Counterparties | | | |
| Debt Management Office | | Other Local Authorities | * |
| CCLA Property Fund | * | (10 used – Total £53.5m) | |

SCC has continuously monitored counterparties, and all ratings of proposed counterparties have been subject to verification on the day, immediately prior to investment. Other indicators taken into account have been:

- Credit Default Swaps and Government Bond Spreads.
- GDP and Net Debt as a Percentage of GDP for sovereign countries.
- Likelihood and strength of Parental Support.
- Banking resolution mechanisms for the restructure of failing financial institutions i.e. bail-in.
- Share Price.
- Market information on corporate developments and market sentiment towards the counterparties and sovereigns.

Counterparty Update

There were a few credit rating changes during the quarter. The significant change was the downgrade by Moody's to the UK sovereign rating in September from Aa1 to Aa2. Moody's downgraded Standard Chartered Bank's long-term rating to A1 from Aa3. They affirmed Royal Bank of Scotland's and NatWest's long-term ratings at Baa1, placed Lloyds Bank's A1 rating on review for upgrade, and revised the outlook of Santander UK plc and Nationwide Building Society from negative to stable. Moody's also downgraded long-term ratings of the major Canadian banks on the expectation of a more challenging operating environment, and the ratings of the large Australian banks on its view of the rising risks from their exposure to the Australian housing market and the elevated proportion of lending to residential property investors.

In response, the Council reduced its' duration limits with Canadian Banks to 6-months from 13-months. Australian Banks already had a limit of 6-months.

S&P revised Nordea Bank's outlook to stable from negative, whilst affirming their long-term rating at AA-.

Ring-fencing, which requires the larger UK banks to separate their core retail banking activity from the rest of their business, is expected to be implemented within the next year. In response, the Council reduced the maximum duration of unsecured investments with Bank of Scotland, HSBC Bank and Lloyds Bank from 13-months to 6-months, as until banks' new structures are known, the different credit risks of the 'retail' and 'investment' banks cannot be known for certain.

UK bank credit default swaps continued their downward trend, reaching three-year lows by the end of June. Bank share prices have not moved in any particular pattern.

Standard Chartered Bank was re-introduced to the list in May as concerns over a volatile share price and a comparably elevated CDS level subsided, although no investments have been placed to date.

Maturities for new investments with financial institutions on the Council's list at 30th September are currently limited as follows :-

UK Institutions

National Westminster Bank – **a maximum period of 35 Days;**
Barclays Bank, Goldman Sachs International Bank, and Standard Chartered Bank -

a maximum period of 100 days;

Bank of Scotland, Close Brothers Ltd, HSBC Bank, Lloyds Bank, Nationwide Building Society, and Santander UK - **a maximum period of 6 months;**

Non-UK Institutions

Landesbank Hessen-Thuringen, OP Corporate Bank, and all Australian and Canadian Banks - **a maximum period of 6 months.**

Nordea Bank, Rabobank, Svenska Handelsbanken, DBS Bank, OCBC, and UOB - **a maximum period of 13 months.**

In order to diversify the portfolio, some deposits have been placed with UK Local Authorities. This allows for longer-dated maturities (up to 24-months at present) with excellent creditworthiness and an appropriate yield.

Liquidity: In keeping with the CLG guidance, the Council maintained a sufficient level of liquidity through the use of call accounts, Money Market Funds, and short-term deposits.

91 cash deposits totalling in excess of £448m were made during the first half of the year. SCC did not borrow short-term money during the first half of 2017-18.

CCLA Property Fund: In May, the Council placed a £10m investment in the CCLA Property Fund. This Fund has been in existence for more than 25 years and is only available to Local Authorities. It is an actively managed, diversified portfolio of UK Commercial Property with a stated investment objective “to provide investors with a high level of income and long-term capital appreciation”.

The decision to invest in the CCLA Property Fund was driven by 2 key factors. Firstly, by diversifying away from unsecured Bank deposits, it would help to mitigate the increased risk posed by unsecured bank bail-in, and secondly, to mitigate the risk of negative returns (real negative returns, or inflation adjusted returns) posed by the low interest rate environment.

A full risk assessment was undertaken, and identified the main risks as depreciation in market value (there is an instant drop in value due to the bid/offer spread), and loss of liquidity. These are both mitigated by treating the investment as a longer-term hold. By identifying a suitable level of longer-term investment with reference to core balances and reserves, liquidity will not be compromised, and potential dips in market value can be patiently sat out. Whilst planning for the downside, there is also the upside, that there will be capital appreciation. In the meantime, the current Property Fund yield of circa 4.4% to 4.5% net, if sustained, would be nearly 4% above current cash yields, and will provide an extra £400,000 of income per annum.

Yield: As at 30th September Comfund investment (including approximately £1.2m of outstanding Icelandic capital) stood at just under £220m averaging just under £220m for the year-to-date. The Comfund vehicle, which consists mainly of SCC Capital and Revenue Reserves, has an average return for the year-to-date of 0.60%, and has out-performed the benchmark by 0.35% as base rate has averaged 0.25% for the period. The weighted average maturity of the Comfund was 5.4

months, as some longer deposits were made where possible, but the majority of loans were kept to 6-months. The return of 0.60% is comfortably above the 6-month LIBID average of 0.32%, and was even above the 12-month LIBID average of 0.53%.

A total of over £660k has been earned in Comfund interest in the first six months of the year. Comfund administration charges received from investors total approximately £13k for the period.

Revenue interest (Ex-Property) has contributed a further £88k of income, with an average revenue balance (general working capital) of just under £34m, and an average return of 0.26%, 5 basis points above the average 3-month LIBID rate.

The combined return (Inc Property) for the period has been 0.65% on an average balance of £261m, or approximately £854k in monetary terms. This equates to a £1.45m per annum benefit of investing over the risk-free option, the Government Debt Management Office (DMO).

The combined return for the same period in 2016-17 was 0.78% on an average balance of £306m, or approximately £1.2m in monetary terms. The reduction in rates achieved follows the reduction in base rate. The reduction in average balances of £53m reflects reduced income and net outflows of capital balances and the passive borrowing strategy, i.e. using internal funds to finance spending, and borrowing money only when necessary. The investment in the CCLA Property Fund has added 10 basis points to average returns.

SCC continues to manage cash on behalf of other not-for-profit organisations including Exmoor National Park Authority (ENPA), and South West Councils (SWC) via service level agreements and the Comfund vehicle. These balances were approximately £9.3m at period-end.

A further amount, approximately £78m, is held by SCC as part of the South West Local Enterprise Partnership (LEP).

The table below highlights investment figures over the period: -

| | Balance 31-3- 2017 £m | Rate of Return at 31-3- 2017 % | Balance as at 30- 09-2017 £m | Rate of Return at 30-9- 2017 % | Average Balance 31-3 to 30-09 £m | Average Rate 31- 3 to 30- 09 % |
|--------------------------------|--|---|---|---|---|---|
| Short-Term Balances (Variable) | 7.86 | 0.35 | 18.02 | 0.26 | 33.91 | 0.26 |
| Comfund (Fixed) | 211.31 | 0.69 | 219.72 | 0.54 | 220.02 | 0.60 |
| CCLA Property Fund | 0.00 | 0.00 | 10.00 | 4.41 | 6.72 | 4.41 |
| Total Lending | 219.17 | 0.68 | 247.74 | 0.68 | 260.65 | 0.65 |

Icelandic Investments Update

The current position is this: -

Landsbanki & Glitnir – As reported in the end of 2016-17 Treasury Management Outturn Report, SCC has concluded any interest that it had with these two banks.

Kaupthing, Singer & Friedlander – The estimated range for total dividends was increased at the lower end in the Administrator's October 2016 report, and remains at 86p-86.5p in the pound.

A further dividend of £92,834.38 was received in May 2017. Future dividends will be paid subject to consultation with the Creditors' Committee, and when the level of distributable funds makes it cost effective to do so. A further dividend is expected before the end of 2017.

In total, as at 30th September 2017 £23,179,417.04 had been recovered. The shortfall of £1.82m from the original investment was written off back in 2008-09.

1.4 Compliance with Prudential Indicators

The Council can confirm that it has complied with its Prudential Indicators for 2016-17. Those indicators agreed by Full Council and actual figures as at 30th September are included below:

| | 2017-18 £m | As at 30-09 £m |
|---|---------------|-------------------|
| Authorised limit (borrowing only) | 389 | 340 |
| Operational boundary (borrowing only) | 363 | 340 |
| | | |
| Upper limit on fixed interest rate exposure | 100% | 100% |

| | | |
|--|-----|----|
| Upper limit on variable interest rate exposure | 30% | 0% |
|--|-----|----|

| Maturity structure of borrowing | Upper Limit | Lower Limit | As at 30-09-17 |
|---------------------------------|-------------|-------------|----------------|
| Under 12 months | 45% | 15% | 28.8% |
| >12 months and within 24 months | 20% | 0% | 7.4% |
| >24 months and within 5 years | 20% | 0% | 0.0% |
| >5 years and within 10 years | 20% | 5% | 9.0% |
| >10 years and within 20 years | 20% | 5% | 12.2% |
| >20 years and within 30 years | 20% | 0% | 0.0% |
| >30 years and within 40 years | 35% | 5% | 26.4% |
| >40 years and within 50 years | 20% | 5% | 16.2% |
| 50 years and above | 5% | 0% | 0.0% |

| | 2017-18 £m | As at 30-09 £m |
|---|---------------|-------------------|
| Prudential Limit for principal sums invested for periods longer than 364 days | 100 | 40 |

1.5 Outlook for Quarters 3 & 4

The UK economy faces a challenging outlook as the minority government continues to negotiate the country's exit from the European Union. Both consumer and business confidence remain subdued. Household consumption growth, the driver of UK GDP growth, has softened following a contraction in real wages. Savings rates are at an all-time low and real earnings growth struggles in the face of higher inflation.

The Bank of England's Monetary Policy Committee has changed its rhetoric, implying a rise in Bank Rate, saying "some withdrawal of monetary stimulus is likely to be appropriate over the coming months". Whilst some remain unconvinced that the UK's economic outlook justifies such a move, the MPC seems to have shifted its' interpretation of the data.

The base rate was duly raised on 2nd November, by 0.25% to 0.5%, the first rate rise for 10 years. All members agreed that any future increases in Bank Rate would be expected to be at a gradual pace and to a limited extent. The central case is for gilt yields to remain broadly stable in the medium term.

A table of forecast rates to September 2020 is shown below.

| | Dec 17 | Mar 18 | Jun 18 | Sep 18 | Dec 18 | Mar 19 |
|---------------|--------|--------|--------|--------|--------|--------|
| Upside Risk | 0.00 | 0.00 | 0.00 | 0.25 | 0.25 | 0.25 |
| Base Rate | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 |
| Downside Risk | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | -0.25 |

| | Jun 19 | Sep 19 | Dec 19 | Mar 20 | Jun 20 | Sept 20 |
|---------------|--------|--------|--------|--------|--------|---------|
| Upside Risk | 0.25 | 0.25 | 0.50 | 0.50 | 0.50 | 0.50 |
| Base Rate | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 |
| Downside Risk | -0.25 | -0.25 | -0.25 | -0.25 | -0.25 | -0.25 |

Regulatory Updates

MiFID II: Local authorities are currently treated by regulated financial services firms as professional clients who can “opt down” to be treated as retail clients instead. But from 3rd January 2018, as a result of the second Markets in Financial Instruments Directive (MiFID II), local authorities will be treated as retail clients who can “opt up” to be professional clients, providing that they meet certain criteria. Regulated financial services firms include banks, brokers, advisers, fund managers and custodians, but only where they are selling, arranging, advising or managing designated investments. In order to opt up to professional, the Authority must have an investment balance of at least £10 million and the person(s) authorised to make investment decisions on behalf of the Authority must have at least one year’s relevant professional experience. In addition, the firm must assess that personnel have the expertise, experience and knowledge to make investment decisions and understand the risks involved.

The main additional protection for retail clients is a duty on the firm to ensure that the investment is “suitable” for the client. However, local authorities are not protected by the Financial Services Compensation Scheme nor are they eligible to complain to the Financial Ombudsman Service whether they are retail or professional clients. It is also likely that retail clients will face an increased cost and potentially restricted access to certain products including money market funds, pooled funds, treasury bills, bonds, shares and to financial advice.

The Council meets the conditions to opt up to professional status and intends to do so in order to maintain their current MiFID status.

CIPFA Consultation on Prudential and Treasury Management Codes: In February 2017 CIPFA canvassed views on the relevance, adoption and practical application of the Treasury Management and Prudential Codes and after reviewing

responses launched a further consultation on changes to the codes in August with a deadline for responses of 30th September 2017. The proposed changes to the Prudential Code include the production of a new high-level Capital Strategy report which will cover the basics of the capital programme and treasury management. The prudential indicators for capital expenditure and the authorised borrowing limit would be included in this report but other indicators may be delegated to another committee. There are plans to drop certain prudential indicators, and to drop or alter some of the current treasury management indicators.

CIPFA intends to publish the two revised Codes towards the end of 2017 for implementation in 2018-19, although they plan to put transitional arrangements in place for reports that are required to be approved before the start of the 2018-19 financial year. It is understood that DCLG will be revising its Investment Guidance (and its MRP guidance) for local authorities in England.

1.6 Summary

In compliance with the requirements of the CIPFA Code of Practice this report provides Councillors with a summary report of the treasury management activity during the first six months of 2017-18. As indicated in this report all treasury activity was conducted within the benchmarks set as Prudential limits for prudent and sustainable capital plans, financing, and investment. A risk-averse approach has been taken in relation to investment activity with priority being given to security and liquidity over yield.

