

COUNTY COUNCIL

Wednesday 22 January 2020

10.00 am Council Chamber - Shire Hall,
Taunton



To: The members of the County Council

Cllr M Best, Cllr N Bloomfield, Cllr A Bown, Cllr A Broom, Cllr M Caswell, Cllr M Chilcott, Cllr J Clarke, Cllr P Clayton, Cllr S Coles, Cllr A Dance, Cllr H Davies, Cllr M Dimery, Cllr B Filmer, Cllr D Fothergill, Cllr G Fraschini, Cllr A Govier, Cllr A Groskop, Cllr D Hall, Cllr P Ham, Cllr M Healey, Cllr N Hewitt-Cooper, Cllr James Hunt, Cllr John Hunt, Cllr D Huxtable, Cllr M Keating (Vice-Chair), Cllr A Kendall, Cllr C Lawrence, Cllr M Lewis, Cllr L Leyshon, Cllr J Lock, Cllr T Lock, Cllr D Loveridge, Cllr T Munt, Cllr T Napper, Cllr F Nicholson, Cllr G Noel, Cllr L Oliver, Cllr J Parham, Cllr C Paul, Cllr H Prior-Sankey, Cllr M Pullin, Cllr F Purbrick, Cllr L Redman, Cllr B Revans, Cllr M Rigby, Cllr D Ruddle, Cllr N Taylor (Chair), Cllr J Thorne, Cllr G Verdon, Cllr L Vijeh, Cllr W Wallace, Cllr A Wedderkopp, Cllr J Williams, Cllr R Williams and Cllr J Woodman

All Somerset County Council Members are invited to attend.

Issued By Scott Wooldridge, Strategic Manager - Governance and Democratic Services - 14 January 2020

For further information about the meeting, please contact Julia Jones on 01823 359027 or jjones@somerset.gov.uk

Guidance about procedures at the meeting follows the printed agenda and is available at [\(LINK\)](#)

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

Are you considering how your conversation today and the actions you propose to take contribute towards making Somerset Carbon Neutral by 2030?



RNID typetalk

AGENDA

Item County Council - 10.00 am Wednesday 22 January 2020

Full Council Guidance notes

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 Democratic Services Team.

3 **Minutes from the meeting held on 17 July 2019** (Pages 11 - 28)

Council is asked to confirm the minutes are accurate.

4 **Public Question Time**

(see explanatory notes attached to agenda)

This item includes the presentation of petitions. Details of any public questions / petitions submitted will be included in the Chair's Schedule which will be made available to the members and to the public at the meeting.

For Information

5 **Chairs Announcements**

To receive the Chair's information sheet detailing events attended in July, August, September, October, November and December 2019, and January 2020.

For Decision

6 **Report of the Leader and Cabinet - for decision** (Pages 29 - 102)

To consider a report with recommendations from the Leader of the Council, arising from the Cabinet meetings held on 13 November and 18 December 2019

The recommendations relate to:

- Climate Emergency Framework.
- Investment Strategy
- Treasury Management mid-year outturn report 2019-2020

7 **Annual Report of the Corporate Parenting Board** (Pages 103 - 184)

To consider the report with recommendations from the Corporate Parenting Board.

The Corporate Parenting Board requests:

- That Council invites District Councillor representation on the Corporate Parenting Board to provide support on housing and leisure issues
- That Council extend its thanks to the young people on the Care Councils for all the hard work that they undertake.
- That Council recommends that councillors appointed to the Corporate Parenting who do not attend Board meetings for three consecutive meetings are reported to Group Leads

8 **Report of the Monitoring Officer- Scrutiny Review** (Pages 185 - 236)

To consider a report with recommendations by the Monitoring Officer.

The Council is recommended :

1. To agree to implement a programme of cultural transformation and improvements to its scrutiny arrangements by March 2021, including the provision of additional resources in the Democratic Services Team and members training budgets to deliver the enhanced scrutiny arrangements;
2. To agree 10 of the 11 recommendations within the Centre for Public Scrutiny's 'Supporting governance, scrutiny and member support in Somerset County Council' report as detailed on pages 9 and 10 of Appendix A and for these to be implemented by March 2021. In line with Scrutiny Committees' recommendations, the Council is asked to endorse an alteration to Recommendation 6 within the CfPS report and recommend that the number of agenda items is limited to an absolute maximum of 4, rather than the 2 recommended in the CfPS report;
3. To request that it receives a progress report on the improvements to its scrutiny arrangements at its meeting in November 2020;
4. To authorise the Monitoring Officer to undertake any necessary technical amendments to the Council's Constitution to support the implementation of the proposed improvements to the Council's scrutiny arrangements; and
5. To request that the Monitoring Officer undertakes further work regarding the proposals for co-opted members (with non-voting rights) to be potentially included within the membership of the Scrutiny Committee Policies and Place and the Scrutiny Committee for Adults and Health with the aim of reporting these proposals to the Council's Annual General Meeting.

Item County Council - 10.00 am Wednesday 22 January 2020

- (a) Report of the Monitoring Officer- Committee Appointments (Pages 237 - 242)

To consider a report with recommendations by the Monitoring Officer.

The recommendations are that Council:

- Agrees to increase the composition of the Officer Appeals Committee from six to nine elected members (see 3.2.7 below)
- Agrees to increase the composition of the Constitution & Standards Committee from five to six elected members (see 3.2.7 below)
- Approves the revised committee appointments set out in this report and the Appointments Schedule at Appendix 1 (to follow) – see section 3.2

9 **Report of the Chief Executive** (Pages 243 - 248)

To consider the report by the Chief Executive.

The recommendations relate to:

- Appointment of Chief Finance Officer
- Appointment of Director of Adult Social Services
- Appointment of Monitoring Officer

10 **Requisitioned Items** (Pages 249 - 250)

To consider a report setting out any requisitioned items submitted for the Council's consideration.

11 **Report of the Leader and Cabinet- Items for Information** (Pages 251 - 270)

To receive reports by the Leader of Council summarising key decisions taken by him and the Cabinet, including at the Cabinet meetings held on 13 November and 18 December.

12 **Annual Report of the Cabinet Member for Economic Development, Planning**

Item County Council - 10.00 am Wednesday 22 January 2020

and Community Infrastructure (Pages 271 - 308)

To receive the Annual Report of the Cabinet Member for Economic Development, Planning and Community Infrastructure.

13 **Annual Report of the Cabinet Report for Adult Social Care** (Pages 309 - 320)

To receive the Annual Report of the Cabinet Member for Adult Social Care.

14 **Annual Report of the Pensions Committee** (Pages 321 - 544)

To receive the Annual Report of the Pensions Committee.

15 **Armed Forces Covenant Annual Report** (Pages 545 - 552)

To receive the report.

16 **Report of the Scrutiny for Policies, Adults and Health Committee** (Pages 553 - 562)

To consider a report by the Chair of the Scrutiny Committee for Policies, Adults and Health.

17 **Report of the Scrutiny for Policies, Children and Families Committee** (Pages 563 - 568)

To consider a report by the Chair of the Scrutiny Committee for Policies, Children and Families.

18 **Report of the Scrutiny for Policies and Place Committee** (Pages 569 - 574)

To consider a report by the Chair of the Scrutiny Committee for Policies and Place.

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SOMERSET COUNTY COUNCIL – FULL COUNCIL MEETINGS

GUIDANCE FOR PRESS AND PUBLIC

Recording of Meetings

The Council in support of the principles of openness and transparency 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 wishes 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 Democratic Services, County Hall, Taunton, Somerset, TA1 4DY 01823 359027 democraticservices@somerset.gov.uk so that the Chair of the meeting can inform those present.

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 Shire 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

Members' Code of Conduct Requirements

When considering the declaration of interests and their actions as a councillor, Members are reminded of the requirements of the Members' Code of Conduct and the underpinning Principles of Public Life: HONESTY; INTEGRITY; SELFLESSNESS; OBJECTIVITY; ACCOUNTABILITY; OPENNESS; LEADERSHIP. The Code of Conduct can be viewed at: <http://www.somerset.gov.uk/organisation/key-documents/the-councils-constitution/>

EXPLANATORY NOTES: QUESTIONS/STATEMENTS/PETITIONS BY THE PUBLIC

General

Members of the public may ask questions at ordinary meetings of the Council, or may make a statement or present a petition – **by giving advance notice.**

Notice of questions/statements/petitions

Prior submission of questions/statements/petitions is required in writing or by e-mail to the Monitoring Officer (email: democraticservices@somerset.gov.uk) by 5pm on the Thursday before the meeting. The Monitoring Officer may edit any question or statement in consultation with the author, before it is circulated, to bring it into an appropriate form for the Council.

In exceptional circumstances the Chair has discretion at meetings to accept questions/statements/ petitions without any prior notice.

Scope of questions/statements/petitions

Questions/statements/petitions must:

- a) relate to a matter for which the County Council has a responsibility, or which affects the County;
- b) not be defamatory, frivolous or offensive;
- c) not be substantially the same as a question/statement/petition which has been put at a meeting of the Council in the past six months; and
- d) not require the disclosure of confidential or exempt information.

The Monitoring Officer has discretion to reject any question that is not in accord with (a) to (d) above. The Monitoring Officer may also reject a statement or petition on similar grounds.

Record of questions/statement/petitions

Copies of all representations from the public received prior to the meeting will be circulated to all members and will be made available to the public attending the meeting in the Chair's Schedule, which will be distributed at the meeting. Full copies of representations and answers given will be set out in the minutes of the meeting.

Response to Petitions

Normally the Council will refer any petition to an appropriate decision maker for response – see the Council's Petition Scheme for more details. The organiser will also be allowed 3 minutes at the meeting to introduce the petition, and will receive a response from a relevant member (normally a Cabinet member).

If a petition organiser is not satisfied with the council's response to the petition and the petition contains more than 5000 signatures (approximately 1% of Somerset's population) the petition organiser can request a debate at a meeting of the County Council itself. The Chair will decide when that debate will take place.

Access and Attendance

The County Council meeting in Shire Hall is open to the public but there is limited capacity for health and safety reasons. The Council Chamber in Shire Hall is located on the first floor of the building. Shire Hall is used principally by the Courts Service and their staff are responsible for security arrangements at the main entrance. **All those attending the council meeting and**

the courts are required to pass through the security 'gate'. At peak times this can take well over ten minutes – so please arrive early.

If numbers attending exceed capacity then priority will be given to those who have registered to speak at Public Question Time and thereafter admittance will be on a first come, first served basis.

The design of Shire Hall and the listed Council Chamber is not ideal for those using wheelchairs, with restricted widths in corridors and elsewhere, but council officers will ensure they have access to the meeting if at all possible.

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COUNTY COUNCIL

Minutes of a Meeting of the County Council held in the Council Chamber, Shire Hall, Taunton on Wednesday 20 February 2019 at 10.00 am

Present: Present: Cllr M Best, Cllr A Bown, Cllr A Broom, Cllr M Caswell, Cllr M Chilcott, Cllr S Coles, Cllr A Dance, Cllr H Davies, Cllr M Dimery, Cllr B Filmer, Cllr D Fothergill, Cllr G Fraschini, Cllr A Govier, Cllr A Groskop, Cllr D Hall, Cllr P Ham, Cllr James Hunt, Cllr D Huxtable, Cllr M Keating, Cllr A Kendall, Cllr C Lawrence, Cllr M Lewis, Cllr L Leyshon, Cllr J Lock, Cllr T Lock, Cllr D Loveridge, Cllr T Munt, Cllr G Noel, Cllr L Oliver, Cllr J Parham, Cllr C Paul, Cllr F Purbrick, Cllr L Redman, Cllr B Revans, Cllr M Rigby, Cllr N Taylor, Cllr J Thorne, Cllr G Verdon, Cllr L Vijeh, Cllr W Wallace, Cllr A Wedderkopp, Cllr J Williams, Cllr R Williams and Cllr J Woodman

146 **Apologies for Absence** - Agenda Item 1

Apologies for absence were received from: Cllr N Bloomfield, Cllr J Clarke, Cllr P Clayton, Cllr M Healey, Cllr N Hewitt-Cooper, Cllr John Hunt, Cllr T Napper, Cllr F Nicholson, Cllr H Prior-Sankey, Cllr M Pullin, and Cllr D Ruddle.