Whilst the average duration of cash investments has been circa 5 months, the return of 0.55% (the approximate level of 12-month LIBID) has been achieved on average balances of £261m.

2. Options Considered - None

3. Consultations Undertaken - None

4. Financial, Legal, HR, and Risk Implications

4.1 The financial implications contained in this paper are included within the Medium Term Financial Plan (MTFP). Effective Treasury Management provides support to the range of business and service level objectives that together help to deliver the Somerset County Plan.

5. Other Implications - None

6. Background papers

6.1 Treasury Management Strategy Statement and appendices.

[TMSS 2017-18](#)

[TMSS Appendix A 2017-18](#)

[TMSS Appendix B 2017-18](#)

[TMSS Appendix C 2017-18](#)

[TMSS Appendix D 2017-18](#)

Appendix A

Money Market Data and PWLB Rates

The average low and high rates correspond to the rates during the financial year-to-date, rather than those in the tables below.

Table 1: Bank Rate, Money Market Rates (LIBID Rates from BBA)

| Date | Bank Rate | O/N LIBID | 7-day LIBID | 1-month LIBID | 3-month LIBID | 6-month LIBID | 12-month LIBID | 2-yr SWAP Bid | 3-yr SWAP Bid | 5-yr SWAP Bid |
|----------------|-------------|-------------|-------------|---------------|---------------|---------------|----------------|---------------|---------------|---------------|
| 01/04/2017 | 0.25 | 0.10 | 0.11 | 0.13 | 0.21 | 0.36 | 0.59 | 0.62 | 0.70 | 0.85 |
| 30/04/2017 | 0.25 | 0.10 | 0.11 | 0.13 | 0.20 | 0.35 | 0.56 | 0.56 | 0.63 | 0.79 |
| 31/05/2017 | 0.25 | 0.10 | 0.11 | 0.13 | 0.17 | 0.32 | 0.51 | 0.52 | 0.60 | 0.76 |
| 30/06/2017 | 0.25 | 0.10 | 0.11 | 0.13 | 0.17 | 0.32 | 0.53 | 0.69 | 0.80 | 0.99 |
| 31/07/2017 | 0.25 | 0.10 | 0.11 | 0.13 | 0.16 | 0.30 | 0.50 | 0.60 | 0.70 | 0.89 |
| 31/08/2017 | 0.25 | 0.10 | 0.11 | 0.13 | 0.15 | 0.28 | 0.47 | 0.53 | 0.61 | 0.78 |
| 30/09/2017 | 0.25 | 0.10 | 0.11 | 0.13 | 0.21 | 0.37 | 0.60 | 0.81 | 0.92 | 1.09 |
| | | | | | | | | | | |
| Average | 0.25 | 0.10 | 0.11 | 0.13 | 0.18 | 0.32 | 0.53 | 0.58 | 0.67 | 0.83 |
| Maximum | 0.25 | 0.10 | 0.12 | 0.13 | 0.21 | 0.37 | 0.61 | 0.81 | 0.93 | 1.10 |
| Minimum | 0.25 | 0.09 | 0.11 | 0.12 | 0.15 | 0.27 | 0.46 | 0.44 | 0.49 | 0.63 |
| Spread | 0.00 | 0.01 | 0.01 | 0.01 | 0.06 | 0.10 | 0.15 | 0.37 | 0.44 | 0.47 |

| Change Date | Notice No | 1 year | 4½-5 yrs | 9½-10 yrs | 19½-20 yrs | 29½-30 yrs | 39½-40 yrs | 49½-50 yrs |
|----------------|-----------|--------|----------|-----------|------------|------------|------------|------------|
| 03/04/2017 | 129/17 | 1.05 | 1.45 | 2.13 | 2.77 | 2.78 | 2.61 | 2.57 |
| 28/04/2017 | 164/17 | 1.02 | 1.43 | 2.11 | 2.77 | 2.79 | 2.62 | 2.57 |
| 31/05/2017 | 205/17 | 1.05 | 1.57 | 2.03 | 2.69 | 2.71 | 2.55 | 2.50 |
| 30/06/2017 | 250/17 | 1.28 | 1.63 | 2.26 | 2.88 | 2.89 | 2.73 | 2.66 |
| 31/07/2017 | 292/17 | 1.18 | 1.54 | 2.22 | 2.86 | 2.88 | 2.72 | 2.67 |
| 31/08/2017 | 336/17 | 1.10 | 1.42 | 2.06 | 2.72 | 2.74 | 2.58 | 2.52 |
| 29/09/2017 | 378/17 | 1.34 | 1.79 | 2.38 | 2.94 | 2.95 | 2.78 | 2.72 |
| | | | | | | | | |
| Low | | 1.00 | 1.34 | 1.98 | 2.66 | 2.68 | 2.51 | 2.45 |
| Average | | 1.14 | 1.50 | 2.15 | 2.79 | 2.81 | 2.65 | 2.59 |
| High | | 1.36 | 1.82 | 2.42 | 2.98 | 2.99 | 2.84 | 2.77 |
| Spread | | 0.36 | 0.48 | 0.44 | 0.32 | 0.31 | 0.33 | 0.32 |

Table 2: PWLB Borrowing Rates – Fixed Rate, Maturity Loans

Table 3: PWLB Borrowing Rates – Fixed Rate, Equal Instalment of Principal (EIP) Loans

| Change Date | Notice No | 4½-5 yrs | 9½-10 yrs | 19½-20 yrs | 29½-30 yrs | 39½-40 yrs | 49½-50 yrs |
|-------------|----------------|----------|-----------|------------|------------|------------|------------|
| 03/04/2017 | 129/17 | 1.18 | 1.49 | 2.16 | 2.57 | 2.77 | 2.82 |
| 28/04/2017 | 164/17 | 1.15 | 1.47 | 2.14 | 2.57 | 2.78 | 2.83 |
| 31/05/2017 | 205/17 | 1.13 | 1.40 | 2.05 | 2.48 | 2.69 | 2.74 |
| 30/06/2017 | 250/17 | 1.39 | 1.66 | 2.29 | 2.69 | 2.89 | 2.93 |
| 31/07/2017 | 292/17 | 1.28 | 1.58 | 2.25 | 2.67 | 2.86 | 2.92 |
| 31/08/2017 | 336/17 | 1.19 | 1.46 | 2.08 | 2.52 | 2.73 | 2.78 |
| 29/09/2017 | 378/17 | 1.51 | 1.82 | 2.41 | 2.77 | 2.95 | 2.98 |
| | | | | | | | |
| | Low | 1.12 | 1.37 | 2.01 | 2.45 | 2.66 | 2.72 |
| | Average | 1.25 | 1.53 | 2.17 | 2.59 | 2.80 | 2.85 |
| | High | 1.54 | 1.86 | 2.45 | 2.81 | 2.99 | 3.03 |
| | Spread | 0.42 | 0.49 | 0.44 | 0.36 | 0.33 | 0.31 |

Somerset County Council

Cabinet

15th November 2017**Council Performance Report – End of September (Q2) 2017/18**

Cabinet Member(s): Cllr David Fothergill, Leader of the Council & Cllr David Hall

Division and Local Member(s): All

Lead Officer: Emma Plummer / Strategic Manager - Performance

Author: Emma Plummer / Strategic Manager - Performance

Contact Details: (01823) 359251

| | | | |
|---------------------------------------|---|--|-------------|
| Report Sign Off: | Seen by: | Name | Date |
| | County Solicitor | Honor Clarke | 01/11/2017 |
| | Monitoring Officer | Scott Wooldridge | 01/11/2017 |
| | Corporate Finance | Kevin Nacey | 01/11/2017 |
| | Human Resources | Chris Squire | 01/11/2017 |
| | Property / Procurement / ICT | Richard Williams | 01/11/2017 |
| | Senior Manager | Simon Clifford | 01/11/2017 |
| | Local Member(s) | N/A | N/A |
| Informed: | Cabinet Member | Cllr David Hall | 01/11/2017 |
| | Opposition Spokesperson | Cllr Jane Lock Cllr Simon Coles | 06/11/2017 |
| Relevant Scrutiny Chairman | | Cllr Tony Lock Cllr Hazel Prior-Sankey Cllr Leigh Redman | 06/11/2017 |
| | Forward Plan Reference: | FP/17/08/06 | |
| Summary: | This performance monitoring report provides an overview of the Council's performance across the organisation. | | |
| Recommendations: | <p>Cabinet is asked to:</p> <ol style="list-style-type: none"> 1. Consider and comment on the information contained within this report specifically those areas identified as a potential concern under Section 3.0 of this report and the "issues for consideration" section of Appendix A. 2. Where performance issues are highlighted, Cabinet should consider whether the proposed management actions already in place are adequate to improve performance to the desired level. If the Cabinet are of the view that the actions are not adequate then Cabinet should indicate what further actions are required to ensure performance is improved. 3. Subject to any amendments agreed under the above bullet points, to agree this report and Appendix A as the latest position for Somerset County Council against the County Plan. | | |

| | | | | | |
|--|--|--|---------------|--|-------------------|
| Reasons for Recommendations: | To ensure effective monitoring and management of the delivery of the Council's County Plan. | | | | |
| Links to Priorities and Impact on Service Plans: | Links to all aspects of the County Plan 2016-20. | | | | |
| Consultations undertaken: | Key messages have been approved by Directors, Lead Commissioners and Cabinet Lead Members. | | | | |
| Financial Implications: | Financial performance is discussed within this report. If performance is not at the expected or desired level then resources may need to be reviewed to enable improved performance. | | | | |
| Legal Implications: | It is important when reviewing performance to ensure that minimum statutory requirements are being met at all times. There is nothing in the report to indicate that this is a concern at this time. | | | | |
| HR Implications: | Actions agreed to address performance issues may involve the reallocating of resources and staff. As such there would be direct implications for staff that play a role in the delivery of services in those areas affected. | | | | |
| Risk Implications: | In light of national resource constraints it is inevitable that service reductions will emerge from the Medium Term Financial Plan process. Members should note that these reductions may materially impact on our ability to deliver some of the priorities set out in the County Plan. The performance and issues highlighted in this report are likely to impact on one or more of the Council risks as detailed in the Council's Risk Report. | | | | |
| | Likelihood | | Impact | | Risk Score |
| Other Implications (including due regard implications): | If addressing performance issues requires changes in the way services are delivered, these must be supported by an appropriate impact assessment which will need to be duly considered by decision makers in line with our statutory responsibilities before any changes are implemented. | | | | |
| Scrutiny comments / recommendation (if any): | Not applicable. | | | | |

1. Background

1.1. This report provides members and senior officers with the information they need to lead and manage the performance of the outcomes set out in the County Plan and the organisation.

1.2. The report has been updated to reflect the County Plan that was adopted by full Council in February 2016 and a review of the priorities and the performance information that contributes to them has been carried out.

Appendix A – the Performance Wheel now has seven segments which reflect the “People’s Priorities” which are widely consulted upon through the Listening Learning, Changing Roadshows. There are four “Council” segments which seek to measure how well the council manages its relationships with partners, staff and the public and how good its ‘internal management’ processes are. There is one segment that seeks to reflect the performance of the Vision Projects being undertaken by the Vision Volunteers.

1.3. The Vision Volunteer segment is a quarterly update evidenced by the Core Council Board papers that accompany this report.

1.4. This report provides the latest information available in the period up until 30th September 2017. As such some of the data may be a little historical in nature; discussions regarding “performance issues” will take account of any additional information that may be available following production of this report.

2. Performance Overview

2.1. The latest performance information is set out in Appendix A and summarised in the table below. A performance status [RAG] at the objective level is detailed at the centre of the wheel in Appendix A whilst key areas of concern for consideration are set out in boxes on the right hand side of the wheel.

2.2. Performance Summary

The table below summarises overall performance against objectives:

Directions of Travel have been assessed based on whether current performance is improving or deteriorating as opposed to comparing performance with the previous report.

| Metric Segment | Number of objectives | | | Direction of Travel | | |
|-------------------------|----------------------|-------|-----|---------------------|--------|------|
| | Green | Amber | Red | Up | Stable | Down |
| The People's Priorities | 3 | 3 | 1 | 5 | 2 | 0 |
| The Council | 2 | 1 | 1 | 1 | 3 | 0 |
| Vision Volunteers | 1 | 0 | 0 | 0 | 1 | 0 |
| Totals | 6 | 4 | 2 | 6 | 6 | 0 |
| As Percentage | 50% | 33% | 17% | 50% | 50% | 0% |

It is important when managing performance that consideration be given to the overarching vision statements set out in the County Plan.

3. Performance Issues for Consideration and Action

3.1. This quarter there are two red segments:

P3 Safer Children and Better Care

- The Children's Trust Executive are pleased with the progress against the 7 Improvement Programmes, but recognises there is still much to do. Action Plans for 2017/18 are in place and Q2 performance against the CYPP will be considered by the Policies, Children and Families Scrutiny Committee on 17th November 2017. Ofsted quarterly monitoring visits have concluded adequate progress is being made and DfE intervention has confirmed a "significant improvement" in Somerset's Children's Services, including more manageable case-loads, a more stable workforce and better partnership working as reported by the Minister in 2016. Despite this, until a re-inspection, services are judged inadequate and there is a corporate risk for Safeguarding Children that has a very high risk rating. Change is evident but universal improvement remains a challenge.

C4 Managing our Business

- The segment is red because of the Authority's financial position but this disguises some good performance across other aspects of the County's business. The majority of indicators under C4 in corporate and support services are green or amber but with the significance of the budget overspend reported elsewhere on the Cabinet agenda, the C4 segment has been judged as Red.