147 **Declarations of Interest** - Agenda Item 2

(1) Members' written notifications of interests were affixed to the Notice Board at the back of the Council Chamber for the duration of the meeting.

148 **Minutes from the Council meeting held on 15 May 2019** - Agenda Item 3

(1) The Minutes of the meeting held on 15 May 2019 were accepted as a true and accurate record and were signed by the Chair of the meeting.

149 **Public Question Time** - Agenda Item 4

(1) Public Questions / Statements / Petitions (under 5000 signatures) and elected member questions: Notice was received of questions / statements / petitions regarding: Public Questions / Statements:

1. Climate Change

From Nigel Behan

Response from Cllr David Hall, Cabinet Member for Economic Development, Planning and Community Infrastructure

2. 5G Rollout

From Louise Thomas

Response from Cllr Christine Lawrence, Cabinet Member for Health and Wellbeing

3. House of Commons Transport Committee Bus services in England outside London (May 2019)

From Nigel Behan

Response from Cllr John Woodman, Cabinet Member for Highways and Transport

4. Supporting Vulnerable People

From Eva Bryczkowski

Response from Cllr Christine Lawrence, Cabinet Member for Health and Well-Being

Full details of the questions and responses given at the meeting and / or in writing following the meeting are set out in Appendix A to these Minutes.

150 Chair's Announcements - Agenda Item 5

- (1) The Chair informed members of the visits he had made in May, June and July and thanked the Vice-Chair for attending those events he was unable to.
- (2) He encouraged councillors to attend the forthcoming Taunton Flower Show at Vivary Park.
- (3) He took the opportunity to formally thank Julian Gale, Partnership Governance Manager, who was the former Monitoring Officer for the Council for his 42 years of service to the council and recognised the significant contribution he made.
- (4) The Chair invited other members who wished to add their personal thanks.
- (5) Cllr David Fothergill, Leader of the Council, said it was a sad day to say goodbye to Julian as he had always been on hand to help. He said the councillors would miss him and he wanted to formally recognise the work he had done with partner authorities particularly fundamentally bringing together the Heart of the South West Joint Committee. He thanked Julian for his sound knowledge and clear and concise response and said he had been an excellent public servant for the council.
- (6) Cllr Jane Lock, Leader of the Opposition, said she had been a county councillor for 32 years and Julian had been there for all that time. She said he had worked terribly hard for the people of Somerset and tried hard to mediate on many occasions. She wished him a wonderful retirement.
- (7) Cllr Andrew Govier, former Leader of the Labour group, added his best wishes on behalf of the Labour group and said during his 20 years as a councillor, Julian had offered sound advice on many occasions. He had been unflappable and had put things into perspective.
- (8) Cllr Hugh Davies also wished Julian a happy retirement and paid tribute to his hard work.
- (9) Cllr Martin Dimery said he had found Julian very cooperative and helpful and owed him a debt of gratitude.
- (10) The Chair summed up the comments and said he welcomed, admired and respected Julian's governance advice, he would leave a gap at the council and formally presented him with a book of Somerset, signed by the councillors. Julian thanked the Chair and Councillor for their comments.

151 **Report of the Leader and Cabinet – for decision - Agenda Item 6**

- (1) The Council considered a report by the Leader and Cabinet which set out a recommendation to Council regarding the Annual Treasury Management Outturn Report 2018-19.
- (2) Cllr Fothergill told members that despite facing a projection of £40m in debt that with careful managing of finances that this had been avoided. In addition, £5m had been paid off in loans. He paid tribute to the work of Principal Investment Officer Alan Sanford for his work on treasury management and he proposed the recommendation on the report.
- (3) Cllr Liz Leyshon seconded the recommendation also paying tribute to Mr Sanford's work.
- (4) The Council **RESOLVED** unanimously to approve the Annual Treasury Management Outturn Report 2018/19 as set out in the attached report and its appendices.

152 **Report of the Monitoring Officer – for decision – Agenda Item 7**

- (1) The Council considered a report from the Monitoring Officer regarding appointments to the Heart of the South West Local Enterprise Partnership Joint Scrutiny Committee, Appointment of the Director of Adult Social Services and the Appointment of the Deputy Section 151 Officer.
- (2) Cllr Fothergill highlighted the importance of the Heart of the South West LEP Joint Scrutiny Committee and thanked all who took part and held the LEP to account. He welcomed Jason Vaughan, newly appointed Strategic Finance manager as a Deputy Section 151 Officer and was delighted to appoint Mel Lock to the role of Director of Adult Social Services with effect from 1 August 2019.
- (3) The Leader paid tribute to the departing Director of Adult Social Services, Stephen Chandler, and said he had moved the council into new territory, and he was grateful for his work and would be sorry to see him go. He thanked him for his role in raising the problems facing adult social services at a national level.
- (4) Other councillors also thanked Mr Chandler for his efforts during his time at the council.
- (5) The Council **RESOLVED** unanimously:

2.1 Appointment to Heart of the South West LEP Joint Scrutiny Committee
To approve the appointment of Cllr A Bown, Cllr M Lewis, Cllr S Coles and Cllr R Williams to the LEP Joint Scrutiny Committee (see section 3.1 below).

2.2 Appointment of Director of Adult Social Services
To appoint Mel Lock (Adults Services Operations Director) to the role of Director of Adult Social Services with effect from 1st August 2019 (see section 3.2 of this report).

2.3 Appointment of Deputy Section 151 Officer

To appoint the post and postholder of Strategic Finance Manager, currently held by Jason Vaughan, as a Deputy Section 151 Officer (see section 3.3 of this report).

153 **Requisitioned Items – Parental Leave Policy – Agenda Item 8**

- (1) The Chair invited Cllr David Fothergill to present and propose the requisitioned item about Parental Leave Policy for County Councillors.
- (2) Cllr Fothergill highlighted the importance of supporting parental leave and explained this had been adopted by other authorities. He hoped this would encourage more people into politics.
- (3) Cllr Leigh Redman seconded the recommendations and hoped this would attract more younger people to become county councillors.
- (4) The Council **RESOLVED** by a majority vote to adopt a Parental Leave Policy for elected Members and requested that the Constitution & Standards Committee consider the attached draft policy proposals on Parental Leave. It further authorised the Monitoring Officer to consult with the Joint Independent Remuneration Panel on the draft policy and for that Panel to identify any potential implications and recommendations for the Council to consider in relation to Member allowances.

154 **Report of the Leader and Cabinet – Items for information - Agenda Item 9**

- (1) The Council considered a report that summarised the key decisions taken by the Leader and Cabinet Members and officers between 4 May 2019 and 8 July 2019, together with items of business discussed at Cabinet meetings on 10 June 2019 and 8 July 2019.
- (2) Cllr Fothergill presented the report as read.
- (3) Cllr John Woodman responded to a written question from Cllr Leyshon regarding Major Road Network Schemes in Somerset.
- (4) He was also asked questions by Cllr Rigby regarding plans for the M5/A38 corridor from Highways England, and Cllr Davies regarding tree cutting along The Avenue in Minehead.
- (5) Cllr Woodman presented his annual Cabinet Member report for Highways and Transport covering the key activities and achievements of the past year and looking ahead to the coming months. Several key policy documents including the Road Safety Strategy and the Somerset Bus Strategy had been produced, officers had also undertaken a consultation on a rail strategy for Somerset and worked alongside Somerset West and Taunton Council on a new transport strategy for Taunton. The major schemes programme had progressed including the completion of the Yeovil Wester Corridor in June 2019, work at junction 25 was underway and due to be completed in March 2021. There had been continued investment in the highway network through the structural maintenance programme.

- (6) Cllr Lawrence responded to a written question from Cllr Redman regarding Devon and Somerset Fire and Rescue Authority's recent consultation.

Full details of the submitted questions and responses given at the meeting and / or in writing following the meeting are set out in Appendix A to these Minutes.

155 **Annual Report of the Cabinet Member for Highways and Transport –**
Agenda Item 10

This was taken under agenda item 9.

156 **Annual Report of the Audit Committee**

- (1) The Chair of the Audit Committee, Cllr Paul presented the annual report to Council informing members of the work of the committee in the previous financial year and to note the Committee's opinion on the standard of governance, risk management and internal audit in place within the county council.
- (2) She particularly highlighted the value for money tracker which was reported on at each meeting, regular reports from auditors and praised the technical support to the committee which had been of the highest quality. There would be an increased emphasis on risk management going forward. Cllr Verdon was thanked for her work as Vice Chair as well as the supporting officers.
- (3) Cllr Leyshon and Cllr Fothergill offered their thanks to the committee.

157 **Report of the Scrutiny Committee for Policies, Adults and Health –** Agenda item 12

- (1) The Council received and noted the report from the Scrutiny for Policies, Adults and Health Committee. The Committee had discussed a number of issues including the Somerset CCG Finance Update, South Western Ambulance Service Trust Performance Report, Somerset Oral Health Update, Fit for My Future, Intensive Dementia Support Service, Adult Social Care Performance and Community Hospitals.

158 **Report of the Scrutiny for Policies, Children and Families Committee -**
Agenda Item 13

- (1) The Council received and noted the report from the Chair of the Scrutiny for Policies, Children and Families Committee Cllr Leigh Redman. The main focus of the work was on the outcomes arising from the Ofsted Inspection and ensuring the delivery of the new Children and Young Peoples Plan (CYPP). Other issues discussed included SEND update, Governor Services, Elective Home Education, Somerset Children's Trust, Family Support Service and Self-Harm.
- (2) Cllr Redman invited members to attend the committee meetings.

159 **Report of the Scrutiny for Policies, and Place Committee -** Agenda Item 14

- (1) The Council received and noted the report from the Chair of the Scrutiny for Polices and Place Committee Cllr Anna Groskop. Issues covered at the meetings included West Somerset Opportunities Area Programme, Hinkley Point C Community Fund, Rights of Way (RoW) Service, Council's revenue budget.
- (2) She reminded members that they could attend the committee meetings.

(The meeting ended at 11.34am)

CHAIR of the Council

Public/Member Questions – Full Council
Public and Member Questions – Full Council – 17 July 2019

Public/Member Questions – Full Council

PQ/MQ	From	Topic	Question/statement
PQ1	Nigel Behan	<u>Climate Change</u>	<p>Q1 Relates to a week of events from 15 July across the UK <u>“Summer Uprising – ACT NOW. IT IS TIME TO REBEL”</u></p> <p>The Bristol Occupation by XR Southwest state on their “Events” page that:</p> <p>“Parliament and many UK councils have declared a climate and ecological emergency, but their actions do not match their words. The government’s commitment to cut carbon emissions to zero by 2050 is an alarmingly insufficient response. In the Global South, water shortages, famine, extreme weather and conflicts over dwindling resources are already commonplace. Britain’s food security is at risk. Our children’s future is at stake.”</p> <p>There are XR groups in Somerset including:</p> <p><u>“Extinction Rebellion Frome</u> Environmental conservation organisation Frome arm of campaign group Extinction Rebellion. We are responding to an unprecedented ecological emergency, and we need your help!”</p> <p>And</p> <p><u>“Extinction Rebellion South Somerset</u> Community Extinction Rebellion actions in the South Somerset area. The planet is in ecological crisis. The Extinction Rebellion is a necessity.”</p> <p>What will SCC (Elected Councillors who decide and the Officers who advise) do practically to highlight the “Climate Change Emergency” issues as the XR “demand is..... (“For five consecutive days, rebels from Bristol and the South West, will disrupt key transport routes and occupy spaces in central Bristol. Our demand...”) that national and local governments ACT NOW to halt biodiversity loss and cut greenhouse gas emissions to net zero by 2025.”?</p>

Answer: From Cllr David Hall

Public/Member Questions – Full Council

Thank you for your question Nigel. You will be aware that in February at Full Council a motion was carried to declare a Climate Emergency with a pledge to develop a Climate Emergency Strategy and to make Somerset carbon neutral by 2030.