4. Core Council Programme

- 4.1. The current status of the Core Council Programme is set out in Appendix B (attached), which details key achievements, issues and next steps.

Overall progress is good this quarter and there have been advances in several of the existing programmes as detailed in the report below. This quarter has also seen the addition of five high priority improvement and transformation themes that have been added to the Core Council Programme with the potential to achieve significant service improvement and redesign, resulting in savings and/or cost reductions.

These high-priority themes are as a direct result of the Medium Term Financial Planning process where seven key business cases were signed-off by Cabinet in February 2017. It is expected that as part of delivering these business cases, areas of high-priority improvement or transformation will be reviewed annually to explore the potential to release savings.

Where savings potential is identified, work programmes will form part of the Core Council Programme to develop opportunities into a level of detail that tests their viability and return on investment through the governance of the Core Council Board. It is anticipated that some opportunities will develop into clear delivery plans, whilst others will not achieve the right level of assurance and will therefore not progress pass key checkpoints.

The Core Council Programme continues to target delivery of £31.375m of financial benefits in addition to the £27.922m already achieved. Of the £31.375m being targeted, £21.520m is either in, or expected to be included in the Medium Term Financial Planning process. The remaining £9.855m is delivering cost avoidance benefits i.e. reducing potential overspends and curtailing demand. It should however be noted that these figures do not include some benefits from programmes that are currently under review.

An update on progress is detailed by theme below.

4.2. High Priority Themes

Reviewing to Improve Lives (RTIL)

Reviewing to Improve Lives is a programme of work which is focussed on embedding services for Adults with a Learning Disability that are commissioned and provided in a way that delivers quality and promotes independence, progression and aspiration. This requires significant and permanent change to the way these services are currently commissioned and is expected to result in better outcomes for individuals to live independently within their communities. Engaging with providers will be a key activity to strengthen relationships and shape how the market looks in the future. A substantial piece of work is also planned to support the culture change around our approach to supporting Adults with a Learning Disability within the organisation.

The initial activity of reviewing existing support plans for customers to make them more person-centred and outcome focussed is expected to release efficiencies

and a dedicated team of social care staff has been recruited. Potential savings are in the process of being profiled.

The Community Connect project which is happening as part of Adults Transformation is also a key interdependency for RTIL to ensure better outcomes for Adults with a Learning Disability.

Children's Placements

Our priority is to ensure the Council provides adequate and effective placement options for our Children Looked After. Nationally, Local Authorities are struggling to deal with the demand for placements, the ability of the market to respond to needs and inadequate funding. This priority programme of work underway in Somerset is looking at a whole system approach across social care and education practice and operations, as well as commissioning activity and work with key partners, particularly health, to drive out key improvements and new ways of working.

A detailed review of all aspects of placements has been undertaken and a project plan is in place with 7 key workstreams underway managed through a Placements Working Group within Children's Commissioning.

Improvements in practice have already resulted in cost avoidance of £2.02m, through changes to the At Risk of Care (ARC) review panel structure and Edge of Care services, and by starting to address the balance between internal and external fostering.

Family Support Services

Work is now underway to take forward a key priority within the Children and Young People's Plan 2016-2019 to develop 'early help hubs' and integrated early help services (encompassing health visitors, school nurses (Public Health Nursing) and getset) and to consider the future use of children's centres. The aim is to provide one family support service that is more effective at co-ordinated, preventative and early help support for families, thereby improving outcomes for children and reducing costs on infrastructure.

An options appraisal is underway to consider how an integrated service could be delivered in the future, and an initial soft market event has been held with interested providers.

A consultation to gather views from the public and parents about what they value from Public Health Nursing and early help services is now underway for 10 weeks until the 1 December 2017. Views will be sought on proposals for where support may be available geographically. Following the completion of the consultation and options appraisals, proposals will then provide a recommended course of action for a decision by Cabinet in early 2018.

Business and Corporate Support Services

Business and Corporate Support has been identified as a target area for financial savings. There are two distinct elements to the review – Children's Services Business Support and all other corporate support across the Council. A project team has considered the functions and resources deployed in Business Support in Children's Services as the first area for review. Recommendations at this stage offer reflections on the likely quick wins within the scope for reducing costs but

the potential for more significant savings would only be possible from a wider review of social work practice, case load and systems across Children's social work. The current model, workload and processes within Children's Social Care business support is driven overwhelmingly by current social work practice, which would need to be changed – through a whole system review – to drive out efficiencies from business support. As a result, future opportunities will be revisited once the Children's Safeguarding inspection has been undertaken to align improvements to the outcomes for children.

In the review of the wider corporate support to the Council's service activities, the review team have examined benchmark data from a number of sources and angles to determine how the Council's costs in corporate and support services compare to the average and what other opportunities might be available to develop future work programmes, as well gaining confidence that the set of savings proposals for 17/18 is achievable.

Following this initial work, it was established that the imperative to make savings in line with MTFP targets has been met. In addition, the level of opportunity to make further savings was reviewed and it was agreed at Core Council Board in July, that work to establish the range of service options and savings proposals within Corporate and Support Services should be postponed until the new financial year to concentrate on more productive and higher value business cases.

Transport

The transport project team are currently reviewing all passenger transport commissioned or delivered and implementing a number of initiatives to achieve efficiencies in an area of growing demand from services. The review is scheduled to take place over a 4-year period.

The work to drive out efficiencies in Transport has already resulted in savings of £1.913m through the procurement of new contracts for school transport and route optimisation. Continuing the installation and training of Computer Aided Transport Scheduling Software (CATSS) is enabling the identification of further savings opportunities. This software provides efficiencies in driver and journey planning.

Consultation on SCC's Education Transport Policy will commence at the end of September/early October.

4.3. Programmes

Improving Children's Services

Arrangements with Essex County Council as Improvement Partner continue. A Quality and Performance Review Meeting (QPRM) successfully took place in September, with a focus on preparedness for Ofsted inspection. In addition, regular Ofsted monitoring visits are taking place with the most recent visit on 22nd and 23rd August 2017.

Embedding of the 'Tools to do the Job' work stream concluded at the end of August having delivered:

- Positive deployment of the Early Help Case Management system within 'getset Services', which has replaced the use of spreadsheets and has created increased capacity for casework.
- Improved multi-agency collaboration and sharing of information through the use of Professional Choices, with ever increasing numbers of users and positive impacts on practice.
- Suitable arrangements to ensure 'Team Around the School' is supported for a further academic year and achieves the ambition of a collaborative, multi-agency approach to identifying and meeting needs early and effectively.

The SEND 0-25 Intervention Programme continues to provide a framework around the 9 multi-agency priority groups in place to bring about improvement in SEND services and address the Peer Review feedback.

Final preparations are underway to deliver four SEND multi-agency Practitioner Conferences with our partners, including children and young people and the parent carer forum across Somerset. Attendees will have the opportunity to network with colleagues in their locality, share best practice, learn about The Unstoppables (representatives of our Children and Young People) and capture feedback from services 'at ground level'. It is intended to develop a charter for multi-agency working to support practitioners from Education, Health and Social Care to work together more effectively in the future.

Modernising Adults' Social Care

A 'Promoting Independence' communications strategy has been developed. Communications across the summer have focussed on engagement with communities to further develop the Community Connect approach to people seeking support.

The new approach to supporting people to leave hospital continues to develop. Although there is still more to do to ensure this approach is universally adopted, progress is good and, notably, was recognised in a letter to the Council from the Secretary of State for Health.

The last couple of months have seen the service implement a new leadership structure which will place it in a stronger position to deliver on the broader ambitions it has set. A new performance framework supports effective measurement of progress and a revised Transformation Board has been set up to provide strategic oversight and an 'outcomes based' approach to change.

Economic Growth

Economic Prosperity

We continue to undertake a range of projects to promote economic growth across Somerset by driving inward investment and job creation. These include major road schemes, developing our railway stations, digital infrastructure and ensuring that Somerset benefits from the build of Hinkley Point C.

A key focus of work for SCC has been around liaison with EDF Energy regarding the Hinkley Point C construction programme. This has included detailed planning

regarding delivery of the associated development works, in particular the remaining highway schemes. Junction improvements have now commenced by EDF Energy at M5 J23 following early completion of the schemes at Bristol Road/The Drove and Wylds Road/The Drove. Key progress in the last period has included the development of a bid by SCC for Community Impact Mitigation Funding to create an Education Business Partnership, and development of material to enable commencement of the Travel Demand Programme from early 2018.

Highways England has announced a supplementary consultation exercise with more options for the proposed A358 route close to Taunton and agreement has been reached around funding for the development of Taunton Railway Station. Great Western Railways will now commission the detailed design and commence procurement.

Airband have achieved their contractual target of 4794 total homes passed with superfast broadband in the Dartmoor and Exmoor element of phase 2 of the Connection Devon and Somerset Programme.

SCC legal team and Leonardo's legal team are also close to an agreement on the site lease for the iAero project which is a cost-effective mechanism for enabling technological innovation, making it faster and better through effective collaboration. A full Business Case for European Regional Development Fund funding for the development of the iAero Centre has been submitted to Department for Communities and Local Government.

The contract has been awarded for Somerset Energy Innovation Centre phase 2 and mobilisation work has commenced. Highbridge Enterprise Centre extension is expected to be completed this year.

2020 Vision

One Public Estate (OPE)

The programme continues to deliver the central government One Public Estate initiative which seeks to reduce the public sector building running costs, dispose of surplus public-sector buildings and support regeneration which will produce new homes and new jobs across Somerset.

Following the decision of Somerset County Council and West Somerset District Council not to pursue the relocation of Williton Library, work has commenced to install a new self-service kiosk at the Library.

The Shepton Mallet project is still on hold to allow Mendip District Council to align with the wider development of a Blue Light Emergency Centre and to ensure alignment with the outcomes of the library service review.

Progress continues to be made on Taunton opportunities with development of the Police Deane House hub. Work continues in relation to essential works to A Block, County Hall.

Outline Business Case/Feasibility is being prepared for Yeovil and links are being established with the Chard regeneration project.

Technology and People (TAP)

The programme continues to focus on improving organisational productivity and process efficiency using technology and a new People Strategy as the key enablers for working very differently, resulting in better interaction with our partners and customers.

Following the deployment of smartphones, all phones will now receive an upgrade to Windows 10 to enable improved connectivity to work files by working with and synchronising with all other Windows devices. There is also progress in the deployment of other technologies such as SharePoint which will improve user experience for collaborating on documents and e-recruitment, which moves from pilot stage to roll out phases later in the year.

Staff engagement continues to be positive via the Technology Champions community with regular good attendance at 'Lunch and Learn' sessions.

In September, a review of the TAP programme was undertaken which highlighted key areas of focus that will now be taken into a revised business case and delivery plan.

5. Options considered and reasons for rejecting them

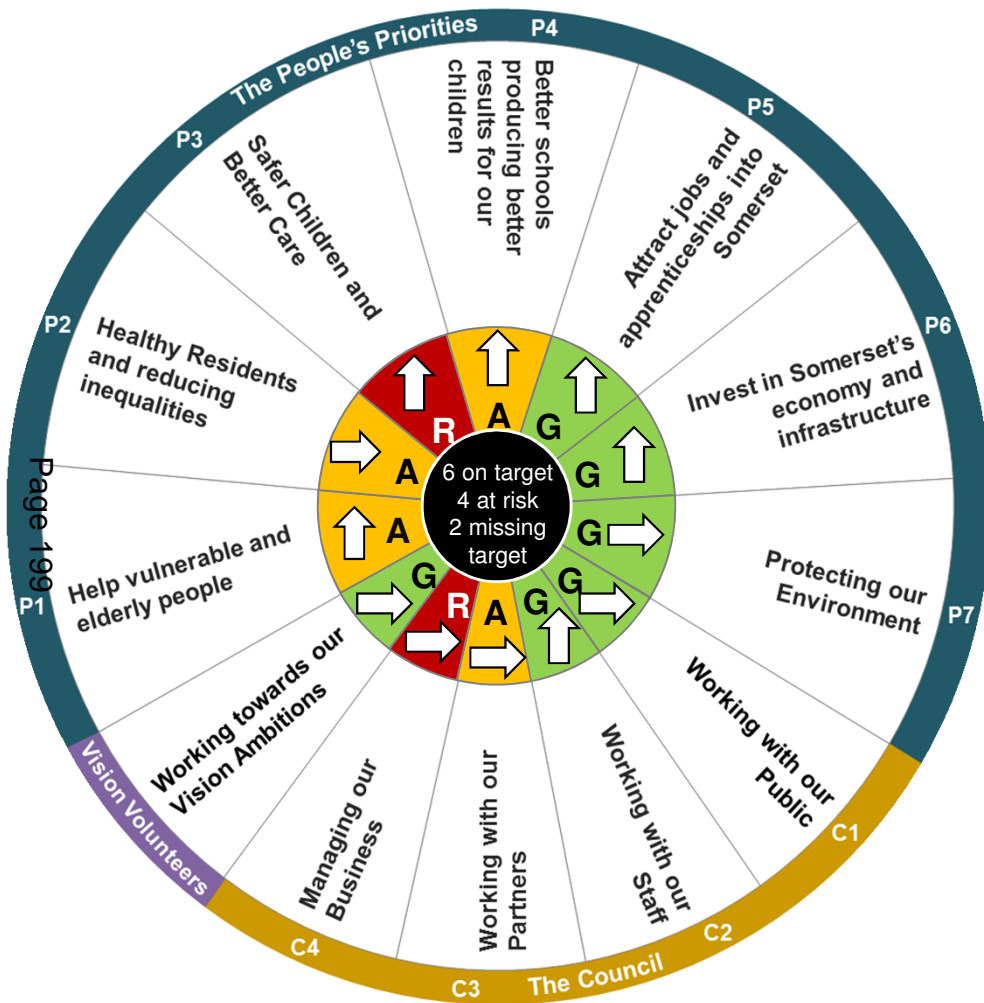
5.1. N/A

6. Background Papers

6.1. County Plan

<http://somesetcountyplan.org.uk/>

Date of Report: 15th November 2017
Report Forum: Cabinet



Page 199

| | |
|---|---------------------------|
| ↑ | Performance Improving |
| ↓ | Performance Deteriorating |
| → | Performance Stable |
| G | On target |
| A | At risk of missing target |
| R | Missing target |

Issues for consideration

P3 Safer Children and Better Care - (red but improving)

- The Children's Trust Executive are pleased with the progress against the 7 Improvement Programmes, but recognise there is still much to do. Action Plans for 2017/18 are in place and Q2 performance against the CYPP will be considered by the Policies, Children and Families Scrutiny Committee on 17th November 2017. Ofsted quarterly monitoring visits have concluded adequate progress is being made and DfE intervention has confirmed a "significant improvement" in Somerset's Children's Services, including more manageable case-loads, a more stable workforce and better partnership working as reported by the Minister in 2016. Despite this, until a re-inspection, services are judged inadequate and there is a corporate risk for Safeguarding Children that has a very high risk rating. Change is evident but universal improvement remains a challenge.