This is the highest level commitment we could give to signal our intent to have a positive impact on our carbon emissions and footprint and to halt or reverse some of the damage that has been done to the Earth's climate. We know this is a bold commitment and a tall order but nevertheless we have made it.

You will also be aware of our commitment to work with our District partners, neighbouring Authorities, the private sector and experts , to develop the strategy. We need to develop an action plan, with defined timescales, with tangible actions and activities, to enable us to meet our goals.

We are already in dialogue with a broad swathe of interested parties, including Extinction Rebellion who met with senior Officers of the Council last week. We are keen to hear from all segments of our community and positively engage and consult with citizens, businesses and organisations in Somerset, to ensure we have a strategy and action plan which everyone in Somerset can identify with, get behind and contribute to.

We are at the very beginning of our journey and the scoping of the work has only just begun, but we know if we are to succeed in this task, and we must succeed, that we need to change systems, behaviours, policies and practice and to take direct and positive action. To do this we ,need the help of everyone in this county and beyond.

We are in a phase of research, evidence gathering and most importantly, listening. Listening to experts and interest groups, leaders in positive action, about the sorts of things we can and should do, the behaviours we can change, the things we can all stop doing.

I trust this affirms our commitment to this agenda.

PQ/MQ	From	Topic	Question/Statement
PQ2	Louise Thomas	<u>5G rollout</u>	In the light of the growing Worldwide opposition to the 5G rollout, and the appeal by scientists and doctors to the EU, WHO and UN, the peer reviewed scientific research indicating biological harm to humans and the environment, and the fact that both Glastonbury and Frome councils have put a moratorium on the rollout of 5G subject to reviewing the research , does Somerset County council consider that it may be also appropriate to look into the 5G frequency emissions and the impact it could have on Somerset's residents.

Answer: Cllr Christine Lawrence

Mobile networks have been in operation since the 1980s, all wireless technologies have to be rolled out under strict government guidelines, which are based on medical studies and research programmes going back more than 30 years. These are reviewed on an ongoing basis. The research and associated guidelines include all wireless technologies used globally and in the UK – for 2G, 3G, 4G, WIFI and now 5G.

In addition, there are strict rules on the power level (exposure to radio waves, non-ionizing radiation, electromagnetic fields) that each site broadcasts a signal at – this is governed by an organisation called ICNIRP.org, (the international commission on non-ionizing radiation protection.) This organisation informs the Health & Safety Executive and Public Health England, together acting as the health-related watchdog for the mobile industry. All 5G is being rolled out within those guidelines.

It is possible that there may be a small increase in overall exposure to radio waves when 5G is added to an existing network or in a new area; however, the overall exposure is expected to remain low relative to guidelines and as such there should be no consequences for public health.

Public Health England’s (PHE’s) Centre for Radiation, Chemical and Environmental Hazards (CRCE) takes the lead on public health matters associated with radiofrequency electromagnetic fields, or radio waves, used in telecommunications.

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PQ/MQ	From	Topic	Question/Statement
PQ3	Nigel Behan	<u>House of Commons Transport Committee Bus services in England outside London (May 2019)</u>	<p>https://publications.parliament.uk/pa/cm201719/cmselect/cmtrans/1425/1425.pdf#</p> <p>Following the Select Committee report (link above) the Campaign for Better Transport called for:</p> <p>“A National Bus Strategy would ensure the Government focuses on protecting and improving bus services across the country by:</p> <ul style="list-style-type: none"> - Combining funding from public sector spending on buses within a long-term framework to give local authorities and bus operators the ability to maximise the benefits of investment, plan properly for the future and ensure no further services are lost - Speeding up the move to low and zero emission vehicles to help national and local

Public/Member Questions – Full Council

government meet environmental and public health objectives, support jobs in bus manufacturing and help establish the UK amongst the international leaders on clean mass transport

- - Establishing a programme of investment in physical and virtual infrastructure to support buses including a new generation of modal interchanges, targeted investments to make motorways and other strategic roads more bus-friendly and initiatives to encourage the development of multi-modal ticketing and journey planning.”
- As one of the report’s recommendations was that the Government introduce a national strategy for buses by 2020.

Does the Council support the Transport Committee’s request that:

“In its response to this Report the Government should lay out a clear timescale for the development of this strategy, including the impact assessments and consultations which will accompany the development of such a strategy. We believe there is merit in such a national strategy being underpinned by a national forum involving representatives from bus operators, trade unions and other stakeholders to examine and share information on issues such as improving services, recruitment and retention, skills, apprenticeship and bus safety.”

And the recommendation(s):

“We recommend that the Government develop and adopt a bus strategy by the end of 2020. This should include:

- the Government’s ambitions for increasing bus ridership;
- a commitment to making the full suite of operating models, including franchising, available to all local authorities, and guidance on how different bus operating models can be used most effectively and implemented quickly with a minimum of bureaucratic impediments;
- a more stable multi-year funding model for local transport, including bus services, and a clear strategy for and details of how to access any bid-for funding;
- an assessment of the evidence for the effectiveness of bus priority measures across England,

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			<p>and guidance on how best to implement bus priority measures; and</p> <ul style="list-style-type: none"> • specific targets for modal shift, and actions to encourage people to switch to bus use.” <p>And what will SCC do practically as part of the Climate Change Emergency (and Air Pollution) concerns?</p>
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Answer: Cllr John Woodman

Answer: Somerset County Council contributed evidence into the Select Committee’s examination of bus services in England and is happy to support the Committee’s request of Government and associated recommendations. SCC has an adopted bus strategy (accessible from <https://www.somerset.gov.uk/roads-and-transport/transport-strategy/>) which sets out our current plans and actions for bus services and the Council is also developing a climate change strategy which may well then inform a further review of the bus strategy in due course.

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PQ/MQ	From	Topic	Question/Statement
PQ4	Eva Bryczkowski	Supporting Vulnerable People	<p>Lack of funding has meant that much needed refuges have been closed. Yes, some local authorities provide safe houses, but they are not as safe as a group of women in the same house/refuge protecting one another with the support of a full time worker.</p> <p>Regarding victims of sexual abuse, whether children or adults requiring help, there is no way near enough support. There are very long waiting lists. And generic counselling often wasn't enough and not tailored towards the victims who needed specialist counselling or therapy in order to help them heal, often from traumatic experiences.</p> <p>I now would like to compare and contrast how different levels of funding affected services offered to adults who experienced sexual abuse as children.</p> <p>When I worked at Bristol Rape Crisis Line we had an enormous amount of people, (mainly women), ringing up wanting support and counselling for childhood abuse, particularly with their experiences of flashbacks which impacted on their everyday life, at work for example.</p> <p>A colleague and I set up Incest Survivors as an offshoot. This was because we had enough</p>

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funding to do this. That is why I think it's important and relevant to mention this.

We set up self-help groups, counselling, and giving tailored individual support to individuals.
Two examples:-

- We supported a young woman who was sexually abused by her father to be able to leave home and find another place to live in. But it didn't stop there. She was having severe flashbacks, and we helped her in different ways to eventually heal.
- Another example was a woman who experienced such extreme sexual abuse as a child that she couldn't go anywhere where a man was nearby. She urgently needed to post a parcel but a man was serving in the post office. So I went with her and she stayed outside while I went in to post it.

Why are these examples relevant? Because it takes valuable time in order to do these things and support people, and that needs adequate funding. Now that there is definitely not enough funding in local authorities, and the levels of support offered is far less. Local authorities, and Councillors in Somerset County Council, with all the goodwill in the world simply cannot afford to provide this level of funding, despite the excellent examples of best practice in some areas.

Now in Somerset, (as in most local authorities), there are serious gaps in provision. For example, gaps in domestic violence provision. According to a recent Women's Aid report, lack of enough funding has literally meant that it is a matter of life and death. With less refuges, and also in existing refuges where there aren't enough beds to provide for everyone who is escaping from domestic abuse, workers have near impossible decisions to make. For example, the report quotes from a worker, "I spent last weekend trying to work out which woman to turn away, asking myself - is this woman going to die if I turn her away?"

According to the Avon and Somerset Police Commissioner's Crime report. While this highlighted many examples of good practice, it also included information about the gaps in provision - which we MUST focus on in order to improve the level of support offered. For example, the report mentions cuts a key service, children's support services. These help children who have witnessed domestic abuse to access extra support. While there might have been increases in funding for domestic violence provision, it isn't enough. The number of cases of domestic violence has skyrocketed. Where increased funding has enabled the number of beds to largely

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to remain stable, (mainly due to housing benefit caps which often pays women's rent in shelters), women still had to wait weeks to get a place in a refuge. One woman had to call the police four times while waiting for a safe space. Another woman attempted suicide after being raped so brutally by her partner that her womb was severely damaged. When she finally managed to leave her partner there was no space immediately available.

The Somerset PCC report recommends a ratio of one refuge for 10,000 in population.

The report stated that the victims of domestic abuse and sexual violence lack one-on-one support services, which is crucially needed.

The report outlines a number of percentage increases in domestic abuse and sexual abuse over certain time periods.

It states that the majority of services offer only short term support. Also that these services are not provided overnight or on weekends, when often support is very much needed.

I simply don't have time now to provide extra figures from the above and other research.

Suffice it to say that I would like the Councillor who answers my questions, instead of simply confirming good practice, which is great, to concentrate on the gaps and what can the Council do about the terrible suffering experienced by adults and children.

QUESTION ONE:-

What are councillors and officers going to do about the gaps in provision so that people who are suffering get the help they need?

QUESTION TWO:-

Working from the premise that:

If you always do what you've always done, you'll always get what you've always got.

If what you are doing isn't working, do anything else at all.

How are the Council going to lobby the government in radically different ways?

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QUESTION THREE:-

Will the Council do such radically different things such as brainstorming, involve staff working in the above areas, and anything else they can think of to find a way out of this impasse? h

Answer: Cllr Christine Lawrence

Question 1

In 2017, Somerset County Council Public Health team produced a domestic abuse needs assessment for the county. This has helped inform the current Somerset Domestic Abuse Strategy and work of the Somerset Domestic Abuse Board, helping us to assess and understand the needs within the County and to use our resources as best we can to address those needs.

Part of this has seen us attempt to help maximise available resources through the commissioning of an integrated domestic abuse support service, (known as SIDAS Somerset Integrated Domestic Abuse Service). This means there is support in the community and in refuge or safehouses, available for victims/survivors assessed as needing the support of a specialist domestic abuse service, whether they are a victim, perpetrator or child, all of which can be accessed through one single referral point.

The staff within this service work with the Sexual Assault Referral Centre (SARC) depending on the needs, as it does with a range of agencies as a means to provide safety and support to those accessing SIDAS.

The current SIDAS contract ends in March 2020. Currently procurement is underway to re-commission the service from April 2020. Both the existing service and new service specifications have been developed taking into account feedback from victims/survivors of domestic abuse. We have also completed engagement work with commissioners from other local statutory bodies, and providers of services across the region. This has been to help us ensure we're commissioning a service that is realistic and best meets the needs of our communities, whilst complementing the other services available locally that provide support to domestic abuse victims/survivors.