C4 Managing our Business – (red but stable)

- The segment is red because of the Authority's financial position but this disguises some good performance across other aspects of the County's business. The majority of indicators under C4 in corporate and support services are green or amber but with the significance of the budget overspend reported elsewhere on the Cabinet agenda, the C4 segment has been judged as Red.

P1 Help vulnerable and elderly people – (moving from red to amber)

- The Performance Improvement processes and improved use of data to support performance improvement is now being used consistently across all teams. This is in conjunction with a focused and improved use of technology. Management actions are in place for all performance targets and are being monitored closely. The implementation of the new management structure will improve and strengthen the approach further.

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| Core Council Programme Dashboard - Q2 | | Reporting period: August - September 2017 | | |
|---|--|---|-----|-------------------|
| High Priority Themes | | | | |
| Reviewing to Improve Lives (RTIL) | | | | |
| Ensuring that, in future, services for Adults with a Learning Disability are commissioning and provided in a way that delivers quality and promotes independence, progression and aspiration. | | | | |
| Senior Responsible Owner: Stephen Chandler | | Previous status: | N/A | Current status: R |
| Achievements | <ul style="list-style-type: none"> Initial provider discussions complete. Dedicated social care team recruited. | | | |
| Issues | <ul style="list-style-type: none"> £3.1m of in-year savings for year one not feasible in this timeline on current projections. Current projecting £1m in year (£3.7m full year effect) Savings profile being supported by Business Change given the reduced Finance establishment. | | | |
| Next Steps | <ul style="list-style-type: none"> Continue reviewing cases in Tranche 1. (October 2017) Testing/re-profiling the savings trajectory in light of checkpoint outputs. (October) 2017 Planning for future milestones/checkpoints in light of checkpoint outputs. (October 2017) Define and agree approach for use of Care Funding Calculator. (October 2017) | | | |
| Children's Placements | | | | |
| Ensuring the Council provides adequate and effective placement options for our children looked after; this forms part of the Council's sufficiency duty. | | | | |
| Senior Responsible Owner: Julian Wooster | | Previous status: | N/A | Current status: A |
| Achievements | <ul style="list-style-type: none"> Children Looked After turnover analysis complete. Staff recruitment under way for refocused Edge of Care service. | | | |
| Issues | <ul style="list-style-type: none"> Lack of capacity in fostering market is a national issue and there is no quick fix. | | | |
| Next Steps | <ul style="list-style-type: none"> Peninsula Fostering Framework out to tender. (October 2017) Increase capacity within Placements Team to include SEND. (November 2017) Progress report to Audit Committee in November on original recommendations in advance of SWAP follow up audit of placements (expected from November 2017). Placement summit across social care, education and commissioning to address placement stability issues. (October 2017) | | | |
| Family Support Service | | | | |
| Integrating Early Help services (health visitors, school nurses (Public Health Nursing) and getset) to provide one family support service that is more effective at providing co-ordinated, preventative and early help support for families, thereby improving outcomes for children and managing costs against a reducing budget. | | | | |
| Senior Responsible Owner: Trudi Grant & Julian Wooster | | Previous status: | N/A | Current status: A |
| Achievements | <ul style="list-style-type: none"> Public consultation commenced for Family Support Services and Children's Centres. Market engagement event held. | | | |
| Issues | <ul style="list-style-type: none"> The public health nursing contract extension is not yet signed. Support from Corporate services needed to get to Cabinet decision in February. | | | |
| Next Steps | <ul style="list-style-type: none"> Complete consultation and options appraisal (December 2017). | | | |
| Transport | | | | |
| Driving out efficiencies in Transport by managing demand and optimising use of the fleet, whilst continuing to meet statutory duties. | | | | |
| Senior Responsible Owner: Paula Hewitt | | Previous status: | N/A | Current status: A |
| Achievements | <ul style="list-style-type: none"> Award of contract for replacement of tail-lift vehicles with low floor buses - 10 vehicles now on order. Installation and training of Computer Aided Transport Scheduling Software (CATSS) for Yeovil and Glastonbury, enabling efficiencies in driver and journey planning. | | | |
| Issues | <ul style="list-style-type: none"> Still need to confirm activities which will deliver savings beyond 2019. | | | |

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| Next Steps | <ul style="list-style-type: none"> o Planning to drive out future year benefits (2019 and beyond) (October 2017). o Complete Q routes software training & implementation (October 2017). o Commence consultation on Education Transport Policy (October 2017). o Review Smart Card project and consider options/validate timescales for implementation in January 18. (October 2017) o Review process for submission of SEN and FESEN transport requests to ensure requests are received early enough to take advantage of competitive rates.(October 2017) |
|-------------------|--|

Improving Children's Services

Children's Priorities 2017/18
 Ensuring the Children's improvement agenda is delivered and remains visible and supported. Embedding the tools needed for practitioners to undertake their roles in relation to Early Help and Safeguarding.
 Delivering a multi-agency response to SEND following peer review feedback, focussing on improvement in services, quality assuring our statutory duties and preparation for a local area inspection across education, health and care.

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|---------------------------------|--|-------------------------|----------|------------------------|----------|
| Senior Responsible Owner | Julian Wooster | Previous status: | A | Current status: | A |
| Achievements | <ul style="list-style-type: none"> o Children's Social Care Ofsted monitoring visit took place (August) and QPRM meeting (September). o Local Area Inspection Network group organised and mobilised and SEND Casework team are now paperless. o Good multi-agency engagement with the delivery of the nine priorities with regular attendance at groups, and a shared understanding and ownership is growing through dialogue and shared actions. | | | | |
| Issues | <ul style="list-style-type: none"> o There are gaps in our understanding of SEND at a partnership level and this impacts on the pace at which service change and improvement can be delivered for SEND. o Leadership capacity to deliver what remains a huge change agenda within Children's services is significantly stretched. | | | | |
| Next Steps | <ul style="list-style-type: none"> o Practitioner level multi agency events to ensure a good multi agency response to SEND objectives (October 2017). o Council for Disabled Children (CDC) Audit for SEND services to be completed across Education, Health and Care (October 2017). o Early Help Module 6 month post implementation review (December 2017). | | | | |

Modernising Adult Social Care

Adults' Transformation Programme
 Re-designing the way Adult Social Care works to enable increasing demand to be met in different ways. Defining the next phase of transformation work in Adult's service including work with partners on jointly managing the health front door.

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|----------------------------------|--|-------------------------|---------------------------|------------------------|---------------------------|
| Senior Responsible Owner: | Stephen Chandler | Previous status: | N/A - being scoped | Current status: | N/A - being scoped |
| Achievements | <ul style="list-style-type: none"> o Approach to commissioning enabling work agreed. o Focus on Community Connect communications with staff, members and the public over the summer. | | | | |
| Issues | None | | | | |
| Next Steps | <ul style="list-style-type: none"> o Approach to sharing learning from trailblazers to be established and used to inform scope (December 2017). o Promoting Independence communications strategy to be reviewed by Adults' Transformation Board to support aspirations broader than Community Connect (December 2017). | | | | |

Economic Growth

Economic Prosperity
 Promoting economic growth across Somerset by driving inward investment and job creation.

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| Senior Responsible Owner: | Paula Hewitt | Previous status: | A | Current status: | A |
| Achievements | <p>Major Programmes</p> <ul style="list-style-type: none"> o Hinkley - the framework for the travel demand / behaviour programme is now live and work has commenced. <p>Highways & Transport</p> <ul style="list-style-type: none"> o Taunton Railway Station - agreement has been reached around funding for the development. o Bridgwater Colley Lane - Tenders are being evaluated. o Yeovil Western Corridor - Initial work and testing on the site has begun. <p>Digital Infrastructure</p> <ul style="list-style-type: none"> o Connecting Devon and Somerset phase 2 - all 6 Lots have been awarded. 5 of the 6 Lots have been awarded to Gigaclear and Lot 4 has been awarded to Airband. o Somerset Energy Innovation Centre (SEIC) - 90% of space in phase 1 of SEIC is now committed with significant anchor tenants in place. Contract has been awarded for SEIC phase 2. <p>Business Infrastructure</p> <ul style="list-style-type: none"> o Construction on Highbridge Enterprise Centre has commenced with completion expected for December 2017. | | | | |

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| Issues | Highways & Transport <ul style="list-style-type: none"> Decision on J25 Planning Application - delay on decision due to the need to resolve concerns raised by Highways England. | | | |
| Next Steps | Business Infrastructure <ul style="list-style-type: none"> Develop Business Case for Growth 3 deal funds for submission to Local Enterprise Partnership for iAero Centre in Yeovil (November 2017). ERDF funding agreement finalised for iAero Centre in Yeovil (December 2017). Highbridge Enterprise Centre extension to be completed (December 2017). Libraries <ul style="list-style-type: none"> Informal engagement with communities to develop specific proposals (November 2017). Detailed planning of Public Consultation (December 2017). | | | |
| 2020 Vision | | | | |
| One Public Estate (OPE) Delivering central government One Public Estate initiative which seeks to reduce the public sector building running costs, dispose of surplus public sector buildings and support regeneration which will produce new homes and new jobs across Somerset. | | | | |
| Senior Responsible Owner: Claire Lovett | | | Previous status: | Current status: |
| | | | R | R |
| Achievements | <ul style="list-style-type: none"> Consideration of potential Phase 6 OPE funding bids. Williton OPE project closed and residual activities moved to BAU. | | | |
| Issues | <ul style="list-style-type: none"> Dependent partner transformation projects continue to have an impact on delivery across all OPE projects. | | | |
| Next Steps | <ul style="list-style-type: none"> Direction of travel for Bridgwater, Shepton, Taunton and Chard projects to be confirmed (October 2017). Draft Outline Business Case for Yeovil to be completed (November 2017). Establishment of links with Chard regeneration project (November 2017). | | | |
| Technology and People-led (TAP) Improving organisational productivity and process efficiency using technology and a new People Strategy as the key enablers for working very differently, resulting in better interaction with our partners and customers. | | | | |
| Senior Responsible Owner: Richard Williams | | | Previous status: | Current status: |
| | | | A | A |
| Achievements | <ul style="list-style-type: none"> Gateway Review of the programme took place to validate assumptions in business case, several priority areas were identified. The MTFP target for 2017/18 has been met by Adult's Social Care. Enterprise Agility Pilot in progress for over 90 people across the organisation (including members of SLT and Members) with few issues. Sharepoint migration with SSE commenced. Smartphone waitlist complete and planning for upgrade complete. | | | |
| Issues | None. | | | |
| Next Steps | <ul style="list-style-type: none"> SWAP audit findings expected (October 2017). Windows smartphone upgrade to Windows 10 (September - November 2017). Sharepoint migration for SSE complete (October 2017). Commence E-recruitment on-boarding (October) and Enterprise Agility rollout (November 2017). | | | |
| RAG status definitions | | | | |
| Green – Programme/Project on target. Nothing that the Programme/Project Manager (PM) can forecast that will prevent the project/programme being completed to time, cost and quality. | | | | |
| Amber - Currently some issues. The project/programme is not progressing in line with the plan, resources, benefits, quality or stakeholder management expectations.. However, the PM/Senior Responsible Owner (SRO) agree that the actions in place will resolve things. | | | | |
| Red - Current issues that are having a significant impact on the plan, milestones, benefits or quality of the project/programme. If there are actions in place, the SRO/PM are not confident that those will bring resolution. | | | | |

Decision Report – Key decision

– 15th November 2017

Somerset Waste Partnership Draft Business Plan 2018 – 2023

Cabinet Member(s): Cllr David Hall – Cabinet Member for Deputy Leader and Cabinet Member for Resources and Economic Development

Division and Local Member(s): All

Lead Officer: Paula Hewitt – Lead Director for Economic and Community Infrastructure & Director of Commissioning

Author: Barry James – Strategic Commissioning Manager (Community Infrastructure)