Feedback from survivors suggests that although some do prefer the peer support a refuge offers, others prefer the flexibility that a safehouse provides, especially for those with several children or teenagers where a refuge can be incredibly overwhelming. We are intending to continue with this mix of service provision in the new contract, together with provision of target hardening to help victims/survivors stay safe in their own homes.

The criminal justice system also offers a range of measures to help victims stay safe at home, and to take action to help perpetrators stop their abuse. SCC through its SIDAS provision currently tries to maximise this through effective multi-agency working with the police, social care, housing providers and others. For many years SCC has commissioned support services to help perpetrators change their behaviour. The new contract from April 2020 will continue with this.

In 2017 Public Health commissioned a specialist service to support children and young people aged 18 years and under who have experienced sexual abuse and trauma in Somerset. The service is funded by a partnership between Somerset County Council, NHS England and Somerset CCG.

Question 2

There are many changes anticipated over the coming months through national legislation, including the new Domestic Abuse Bill which was consulted on last year. Currently, the Ministry of Housing, Communities and Local Government has a consultation (until 2nd August) on the future delivery of support to victims and their children in accommodation-based domestic abuse services in England. This proposes the introduction of a statutory duty on local authorities to provide support that meets the diverse needs of victims of domestic abuse and their children, ensuring they have access to provision that is right for them. We see this consultation as a positive step by the UK Government. We are also encouraged that this acknowledges / suggests that additional funding maybe available.

Question 3

The market and stakeholder work undertaken in the last eighteen months has helped shape the new service delivery model requested through the re-procurement of the service which is currently underway. This included talking with service users/ victims as detailed within the response to question 1. This is a model we will continue to utilise for all of our services.

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PQ/MQ	From	Topic	Question/Statement
MQ1	Liz Leyshon	Major Road Network Schemes	<p>At the recent Peninsula Transport Board meeting, the road scheme submissions for the Peninsula area of Cornwall, Devon & Somerset included two schemes for Somerset. In the Large Local Major scheme, Somerset has proposed the Walton/Ashcott by-pass. In the Major Road Network scheme, Somerset has proposed the Glastonbury by-pass.</p> <p>Can the Cabinet member for Highways and Transport please confirm the approximate likely costs for each of these two schemes and identify how much of each total might be covered by DfT funds, how much by developer contributions and how much by Somerset County Council? Of the SCC contribution, can the Cabinet member please clarify the source of the SCC funds and when these would be required? And if developer funds are paid retrospectively as housing and other development takes place, how will the Council manage the cashflow for these major</p>

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schemes?

Response from Cabinet Member for Highways, John Woodman

Answer: *Early indicative costings for the proposals are £90m for Walton/ Ashcott Bypass and £20.3m for Glastonbury Bypass. This is based upon some very early costing activity to inform DfT of the relative value for money of the proposals in comparison to other schemes and are the likely minimum costs to address the congestion pinch-points on the current routes. The costs are likely to change as route options are further developed, consulted on and agreed, and as more detailed design is undertaken. Our assumption at this stage is that 15% of the cost of each scheme will need to be provided from third party contributions and that DfT will fund 85% of the scheme costs. At this early stage in the process it is not possible to say how much if this will be provided through developer funding, and we will work with Mendip District Council to ensure developer contributions to the schemes are maximised. As with other major transport schemes the Council will consider the need for any capital contribution towards the schemes as part of the capital programme which is reviewed annually. The bulk of any capital contributions towards scheme construction would be needed in 2024/25. The Council has provided cashflow in lieu of future developer contributions for current major transport schemes such as M5J25 and would consider this if necessary, for the MRN schemes.*

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PQ/MQ	From	Topic	Question/Statement
MQ2	Leigh Redman	Fire Station closures	<p>“As a member of the Devon & Somerset fire & rescue authority, I am privileged to be one of the representatives of this council, in July an extensive 12 week consultation was announced, elements of which, if progressed that could involve station closures and/or cuts to service, aspects that could have potential impacts on the safety of some members of our Communities.</p> <p>I wanted to ask if we as a County are responding formally to this important consultation and also suggest it would be a good idea for the appropriate scrutiny committee to look at this proposal paper and our response?”</p>

Answer: Response from Cabinet Member for Public Health and Wellbeing, Cllr Christine Lawrence

I can confirm that SCC will be formally responding to the consultation, officers from Public Health and the Civil Contingencies Unit are preparing a draft response to be discussed at the Adults and Health Scrutiny in time for a submission before the 20th September deadline.

We will also pull together a Member’s briefing setting out the main points of the Fire Service’s Proposal.

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Somerset County Council

County Council

– 22 January 2020

Report of the Leader and Cabinet – Items for Decision

Cabinet Member: Cllr D Fothergill – Leader of the Council

Division and Local Member: All

Lead Officer: Scott Wooldridge, Strategic Manager-Governance & Democratic Services and the Monitoring Officer

Author: Scott Wooldridge, Strategic Manager-Governance & Democratic Services

Contact Details: 01823 357628

1. Summary

- 1.1** This report sets out the Leader’s and Cabinet’s recommendations to Council arising from their consideration of reports at the Cabinet meetings from August to December 2019.

Note: The references in this report to Papers A, B and C relate to the relevant reports considered by the Cabinet containing specific recommendations for the County Council to consider and are appended to this report for reference.

- 1.2 Paper A (Climate Emergency Framework)** was considered by the Scrutiny Committee for Policies and Place in October 2019 ahead of consideration at the Cabinet meeting in December 2019. The Cabinet agreed the proposals in Paper A and this matter is being reported to the County Council for information in response to the motion that the Council agreed in February 2019.
- 1.3 Paper B (Investment Strategy)** was considered and endorsed by the Cabinet at its meeting in December 2019. The Cabinet agreed for the proposals in Paper B to be recommended to County Council for approval.
- 1.4 Paper C (Treasury Management mid-year report 2019/20)** was considered at the Cabinet meeting in November 2019. The Cabinet endorsed Paper C and agreed for this to be reported to the County Council to consider and endorse.