Contact Details: 07919 540986

| | Seen by: | Name | Date |
|--------------------------------|--|------------------|-------------|
| | County Solicitor | Honor Clarke | 1/11/17 |
| | Monitoring Officer | Julian Gale | 1/11/17 |
| | Corporate Finance | Kevin Nacey | 1/11/17 |
| | Human Resources | Chris Squire | 1/11/17 |
| | Property / Procurement / ICT | Richard Williams | 1/11/17 |
| | Senior Manager | Paula Hewitt | 1/11/17 |
| | Local Member(s) | All | |
| | Cabinet Member | David Hall | 1/11/17 |
| | Opposition Spokesperson | Simon Coles | |
| | Relevant Scrutiny Chairman | Cllr Tony Lock | |
| Forward Plan Reference: | FP/17/09/12 | | |
| Summary: | <p>This report seeks a decision from the Cabinet on the Somerset Waste Partnership’s Draft Business Plan 2018-2023. The plan provides a framework within which the Somerset Waste Board can make decisions and steer the delivery of waste partnership services. The Business Plan is attached as Appendix A.</p> <p>The actions in the draft business plan sets out the most significant set of changes to Somerset’s waste services since the Somerset Waste Partnership’s inception in 2007. The actions are co-ordinated for maximum impact and value; the changes span all three major contracts for waste collection, treatment, disposal and infrastructure (including vehicles). It also develops SWPs capability, in some instances working in partnership with others, to support Somerset residents in wasting less and recycling more, with residual waste becoming a fuel stock to generate energy.</p> | | |

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| | <p>Following all partners' approval to implement Recycle More, the original delivery plan was to negotiate this with our current collection contractor (Kier). As it was not possible to reach agreement with Kier in a way which delivered the benefits that partners required, SWB have, by mutual consent with Kier, agreed to bring forward the expiry date of our current collection contract from September 2021 to 27 March 2020. Following a major review of the commissioning options open to SWP, the Board has agreed to undertake a competitive dialogue procurement to secure a new collection contractor following the expiry of the contract with Kier.</p> |
| <p>Recommendations:</p> | <p>That the Cabinet approves the Somerset Waste Partnership's Draft Business Plan 2018-23 (as set out in Appendix A), noting in particular the proposals for implementing Recycle More.</p> |
| <p>Reasons for Recommendations:</p> | <p>Somerset County Council, along with other partners in the Somerset Waste Partnership, is consulted on the draft plan prior to the final decision on the being taken by the Somerset Waste Board at their December meeting. The timetable for this consultation has been brought forward, for one year only, to align with the timetable for updating partners on the approach being taken to the collection contract.</p> <p>The draft Business Plan proposed actions with specific direct impacts upon the County Council:</p> <ul style="list-style-type: none"> • Implementing Recycle More (through the mechanism explained in the Summary above), which will have a direct impact upon residual waste disposal volumes. • Targeted waste prevention and minimisation activities, having a direct impact upon waste disposal. • Delivery of new infrastructure to manage new residual waste treatment. • Closure of landfill site (Broadpath) and repurposing of Dimmer. • Managing a staff office move into an SCC property. <p>Appendix B contains commercially sensitive information relating to the contract and the Council's financial and business affairs. Officers recommend that this is treated as exempt information. "Exempt information" is defined by Section 100 of the Local Government Act 1972, by Schedule 12A to that Act.</p> |
| <p>Links to Priorities and Impact on Service Plans:</p> | <p>The County Council has a statutory duty relating to the disposal of Waste. The Current County Plan runs until 2020 and the Business Plan supports keeping Somerset as a great place to live and work. Working in a Partnership accords with the Plan's</p> |

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| | <p>aims for maximising efficiency and delivering for the people of Somerset. Targeted educational activities relating to waste prevention and minimisation accord with an over-arching aim to improve education.</p> |
| <p>Consultations undertaken:</p> | <p>The Somerset Waste Partnership has considered this Business Plan at its meeting on the 3rd November. There has been a workshop to specifically discuss the delivery of Recycle More. SMG, made up of senior officers of the partner authorities and the MD of the SWP, have also played a part in shaping the draft Plan.</p> |
| <p>Financial Implications:</p> | <p>The Board is almost exclusively funded from contributions from partners and, apart from one-off funding bids, has no automatic block grant from Central Government or any reserves. It is therefore dependent on agreement between partners on the level of funding provided by each of them in line with the cost sharing formula.</p> <p>Business planning and budget setting are usually part of the same process but, due to the revised timetable, this year the Business Plan will be approved in December 2017 and the Budget finalised in February 2018. The budget presented in this report will remain draft and for one year only.</p> <p>The most significant element of the business plan relates to Recycle More. The significant work undertaken to review future service models has demonstrated that Recycle More is a lower cost option than our current collection operations, as well as delivering environmental benefits. The scale of these savings will inevitably be subject to the tendering process and what the market will offer in terms of contract price, on the efficiencies which a new contractor will bring (the potential for which SWP believe to be significant) and on the actual tonnages of new material that can be diverted. A robust procurement process will be essential to drive the former, and strong communications with residents will be essential for the latter. The savings delivered will also depend to some extent on the agreement reached with the incoming contractor on dry recyclate and materials volumes.</p> <p>It is proposed that the project will be managed with existing resources from SWP and the administering authority (SCC – in particular procurement and legal support) with external support on key commercial and technical matters. It is proposed that the costs associated with the project will be funded from the accrued income generated from the hire of refuse collection vehicles to Kier since 2015. This fund (£421k) was previously identified as providing support for overall roll-out costs for Recycle More.</p> |

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| <p>Legal Implications:</p> | <p>With regard to the key part of the Business Plan outlined above there are many legal implications given the major contractual change to be action by early expiry and the procurement of a new contract. As noted above, the terms of a new contract will need to be set and it is too early to be explicit at this time, however it is clear there are a number of issues that will need to be addressed in coming out of the current contract and re-tendering a new contract.</p> | | | | | | | | | | | |
| <p>HR Implications:</p> | <p>There are potential TUPE and pension implications that will need to be taken into account when proceeding with early termination; the same matters will need to be given consideration when going through a fresh procurement process.</p> | | | | | | | | | | | |
| <p>Risk Implications:</p> | <p>The risks vary between partners depending upon their role. The County Council, as waste disposal authority, is part of the Waste Partnership and is also its accountable body.</p> <p>The key risk relates to the delivery of the future collection arrangement and its impact upon the County Council as disposal authority, an impact which is primarily financial (i.e. reduced residual waste volumes sent to landfill results in reduced costs to the County Council).</p> <p>Risk is managed by the Partnership through its Board and SMG, where senior officers represent the Partnership and the six councils that are partner members.</p> <table border="1" data-bbox="528 1272 1481 1308"> <tr> <td>Likelihood</td> <td>3</td> <td>Impact</td> <td>4</td> <td>Risk Score</td> <td>12</td> </tr> </table> | | | | | | Likelihood | 3 | Impact | 4 | Risk Score | 12 |
| Likelihood | 3 | Impact | 4 | Risk Score | 12 | | | | | | | |
| <p>Other Implications (including due regard implications):</p> | <p><u>Equalities Implications</u></p> <p>Equalities Impact Assessments will be carried out as appropriate with the development of each Business Plan activity prior to proceeding with that activity. In most cases the decision to proceed based on the outcome of the impact assessment will be delegated to the Managing Director and Senior Management Team of SWP. Where significant issues are identified through the assessment process that would have implications for major projects or programmes the decision to proceed will return to the Board prior to commencing development. SMG will be given assurance that equalities are given due regard through the process of delivering the Business Plan.</p> <p><u>Community Safety Implications</u></p> <p>There are no foreseeable Community Safety implications from this decision.</p> | | | | | | | | | | | |

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| | <p><u>Sustainability Implications</u></p> <p>The Business Plan has an impact upon sustainability around levels of recycling, material volumes and waste being disposed of to landfill. The principle behind Recycle More seeks to provide a more sustainable method of managing waste and the Business Plan continues the Partnership’s commitment to this being implemented once the legal process of early termination and re-contracting are completed.</p> <p><u>Health and Safety Implications</u></p> <p>There are no obvious Health and Safety implications of this decision.</p> <p><u>Privacy Implications</u></p> <p>There are no obvious Privacy implications of this decision.</p> <p><u>Health and Wellbeing Implications</u></p> <p>There are no obvious Health and Wellbeing implications of this decision. The Business Plan contributes to the Shared Vision for Health and Wellbeing in Somerset “People live healthy and independent lives, supported by thriving and connected communities with timely and easy access to high-quality and efficient public services when they need them”.</p> |
| <p>Scrutiny comments / recommendation (if any):</p> | <p>Not applicable.</p> |

1. Background

- 1 The Somerset Waste Partnership (SWP) is responsible for providing waste and recycling services on behalf of all six local authorities in Somerset. The partnership is governed through a Joint Committee known as the Somerset Waste Board. The SWB Constitution requires the preparation of a Business Plan on an annual basis. The plan has a five year horizon with particular focus on the next 12 months, and it provides a framework within which the board can make decisions and steer the delivery of waste partnership services. The Board has delegated authority for decision making across all services and therefore must make proposals to the partners on how savings can be made, taking into account any requirements to make savings and proposals on how this can be achieved.
- 1 The Board's business planning cycle usually requires a draft report to be approved by the Board in December and circulated to partners for comment prior to the adoption of the Board's Annual Budget the following February. Further to decisions taken by the Board in September 2017 the timetable for approving this plan will change for this year only, with the Draft Business plan presented for Board Approval in November 2017, scrutinised by partner authorities in November and early December and presented for final approval at the next Board meeting, to be held on the 15th December.
- 1 Once approved or noted by all partners, the plan will be formally adopted by the Board to provide a framework within which the Board can make decisions and steer the delivery of Waste Partnership services over the Plan period.
- 1 The actions in the draft business plan sets out the most significant set of changes to Somerset's waste services since SWP's inception in 2007. Co-ordinated for maximum impact and value the changes span all three major contracts for waste collection, treatment, disposal and infrastructure (including vehicles). It also develops SWPs capability, in some instances working in partnership with others, to support Somerset residents in wasting less and recycling more, with residual waste becoming a fuel stock to generate energy. The business plan sets out three related areas of activity which together will enable us to realise SWP's vision, summarised in paragraphs 1.5 to 1.8.
- 1 **Building capability**
The Business Plan's proposed actions (see table 5.1 of the draft Plan in Appendix A) aim to ensure that the SWP works intelligently to enable it to realise the Board's vision, including through improving how the partnership uses data, developing and implementing a technology roadmap and doing more to understand people's behaviour. SWP is working closely with all partners to implement a new website, a new customer service system and a mobile app in order to improve the way we support customers.
- 1 The future collection arrangements i.e. the Recycle More model is a key aspect of the plan. Recycle More was approved by SWP Board on 16th December 2016 following consultation with all partner authorities. It has three key principles: An enhanced recycling collections including food and beverage cartons, plastic tubs and trays (including black plastic), small items of waste electric and electronic equipment (SWEEE) and domestic batteries; 3 weekly refuse collections;

additional capacity for properties with children in nappies or for adult absorbent hygiene products (AAHP). All partners endorsed the Recycle More model as part of the consultation on the draft 2017-2022 Business Plan ahead of its approval by the Board in February 2017. The original delivery plan was to negotiate this with our current collection contractor (Kier) and effect this via a deed of variation to reflect the contractual changes needed to implement Recycle More. Despite constructive negotiations it was not possible to reach agreement with Kier in a way which delivered the benefits that partners required – either financially or in terms of the additional materials to be collected each week. Accordingly, to ensure that we can progress the partnership desire to implement Recycle More SWB have, by mutual consent with Kier, agreed to bring forward the expiry date of our current collection contract from September 2021 to 27 March 2020. Bringing this date forward is particularly important as it means we can align the purchase of a new fleet of recycling and refuse vehicles with the way a new contractor will deliver the service – if these are not in alignment then we risk having a fleet of vehicles which is sub-optimal for the type of service SWB will be delivering.

1 Action on waste prevention, reuse, recycling and recovery

See table 5.2 of the draft Plan; these actions aim to improve Somerset's recycling rate from 52% towards 60% and potentially beyond, leading to a reduction in residual waste generated per household, and generate energy from materials that cannot be recycled ending the county's long reliance on landfill. Whilst the single most significant driver for these changes will be the implementation of Recycle More (as set out in paragraph 1.9 in more detail), an expanded focus on waste prevention and behavioural change is also a key driver. A pilot reintroduction of working with schools to promote the 'reduce, reuse, recycle' message to children and their parents (funded by Viridor) is a key element of this work in 2018/19. Close working with all partners will be necessary to maximise the impact of or work to change people's behaviours, focussing on reducing the 50% of recyclable waste that is still in our residual waste. There are many benefits of this work including direct reduction in costs to the County Council of waste disposal.

1 Maintaining services and operational effectiveness

These activities ensure the day to day functions of the SWP are delivered effectively and safely. SWP must give focus to maintaining the quality of services, predicting risks and preventing issues arising. It includes a review of SWP's core services contract with Viridor ahead of its expiry in 2022, focussing on whether there is value for money in extending this agreement.

1 Approach to implementing Recycle More

Early Expiry

To deliver the proposed Recycle More scheme, the Somerset Waste Board agreed at its meeting on 3 November 2017 to authorise the Managing Director of Somerset Waste Partnership to finalise and enter into a Deed of Variation with the contractor for the current collection contract to enable the early expiry of the contract on 27 March 2020. Somerset County Council is the Administering Authority for the Somerset Waste Partnership and the Deed will be executed by an Officer of the County Council on behalf of the Waste Partnership. It is expected

that the Deed will be executed on Monday 13 November 2017 following the expiration of the 'call-in' period on Friday 10 November.

The Board also agreed to authorise the Managing Director to oversee, manage and prepare the new collection contract procurement documents and manage the procurement process in consultation with a member New Service Task and Finish Group (which comprises the Chairman of the Waste Board and a representative from each of the partner authorities).

Approach to procurement

A robust procurement process will be necessary to optimise the likelihood of optimising the level of financial savings to partners and to improve our environmental performance by reducing residual waste and increase our recycling rate. The critical success factors for this project are:

- Achieving best value for SWP member authorities (including any partners that borrow to purchase vehicles/assets) through the procurement and cost sharing;
- Securing a provider who shares SWP's values and vision;
- Attracting and sustaining the interest of credible bidders before and during the procurement process;
- Managing the procurement to ensure compliance with procurement legislation and governance procedures, and to ensure that we progress through the phases of the procurement in a timely and effective way;
- Managing the interdependencies with other key elements of SWP's business plan, in particular:
 - SWP's wider communications and engagement strategy (in particular how we will engage with partners and the public to improve recycling capture ahead of the move to recycle more);
 - ICT strategy (including how we improve the way we manage customer and performance data in order to enable us to improve our customer service, help target and drive behaviour change, and more effectively predict and manage service issues);
 - Day to day collection contract service/performance management (especially given we are entering the final years of our current contract with Kier).
 - Reflecting the changing demographics of Somerset (in particular the ageing population and the impacts on our services of the increased emphasis on home based care).

The overall timetable and phasing have been informed by discussion with the commercial and procurement team at SCC and with Eunomia. Whilst it is manageable the pace at which we will be required to work in order to make this timetable work should not be underestimated.

Table 1: Procurement Timetable

| Phase | Time | Comments |
|--------------------------------|---------------------------|--|
| Soft market engagement | Nov 2017 – Feb 2018 | To ensure SWP maximises market interest, to help shape our approach |
| Pre-qualification | Mar 2018 – May 2018 | Mandatory phase |
| <i>Outline Solutions</i> | - | <i>Phase removed as not considered sufficiently beneficial</i> |
| Dialogue on proposed solutions | May 2018 – Dec 2018 | Focussed conversations on key issues (e.g. assets, risk, efficiency and consideration of possible variants) |
| Final tenders | Jan 2019 – April 2019 | Includes, evaluation, governance (ahead of pre-election period for DC elections in 2019) and standstill period. |
| Mobilisation | May 2019 – end March 2020 | New provider gearing up to commence service. Note that a phased transition to Recycle More will be required from April 2020 onwards. |

It is proposed that the project will be managed with existing resources from SWP and the administering authority (SCC – in particular procurement and legal support) with external support on key commercial and technical matters. It is proposed that the costs associated with the project will be funded from the accrued income generated from the hire of refuse collection vehicles to Kier since 2015. This fund (£421k) was previously identified as providing support for overall roll-out costs for Recycle More.

Table 2: Actual and forecast expenditure:

| Item | £ |
|---|----------------|
| Recycle More ear-marked reserve funding | 421,824 |
| Commissioning options appraisal | 14,942 |
| Develop Procurement Strategy (forecast) | 7,700 |
| Support for depot optimisation and service modelling | 20,000 |
| Commercial and technical support during procurement (forecast based on initial advice and benchmarking similar processes) | 250,000 |
| Purchase of baling plant and equipment (committed subject to early expiry) | 110,000 |
| Residual Balance | 19,182 |

In addition to these costs there will be further costs associated with the rollout of Recycle More (in particular from additional recycling containers, communications, operational support during a phased transition). These will be more fully explored throughout the procurement process as the scale and timing of these costs will depend upon the precise scope of the services we procure (i.e. what the contractor does and what SWP has to do), how the contractor proposes to phase and manage the transition, and how these costs are spread over the life of the contract. The SWB has previously agreed that savings will not be realised until the costs of implementation are covered.

The project will be managed in line with the administering authorities project management procedure and Contract Standing Orders. Key roles and responsibilities in the project structure are shown in Table 3.

Table 3: Key roles and responsibilities

| Role | Who | Responsibility |
|---------------------------------|---|---|
| New Service Task & Finish Group | Members from each partner authority | Political steer ahead of key decision points and holding the project true to the SWB's vision. |
| Senior Responsible Owner | Mickey Green | Ownership of the project. Responsible for direction and ensuring that member task and finish group are consulted appropriately |
| Project Manager | Bruce Carpenter | To plan, budget, oversee and document all aspects of the project to ensure that the project delivers its aims on time and on budget |
| Project Board | SMG (senior officers from each partner) | To support the SRO in providing overall direction and management for the project by bringing together a range of expertise |

2. Options considered and reasons for rejecting them

- 2.1.** The only alternative option available to the Council is to not approve the draft Business Plan. The risk of not approving the draft business plan is that this leads to a failure by the Somerset Waste Partnership to agree the Business Plan, and possibly the budget – leading to considerable negative financial and reputational implications for all partners.
- 2.2.** Our current collection contract with Kier is due to expire in September 2021. If the contract were to continue to this date then, despite lengthy negotiations to alter the existing contract, the phased implementation of Recycle More would be delayed to at least that date, and an entire new fleet of recycling and refuse vehicles would need to be in place ahead of procuring a contractor, creating a major risk to misalignment (i.e. having a fleet of vehicles which did not match how a contractor delivered services). SWP have therefore identified an opportunity to align major or improvements in collection services, disposal processes and waste infrastructure to create a fresh, new start for Somerset's waste services from 2020. This opportunity will bring together enhanced recycling collections; the end of landfill and start of energy-from-waste for rubbish, and a new fleet of collections vehicles operating out of refreshed depots.

- 2.3.** Following a major review of the commissioning options open to SWP, the SWB has agreed to undertake a competitive dialogue procurement to secure a new collection contractor following the expiry of the contract with Kier. The other options considered in detail were:
- a) providing the services “in house” (DSO/DLO)
 - b) forming a Local Authority Company (LAC)
 - c) out-sourcing the services through a procurement process (and which procurement process was most suitable).
 - d) continuing with the current contract until its expiry in September 2021

The outcome of this research was presented to SWB at an informal workshop on 15 September and at the Board meeting on 29 September 2017. A summary of the reasons for rejecting alternative options is provided below:

- In-house/DSO: This option was discounted at an early stage because of the additional pension costs of the transferred staff being eligible to join the LGPS. It is estimated that this would add around £1.8M pa to the cost of the services. This makes the DSO option unattractive when compared to a LAC which could exclude membership of LGPS.
- Local Authority Company: Whilst cost modelling indicated that the LAC and out-sourced options were very similar, the risk profile of the LAC was significantly higher. For example District Council partners would be exposed to 100% budgetary risk on the fluctuation of materials values, fuel price rises, costs of severe weather, materials values, workforce issues. These and other risks (e.g. expertise acquisition, focus on strategic priorities, likelihood in securing the efficiencies which will be crucial to a cost-effective service) meant that the board did not consider an LAC its preferred option. It did recognise that an LAC may be an appropriate contingency plan, and that this should be considered at key milestones during the project.
- Other procurement options were discounted because a competitive dialogue procurement procedure would give bidders the opportunity to develop and refine their proposals, drive efficiencies and mitigate risks. It was recognised that this is time consuming but it was preferred for complex procurements where innovation and flexibility were required.
- Procuring an outsourced service to coincide with the expiry of the existing contract has the disadvantages that any service improvements and savings related to Recycle More would be delayed and the procurement of a new fleet and the procurement of a new contractor would be misaligned, leading to:
 - Complex buy-back arrangements (depending on who purchased the vehicles) with the out-going contractor
 - Limiting the choice of the incoming contractor to use their preferred manufacturer and specification of vehicles. This is likely to be reflected in their pricing.

3. Draft Budget

3.1. The Draft Business Plan 2018-2023 is included in Appendix A.

A summary of the variance between the current year and projected budget for 2018/19 budget is set out below. The current estimate for SCC is that a 2.9% budget uplift for SCC (as disposal authority) will be required. The key drivers for the variance are:

- **Contract inflation** (composite) estimated at 2.7%. As in previous years this will be fixed based on February's indices
- **Landfill tax** increases are known (£86.10 to £88.95 per tonne).
- **Volumes** continue to follow the positive trend since last August's HWRC changes (reducing the budget required).

The December Somerset Waste Board meeting will be provided with updated figures (for example updated household numbers) and the budget will be finalised at the February Somerset Waste Board meeting. There has historically been very little movement between the December and February meetings. All recycle more one-off costs are excluded from these figures.

SCC - Summary Annual Budgets

Rounded £000s 2017/18 2018/19

| Expenditure | | | |
|---------------------------------|--|-------|-------|
| Salaries & On-Costs | | 477 | 481 |
| Other Head Office Costs | | 105 | 126 |
| Support Services | | 54 | 54 |
| | | | |
| Disposal - Landfill | | 10977 | 11541 |
| Disposal - HWRCs | | 9474 | 9484 |
| Disposal - Food waste | | 1453 | 1481 |
| Disposal - Hazardous waste | | 224 | 225 |
| Composting | | 1670 | 1811 |
| | | | |
| Transfer Station Offset Costs | | 312 | 321 |
| | | | |
| Recycling Credits | | 2450 | 2460 |
| | | | |
| Total Direct Expenditure | | 27196 | 27984 |

| Income | | | |
|------------------------------|--|-----|-----|
| May Gurney Secondment Saving | | -20 | -20 |

| | | | |
|------------------------------|--|-------|-------|
| Total Income | | -20 | -20 |
| | | | |
| Total Net Expenditure | | 27176 | 27964 |

Appendix B: Fly-tipping

Whilst managing fly-tipping is not a responsibility of Somerset Waste Partnership, fly-tipping statistics provided by District Councils are reported below for information only (a full set of quarter 2 data has not been reported by District Councils and SWP have no control over the reporting of this information). Last year's downward trend has continued, though District Council's continue to deal with various localised 'hot-spot' areas.

| District | | Fly-Tips (Full Year Data) | | |
|-----------------------------|---------------------------------|---------------------------|--------------|--------------|
| | | 2014-15 | 2015-16 | 2016-17 |
| Number of Reported Fly-Tips | Mendip District Council | 2,042 | 2,078 | 1,757 |
| | Sedgemoor District Council | 1,088 | 1,117 | 1,177 |
| | South Somerset District Council | 1,160 | 1,083 | 1,150 |
| | Taunton Deane Borough Council | 864 | 785 | 664 |
| | West Somerset District Council | 87 | 198 | 140 |
| | Totals | 5,241 | 5,261 | 4,888 |

| Material Type | Quarter 1 2016-17 | | | | | |
|------------------|---------------------|-----|------|------|------|--------|
| | Number of Incidents | | | | | |
| | MDC | SDC | SSDC | TDBC | WSDC | Totals |
| Animal carcass | 2 | 2 | 0 | 2 | 0 | 6 |
| Green | 31 | 10 | 15 | 12 | 2 | 70 |
| Vehicle parts | 4 | 4 | 10 | 2 | 0 | 20 |
| White goods | 14 | 16 | 11 | 8 | 7 | 56 |
| Other electrical | 5 | 14 | 11 | 2 | 0 | 32 |

| | | | | | | |
|--|-----|-----|----|----|----|-----|
| Tyres | 36 | 20 | 10 | 5 | 4 | 75 |
| Asbestos | 0 | 0 | 2 | 1 | 0 | 3 |
| Clinical | 0 | 0 | 1 | 3 | 0 | 4 |
| Construction / demolition / excavation | 40 | 22 | 35 | 5 | 12 | 114 |
| Black bags - commercial | 33 | 0 | 13 | 7 | 0 | 53 |
| Black bags - household | 42 | 25 | 38 | 42 | 8 | 155 |
| Chemical-drums-oil-or-fuel | 3 | 3 | 9 | 1 | 3 | 19 |
| Other household waste | 158 | 180 | 99 | 53 | 8 | 498 |
| Other commercial waste | 24 | 0 | 0 | 11 | 0 | 35 |
| Other (unidentified) | 0 | 0 | 23 | 2 | 0 | 25 |

| | | | | | | |
|---------------|------------|------------|------------|------------|-----------|--------------|
| Totals | 392 | 296 | 277 | 156 | 44 | 1,165 |
|---------------|------------|------------|------------|------------|-----------|--------------|

| Material Type | | | | | | |
|----------------------------|------------|-------------|-------------|-------------|---------------|--|
| Quarter 1 2017-18 | | | | | | |
| Number of Incidents | | | | | | |
| MDC | SDC | SSDC | TDBC | WSDC | Totals | |

| | | | | | | |
|--|----|----|----|----|---|----|
| Animal carcass | 2 | 0 | 1 | 0 | 0 | 3 |
| Green | 28 | 13 | 15 | 1 | 2 | 59 |
| Vehicle parts | 10 | 3 | 4 | 1 | 0 | 18 |
| White goods | 15 | 16 | 10 | 11 | 0 | 52 |
| Other electrical | 11 | 8 | 5 | 2 | 0 | 26 |
| Tyres | 34 | 16 | 26 | 5 | 2 | 83 |
| Asbestos | 0 | 0 | 0 | 0 | 0 | 0 |
| Clinical | 0 | 0 | 0 | 0 | 1 | 1 |
| Construction / demolition / excavation | 24 | 11 | 27 | 8 | 9 | 79 |
| Black bags - commercial | 4 | 0 | 2 | 0 | 0 | 6 |

| | | | | | | |
|----------------------------|------------|------------|------------|------------|-----------|--------------|
| Black bags - household | 81 | 37 | 30 | 20 | 3 | 171 |
| Chemical-drums-oil-or-fuel | 2 | 1 | 5 | 1 | 0 | 9 |
| Other household waste | 223 | 167 | 80 | 47 | 10 | 527 |
| Other commercial waste | 21 | 0 | 6 | 2 | 1 | 30 |
| Other (unidentified) | 0 | 0 | 17 | 3 | 0 | 20 |
| Totals | 455 | 272 | 228 | 101 | 28 | 1,084 |

*All data is now obtained from District Council WasteDataFlow entries.
Due to reporting changes, data is now only available for quarterly periods.*



SWP Business Plan 2018 – 2023

Draft for Approval for Partner Authority Consultation

| Table of Contents | |
|--------------------------|--|
| Page 3 | About Somerset Waste Partnership; Key Stakeholders; SWP Vision |
| Page 4 | Key Issues and Challenges |
| Page 6 | Key Aims and Priorities |
| Page 7 | Action Table |
| Page 10 | Draft Budget Table 2018/19 |

| Change History | |
|-----------------------|---|
| 25/10/2017 | Draft for Approval for Partner Consultation |

1. About Somerset Waste Partnership

1.1 10th Anniversary

October 2017 saw the 10th anniversary of the formalisation of the Somerset Waste Partnership (SWP) and the signing of the inter-authority agreement between the six partner authorities. The authorities had been working together for ten years prior to that, but the formalisation cemented the relationship, enabling service developments that have saved millions of pounds in avoided costs for Somerset.

Somerset still has the first and only county-wide waste partnership, including all collection and disposal authorities, in the country. Since working together Somerset has increased its recycling rate three-fold, putting the county at or near the top of the national rankings for several years running.

1.2 Background to SWP

Somerset Waste Partnership (SWP) was established in 2007 to manage waste services on behalf of Mendip, Sedgemoor, South Somerset and West Somerset District Councils, Taunton Deane Borough Council and Somerset County Council. This made it the first county-wide waste partnership in the country.

SWP has delegated authority to deliver household waste and recycling services throughout Somerset, including management of kerbside collections, recycling sites and disposal sites. These duties are in turn contracted to Kier (collection services) and Viridor Plc (recycling sites, landfill sites and recycling or disposal of food waste, garden waste and residual waste).

SWP is accountable to the Somerset Waste Board (SWB), which consists of two members from each of the partner authorities.

For further information about Somerset Waste Partnership and the Somerset Waste Board please visit www.somersetwaste.gov.uk

2. Key Stakeholders

- Residents of Somerset
- Members and officers of partner authorities
- Kier MG CIC
- Viridor Plc

3. The SWP Vision

We will:

- Drive material up the waste hierarchy and, where sustainable markets exist, into the circular economy*.
- Avoid landfill and encourage high participation in waste avoidance, reuse, recycling and food waste collection schemes.

- Engage with local people, support economic wellbeing and use efficient, sustainable and affordable solutions at every stage of the process.
- Encourage and facilitate innovation, joined up strategy, policy and operations across the county

*A circular economy is one where resources once used are not disposed of, but become feedstock materials or energy for making new products, thus reducing reliance on raw materials and waste disposal. A “closed loop process” is a variation of this where recovered materials are recycled into the same product. The benefits of a circular economy include reduced energy consumption, resource security and lower environmental impacts. A circular economy works most effectively where there are clear incentives for all persons on the loop (manufacturers, retailers, consumers, local authorities, reprocessors) to move the material around the loop.

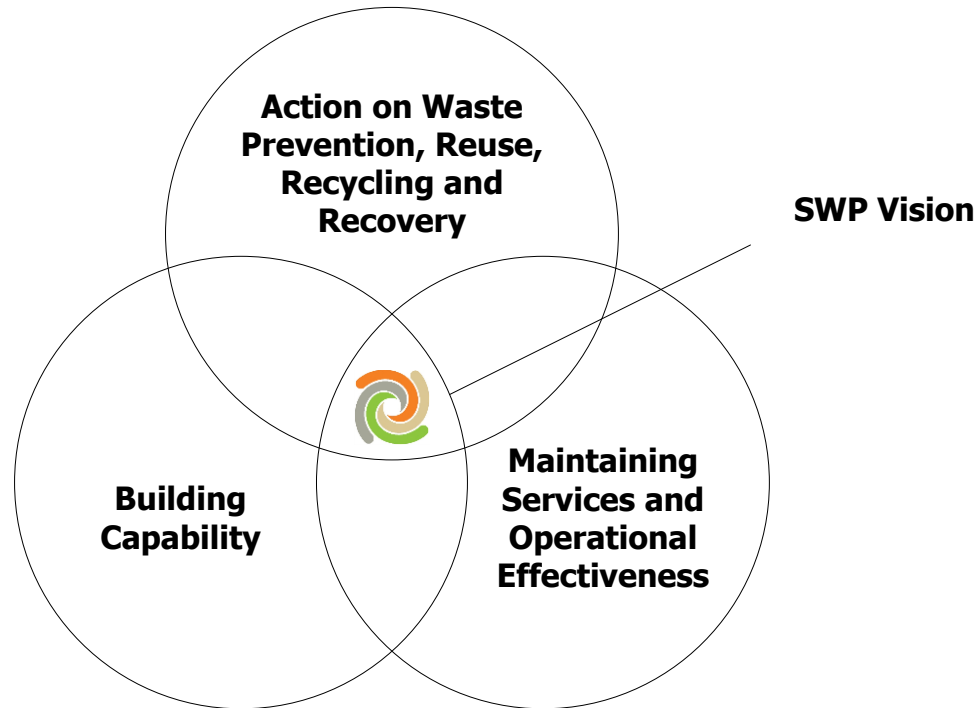
4. Key Issues and Challenges

| Issue | Impact | Proposed Response |
|--|--|--|
| Legislative impact of withdrawal from the EU | The Great Repeal Bill will see all EU legislation not already enshrined in domestic law transferred to UK statute. This is likely to include the Circular Economy Roadmap, which will be passed into EU law before Britain exits. | No early changes to legislative framework identified. SWP will continue to monitor. |
| DCLG and non-household waste charging | The Department of Communities and Local Government continue to indicate they intend to stop Local Authorities charging for DiY waste, currently classified as “Industrial”. This intent has been reinforced in the 2017 Anti Littering Strategy, which included the statement “Stopping councils from charging householders for disposal of DIY household waste at civic amenity sites (rubbish dumps) – legally, household waste is supposed to be free to dispose of at such sites.” | SWB may decide to put the case to the DCLG for retaining current arrangements, or accept the financial gap (estimated at up to £600k p/a) with subsequent decisions to be made on how that will be managed. This risk will be addressed as part of the scheduled review of the Core Services contract scheduled in this Business Plan. SWP and the SWB will continue to monitor communications from the DCLG on the matter and engage where appropriate. |
| Community Recycling Site Charges | In 2015 DCLG brought in an order to prevent local authorities from designating some sites (known in | SWB must consider the impact of this change and how it will affect the network of recycling sites. This will |

| | | |
|------------------------------|--|--|
| | <p>Somerset as “Community Recycling Sites (CRSs)”) as provided under discretionary “wellbeing” powers within the Local Government Act 2003. This removed the option to introduce charges for entry to sites (even where this option was promoted by the community as an alternative to closure). The effect of this is that the charging at Dulverton and Crewkerne CRSs will not be permitted after April 1st 2020</p> | <p>be done as part of a wider review of the Core Services contract.</p> |
| WRAP Consistency Framework | <p>The framework, which strives to increase consistency in collection services across the country, continues to be a topic for discussion at governmental level.</p> | <p>SWP to monitor and adopt appropriate recommendations with implementation of service changes.</p> |
| Deposit/Return Schemes | <p>“Deposit/Return” schemes for items such as glass and plastic bottles are being considered for England by the government following announcement of a scheme to be adopted in Scotland. This initiative could affect the requirements for kerbside services with, if implemented, a potential drop in material volumes.</p> | <p>While supportive of the need to explore these options SWP’s considerations will be highlighted in a response to the “call for evidence” issued by Defra. SWP to monitor developments and consider impact on service design as part of any future procurement strategy for future collection service arrangements.</p> |
| Financial Pressure | <p>Ongoing financial constraints continue to impact all partner authorities.</p> | <p>SWP will continue to consider cost as a priority issue in all decisions.</p> |
| Somerset Demographic changes | <p>Somerset’s population is growing and, combined with longer life expectancies and an increased emphasis on community based care, there will be pressure on waste services. Some of the pressures will be on specific services, such as clinical waste (including an increase in adult hygiene waste) and assisted collections.</p> | <p>SWP will consider strategic impacts of demographic changes on waste services as part of the procurement process for future service arrangements.</p> |

5. Key Aims and Priorities for 2018/19

The action table sets out the most significant set of changes to Somerset’s waste services since SWPs inception in 2007. Co-ordinated for maximum impact and value the changes span all three major contracts for waste collection, treatment, disposal and infrastructure (including vehicles). It also develops SWPs capability, in some instances working in partnership with others, to support Somerset residents in wasting less and recycling more, with residual waste becoming a fuel stock to generate energy.



| 5.1 Building Capability | Outcome | Timing, Resources |
|---|---|---|
| <ul style="list-style-type: none"> • Improving Intelligence <ul style="list-style-type: none"> ○ Review performance data procedures ○ Improve integrity of service data • Developing systems: - <ul style="list-style-type: none"> ○ Develop ICT strategy ○ New Customer Service systems (ITouch) ○ Website Upgrades (e.g. self service) ○ Develop and Launch Mobile App ○ Round Management and performance software • Understanding behaviour <ul style="list-style-type: none"> ○ Waste Composition Analysis (rolling three year cycle to commence with Waste Transfer Stations) • Internal Review <ul style="list-style-type: none"> ○ Review SWP staffing structures ○ Manage SWP Office move | <p>SWP is an organisation that is able to work intelligently to improve delivery of the financial, social and environmental benefits of an effective resource management service.</p> | <p>These activities will run through the financial year. In the main costs will come from existing budgets.</p> <p>Items that fall outside of existing budgets are: -</p> <ul style="list-style-type: none"> - New Customer Service System. This will result in a circa £24,000 annual increase in overall budget but should deliver significant efficiencies in terms of customer request handling, and will provide a means which we can build a mobile App to support delivery of future service changes. - Round management and Performance Software. Because of the potentially significant and direct contribution to the delivery of the new service arrangements, the costs will initially be drawn from the Recycle More Earmarked Reserve (as described in previous Board papers) and estimated at £20,000. |

| | | |
|---|--|--|
| <p>5.2 Action on Waste Prevention, Reuse, Recycling and Recovery</p> | | |
| <ul style="list-style-type: none"> • Implementing future collection arrangements (Recycle More model) <ul style="list-style-type: none"> ○ Should the Board decide to tender the opportunity, procure provider for collection services (including appropriate risk management and mitigation arrangements) ○ Explore early introduction of household battery collections and trialling ways to increase capture of small waste electricals ○ Initiate vehicle procurement • Reducing cost and impact of waste <ul style="list-style-type: none"> ○ Targeted waste prevention and minimisation activities (including tested approach of Food waste stickers on bins) ○ Pilot SWP Education Service ○ Continue to explore effective media for communicating messages (including insert in Council Tax mailings) ○ Refresh SWP Waste Prevention Strategy, to focus on systemic implementation of activities with a significant measurable benefit over the full five year period of this plan ○ Develop SWP Communications Strategy • Infrastructure <ul style="list-style-type: none"> ○ Oversee development of infrastructure required to deliver new residual waste treatment. | <p>Somerset’s recycling rate improves from 52% towards 60% and potentially beyond; residual waste per household reduces, and energy is recovered from materials that cannot be recycled ending the county’s long reliance on landfill.</p> | <p>These activities will be funded either from existing budgets or from the Recycle More Earmarked Reserve, with the exception of the trial reintroduction of education services, which will be funded via the Community Sector Integration Plan fund provided through the Viridor contract.</p> |

| 5.3 Maintaining Services and Operational Effectiveness | | |
|--|--|---|
| <ul style="list-style-type: none"> • Viridor Core Services Contract Review <ul style="list-style-type: none"> ○ This contract, which includes management of the Recycling Centre network, ends in 2022 and SWP has the opportunity to extend it to 2031, should we choose to do so. • Active management of collection service contract (monitoring performance to ensure no degradation in tail end of contract) • Review waste service Fees and Charges structures and implications of varying charges (including inclusion of administration costs) • Recycling Site Maintenance • Assess impact of changes to legislative framework, including removal of powers to designate Community Recycling Sites and to charge for non-household waste at Recycling Sites. • Plan for Broadpath Landfill Site closure • Plan for Dimmer transition (from landfill to Waste Transfer Station – scheduled Feb 2019) | <p>These activities ensure the day to day functions of the SWP are delivered effectively and safely. SWP must give focus to maintaining the quality of services, predicting risks and preventing issues arising.</p> | <p>These items are funded through existing budgets.</p> |

7. SWP Budget 2018 - 19

The following table shows the projected year budget for Somerset Waste Partnership. A draft Annual Budget for the forthcoming year will be brought to the December meeting of the Somerset Waste Board. While the figures shown here are subject to refinement, historically projections at the stage have been very close to the final budget due in February 2018, particularly for collection partners, with only minor variations for final customer numbers. It is therefore considered a very low risk to approve the Business Plan ahead of the final Annual Budget for 2018/2019.

7.1 Revenue Not Included

Control of income from residents for waste related services is retained by the collection authorities and is therefore not shown in this paper. The most significant portion of this is annual Garden Waste subscriptions, which will generate income for the district council of around £55.40 for each wheeled bin subscription in 2018/23. This is a significant offset of the cost of providing the service. Other income streams are Bulky Waste collection fees and sale of Garden Waste sacks.

7.2 Full Draft Budget Summary 2018/19

| Summary Annual Budgets 2018/2019 | | | | | | | | |
|----------------------------------|---------------|-------|--------------|-------------|-------------|-------------|-------------|-------------|
| | Rounded £000s | Total | SCC | MDC | SDC | SSDC | TDBC | WSC |
| Expenditure | | | £000 | £000 | £000 | £000 | £000 | £000 |
| Salaries & On-Costs | 972 | | 481 | 110 | 111 | 155 | 108 | 7 |
| Other Head Office Costs | 275 | | 126 | 30 | 32 | 45 | 31 | 11 |
| Support Services | 125 | | 54 | 14 | 15 | 22 | 15 | 5 |
| | | | | | | | | |
| Disposal - Landfill | 11541 | | 11541 | | | | | |
| Disposal - HWRCs | 9484 | | 9484 | | | | | |
| Disposal - Food waste | 1481 | | 1481 | | | | | |
| Disposal - Hazardous waste | 225 | | 225 | | | | | |
| Composting | 1811 | | 1811 | | | | | |
| | | | | | | | | |
| Kerbside Recycling | 9162 | | | 1878 | 1893 | 2812 | 1848 | 731 |
| Green Waste Collections | 2579 | | | 500 | 619 | 691 | 640 | 129 |
| Household Refuse | 6155 | | | 1264 | 1269 | 1880 | 1265 | 477 |
| Clinical Waste | 119 | | | 24 | 26 | 36 | 25 | 8 |
| Bulky Waste Collection | 84 | | | 19 | 16 | 24 | 18 | 7 |
| Container Maintenance & Delivery | 228 | | | 51 | 42 | 72 | 51 | 12 |
| Container Supply | 447 | | | 98 | 90 | 144 | 96 | 19 |
| | | | | | | | | |
| Pension Costs | 69 | | | 2 | 2 | 62 | 2 | 1 |
| | | | | | | | | |
| Depot Costs | 186 | | | 38 | 40 | 56 | 39 | 13 |
| | | | | | | | | |
| Village Halls | 6 | | | | 6 | | | |
| | | | | | | | | |
| Transfer Station Avoided Costs | 321 | | 321 | | | | | |
| | | | | | | | | |
| Recycling Credits | 2460 | | 2460 | | | | | |
| | | | | | | | | |
| Capital Financing Costs | 231 | | | 52 | 41 | 78 | 39 | 21 |
| | | | | | | | | |
| Total Direct Expenditure | 47961 | | 27984 | 4080 | 4202 | 6077 | 4177 | 1441 |
| | | | | | | | | |
| Income | | | £000 | £000 | £000 | £000 | £000 | £000 |
| Sort It Plus Discounts | -80 | | | -16 | -17 | -24 | -17 | -6 |
| Transfer Station Avoided Costs | -321 | | | -65 | -69 | -97 | -67 | -23 |
| May Gurney Secondment Saving | -44 | | -20 | -5 | -5 | -7 | -5 | -2 |
| Recycling Credits | -2432 | | | -520 | -487 | -757 | -494 | -174 |
| | | | | | | | | |
| Total Income | -2877 | | -20 | -606 | -578 | -885 | -583 | -205 |
| | | | £000 | £000 | £000 | £000 | £000 | £000 |
| Total Net Expenditure | 45084 | | 27964 | 3474 | 3624 | 5192 | 3594 | 1236 |

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Somerset County Council

Cabinet
15th November 2017

The Medium Term Financial Plan - Update

Cabinet Member(s): Cllr David Hall – Cabinet Member for Resources and Economic Development

Division and Local Member(s): All

Lead Officer: Kevin Nacey – Director of Finance and Performance

Author: Elizabeth Watkin – Chief Accountant

Contact Details: 01823 355213

| | Seen by: | Name | Date |
|-------------------------------------|--|--------------|-------------|
| | County Solicitor | Honor Clarke | 1/11/2017 |
| | Monitoring Officer | Julian Gale | 1/11/2017 |
| | Corporate Finance | Kevin Nacey | 1/11/2017 |
| | Human Resources | Chris Squire | 1/11/2017 |
| | Senior Manager | Kevin Nacey | 1/11/2017 |
| | Cabinet Member | David Hall | 1/11/2017 |
| | Opposition Spokesperson | Simon Coles | 7/11/2017 |
| | Relevant Scrutiny Chairman | Tony Lock | 7/11/2017 |
| Forward Plan Reference: | FP/17/05/09 | | |
| Summary: | <p>This report updates members on the progress made and the timetable for agreeing the MTFP for 2018/19 and subsequent years. It covers both revenue and capital expenditure and alerts members to the risks and uncertainties in our funding streams at present. It also updates members on when we are likely to know with more certainty what funds will be available to help balance our MTFP for next year and beyond.</p> | | |
| Recommendations: | <p>That Cabinet notes the forecast MTFP position for 2018/19 and notes the likely timetable of announcements of key funding decisions by government that will determine our own course of actions.</p> | | |
| Reasons for Recommendations: | <p>There is currently a level of uncertainty around our funding for next financial year. Although the previous four-year settlement is still in place and has helped financial planning, Somerset CC has some bids for central government funding for which we will not know the outcome for a couple of months perhaps. This makes decision-making difficult and therefore this report highlights those issues and suggests a timetable given that uncertainty.</p> | | |

| | | | | | | | |
|---|--|-------------------|----------|-------------------|-----------|-------------------|-----------|
| Links to Priorities and Impact on Service Plans: | The MTFP is the vehicle that allows the Council to identify resources to deliver the County Plan and covers both Revenue and Capital resources. | | | | | | |
| Financial Implications: | There are no direct Financial implications arising from this report over and above those outlined in this report. | | | | | | |
| Legal Implications: | There are no direct Legal implications arising from this report. | | | | | | |
| HR Implications: | There are no direct HR implications arising from this report. | | | | | | |
| Risk Implications: | The key risk is the failure to align the available resources to the priorities of the Council, resulting in the needs of residents not being met. | | | | | | |
| | There is a strategic risk that is regularly reviewed in relation to the Council's budget position (ORG0043 to maintain a sustainable budget). | | | | | | |
| | <table border="1"> <tr> <td>Likelihood</td> <td>4</td> <td>Impact</td> <td>5</td> <td>Risk Score</td> <td>20</td> </tr> </table> | Likelihood | 4 | Impact | 5 | Risk Score | 20 |
| Likelihood | 4 | Impact | 5 | Risk Score | 20 | | |
| Scrutiny comments / recommendation: | The scrutiny committees will review the MTFP and any proposals formulated as per the timetable attached to this report. | | | | | | |

1. Background

- 1.1. As outlined in the MTFP report to Full Council on 15 February 2017 and previous budget monitoring reports, the Government has significantly reduced the levels of funding in Local Government. The Council faces on-going challenges both within the current financial year and in developing a balanced budget for its Medium Term Financial Plan.
- 1.2. The existing Medium Term Financial Plan was approved by Full Council in February 2017 and covered the period 2017/18 to 2020/21. The plan showed a balanced budget for 2017/18, with a shortfall of £19.5m for 2018/19 - 2020/21.
- 1.3. The financial climate for local authorities is particularly uncertain both in relation to the totality of resources available for the sector and the distribution of those resources. The Council will continue to lobby for fairer funding for Somerset but Members need to be aware that many other councils face similar financial challenges.
- 1.4. The current budget monitoring reports are included in today's agenda and set the context in which the Council is aiming to set future budgets. The level of overspend in Children's Services is a dominant factor in all of the activities that underpin the MTFP themes. We are all working hard across finance,

commercial and procurement, legal, IT and HR, alongside the service to reduce costs but improve the service.

- 1.5.** In July 2017, the Cabinet agreed to continue the current approach of identifying savings using the previous MTFP themes. This is an outcome led, commissioning approach to redefining services to meet residents' needs and maximise available resources in favour of the Council's priorities. It is fundamental that the Council takes a longer-term approach but funding uncertainty is making that more difficult.

2. Current forecast position

- 2.1.** The report presented to Full Council on 15 February 2017 identified an estimated cumulative budget shortfall for 2018/19-2020/21 of £19.5m, with the annual shortfall for each year being:
- £12.8m in 2018/19,
 - £4.6m in 2019/20,
 - £2.1m in 2020/21.
- 2.2.** The introduction of greater levels of funding via the Improved Better Care Fund, together with a stabilisation of costs in both Adult Social Care and Learning Disabilities services has helped to reduce forecast pressures for SCC overall. The continued benefit of the Adult Social Care precept is also helping to keep costs closer to budget available. With these factors the current forecast budget gap for 2018/19 has reduced to £7.6m and is close to balancing for the two years ahead. This is subject to two significant factors; the resources required to support Children's Social Care and the capital financing required to support the capital investment programme.
- 2.3.** To close the gap the strategy is to target two specific MTFP themes to generate more from these than is already planned in 2018/19. The first is the Commercial and third party spend theme, essentially reducing our contract spend through procurement opportunities or rethinking how we approach the market for the provision we need. The second theme is the service redesign theme, whereby we are trying to identify a number of smaller projects that manage demand or find efficiencies within a service but may need some redesign of processes or a rethink of the service offer to our residents.
- 2.4.** The forecast gap of £7.6m is much lower than we have had in previous years. This is because we had already identified savings through our longer term themed approach. We still need to identify further savings opportunities initially by reviewing all of our current contracts, especially those up for renewal, to close the budget gap. Currently, it is expected that half of the identified gap can be found under each targeted theme. If this is not possible, the intention is to use some of the expected collection fund surplus for 2018/19 to balance the budget. Last year's surplus was over £5m and we could therefore safely use £3m of this, if insufficient savings are identified through the themes.
- 2.5.** The other factor that may affect our budget deliberations is the possibility of being given Business Rates pilot status. We have submitted a bid with all

district councils in Somerset to government and we will not hear if we are successful until around the time of the provisional finance settlement in late December. If the bid to be a pilot is approved, SCC could gain between £3.5m to £4.0m to support its revenue budget pressures. In addition, the pilot would create a fund to invest in economic development projects in Somerset of a similar amount.

- 2.6.** In summary, at this stage we are therefore not setting specific savings proposals before Cabinet but we have a clear approach to identify procurement opportunities first and foremost, then some service redesign projects and depending upon this and the result of the BRR pilot bid, we will put a plan before Cabinet in January or February to close the budget gap for 2018/19.

| | |
|---|----------------|
| Forecast Budget Gap for 2018/19 | £7.6m |
| Estimated Commercial and Third Party savings | £2.0m to £3.5m |
| Estimated smaller Service Redesign savings | £2.0m to £3.5m |
| Use of collection fund surplus as part of the base budget | To balance |

3. Capital Investment Programme

- 3.1.** The analysis and evaluation of bids for capital resources is being progressed but at this stage it is not clear how much resource SCC will have towards funding its needs. The scale of the schools programme is considerable but we do not know how much we can expect in DfE grant. We have also submitted a bid to the Housing Infrastructure Fund in conjunction with Taunton Deane and Sedgemoor councils that would fund around £80m of infrastructure projects supported by the three councils. If this bid is successful, the resources to support the capital investment programme for SCC could be increased by £15m.
- 3.2.** At present we have been advised of our highways grant at around £24m and some other smaller educational grants which gives a total known funding through grant of £29m. If we can secure further grant via the DfE for basic need and some specific projects and we are successful in our Housing Infrastructure Fund bid, we may have as much as £50m towards our investment needs. The range of possible funding is therefore considerable and so we will need to wait until we have more security of funding before we can allocate it to the evaluated bids.
- 3.3.** The shortage of capital funds is a known issue for all county councils and representations have been made to DCLG through the consultations on the Fairer Funding Review over the summer that government has to recognise the pressures on councils to meet the growing need. The national push to increase the number of houses built is being addressed in Somerset but the consequence is a need to match this with highways and schools infrastructure. Of course, there is a lag between the investment required by councils and the additional council tax that ensues from the new housing. The increase in the taxbase may be as much as £2m if the scale of development is approved under the HIF bid. The developer contributions have never been enough to cover this up-front investment and it seems the viability in some

developments is putting a downward pressure on their willingness or ability to agree to s106 contributions. This only serves to create a bigger pressure on SCC and other councils to meet the infrastructure costs themselves.

- 3.4. In summary, the likely scale of the capital investment needed will exceed our available resources but we have to await the outcome of announcements by government before we can gauge the real gap. The programme will therefore not be presented until we have that information, and this is not likely to be before the February Cabinet and Full Council meetings.

4. Proposed Timetable

- 4.1. The main requirement is to ensure that the Council has a balanced budget for 2018/19 in time for approval at February's Full Council Meeting. Future years can be further refined as the MTFP cycle continues.
- 4.2. In order to achieve this it is proposed that the following timetable is used:

| Timeframe | Action |
|---|---|
| 22nd November | The Government's Autumn Statement |
| Week beginning 18th December | Local Government Provisional Finance settlement Likely announcement of BRR pilots |
| 17th January | Report to Cabinet on settlement and further MTFP update |
| 24th to 30th January | Scrutiny meetings to look at MTFP plans – revenue and capital |
| 7th February | Cabinet meeting to approve MTFP |
| 21st February | Full Council meeting to approve revenue budget for 18/19, the capital investment programme for 18/19 and the overall MTFP |

5. Background Papers

- 5.1.
- County Council 15 February 2017 Report of Leader and Cabinet – Medium Term Financial Plan 2017/18
 - Cabinet 14 June 2017 MTFP Development report

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