2.0 Recommendations

2.1 Climate Emergency Framework – see Paper A that Cabinet considered and agreed at its meeting in December 2019.

The Council is recommended to consider and note the Climate Emergency Framework, which sets out the development of the full Climate Emergency Strategy which is scheduled to be considered at the County Council meeting in July 2020.

2.2 Investment Strategy - see Paper B and its appendices that Cabinet considered and endorsed at its meeting in December 2019.

The Council is recommended to agree to:

- 1. Build on its current Treasury Management investment activities to generate higher returns, protect against inflationary risks, sustaining a prudent balance of risk and reward.**
- 2. Pro-actively consider options for further investing in existing Council owned property to optimise the value from these assets.**
- 3. Consider other investment opportunities that may arise from time to time subject to appropriate due diligence and governance arrangements being in place.**

2.3 Treasury Management mid-year outturn report 2019-20 – see Paper C and its appendices that Cabinet considered and endorsed at its meeting in November 2019.

The Council is recommended to endorse the Treasury Management mid-year outturn report for 2019-20.

3. Options considered and consultation undertaken

3.1 Options considered and details of consultation undertaken in respect of the recommendations set out above are set out in the reports and appendices within Paper A, B and C.

4. Implications

4.1 Financial, legal, Human Resources, equalities, human rights and risk implications in respect of the recommendations set out in this report are detailed within Papers A, B and C.

It is essential that consideration is given to the legal obligations and in particular to the need to exercise the equality duty under the Equality Act

2010 to have due regard to the impacts based on sufficient evidence appropriately analysed.

The duties placed on public bodies do not prevent difficult decisions being made such as, reorganisations and service reductions, nor does it stop decisions which may affect one group more than another. What the duties do is require consideration of all of the information, including the potential impacts and mitigations, to ensure a fully informed decision is made.

5. Background Papers

5.1 These are set out within Papers A, B and C and their appendices.

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Climate Emergency Framework

Cabinet Member: Cllr David Hall - Cabinet Member for Economic Development, Planning and Community Infrastructure

Local Member(s) and Division: All

Lead Officer: Michele Cusack, Director Community Infrastructure Commissioning

Author: Jon Doyle, Service Manager, Community Infrastructure Commissioning

Contact Details: JYDoyle@somerset.gov.uk 07977 401939

1. Summary / Background

- 1.1.** Following motions passed by the respective authorities earlier in 2019, the five Councils of Somerset (Mendip District Council, Sedgemoor District Council, Somerset County Council, Somerset West and Taunton and South Somerset District Council) have agreed to work together to identify ways in which the County of Somerset could achieve carbon neutrality by 2030.
- 1.2.** A Framework document has been produced that sets out some high-level detail explaining the expected directions of travel required to address the various issues that have been identified. However, it is essential that the detailed Climate Emergency Strategy and Action Plans derived from it are informed by listening to the communities affected by any changes, whilst we learn from initiatives, projects and actions already planned and implemented within our communities.

This paper sets out the proposed methods of Consultation with communities, business and industry and young people to enable their input into the Strategy document.

2. Recommendations

2.1. That the Cabinet

- 1. Endorses the draft Climate Emergency Framework document for consultation and the approach to its delivery through the workstreams**
- 2. Endorses the timeline for development of the full Climate Emergency Strategy**
- 3. Endorses the proposed consultation activities**
- 4. Notes the risks in item 7 below and the challenges to delivery in section 6 of the Framework document.**

3. Reasons for recommendations

- 3.1** In 2019 the five Somerset Local Authorities each recognised or declared a 'Climate Emergency' and agreed to collaborate in producing a joint Climate Emergency Strategy.
- 3.2** Whilst each declaration is slightly different, all aspire to achieving carbon neutrality in their own operations and to work towards achieving this across the geography of their administrative area.
- 3.3** Given the alignment of the declarations, it was agreed that a cross-authority Strategy be developed to identify ways in which the county of Somerset can become 'Carbon Neutral' by 2030.
- 3.4** This Framework document has been developed to initiate conversation with individuals, our communities, interest groups, businesses and other relevant stakeholders to inform the full Climate Emergency Strategy and the actions and priorities that arise from it.

4. Other options considered

- 4.1.** In order for individuals, communities and interest groups to have a sense of ownership of the resultant Strategy it is essential that they get an opportunity to shape it in a meaningful way by providing feedback on the draft Framework.

It is important that we do not present all of the answers as we see them, but to provide opportunities for people to feedback on the proposed direction of travel of the Framework, the areas for concentration and priority actions.

All of the feedback received to date from Stakeholders, activist groups and industry and academic experts is that engagement, communications and consultation is key to the delivery and implementation of a credible strategy and from the outset this needs to be done correctly and earnestly; done incorrectly it could mean the strategy does not gain support and traction from the beginning.

There has been pressure from some quarters, notably Extinction Rebellion, to form a People's Assembly as the main means of public consultation for Strategy development. This option has been discounted at present as it has been deemed too costly and time-consuming to set up, however, the option of having smaller, People's Juries to debate the relative merits of smaller, discreet projects is not being ruled out at this stage.

5. Links to County Vision, Business Plan and Medium-Term Financial Strategy

5.1. The framework has links to all of the objectives within the County Plan:

- A thriving and productive County that is ambitious, confident and focussed on improving people's lives.
- A County of resilient, well-connected and compassionate communities working to reduce inequalities.
- A County where all partners actively work together for the benefit of our residents, communities and businesses and the environment in which we all live.
- A County that provides you with right information, advice and guidance to help you help yourself and targets support to those who need it most.

Actions taken intended to mitigate or adapt to climate change often come with co-benefits, defined as 'the positive effects that a policy or measure aimed at one objective might have on other objectives'. It is clear that all of the objectives of the County Plan could be contributed to by the delivery of actions contained within the Climate Emergency Strategy.

5.2. Many of the recommended actions and priority areas for concentration identified within the final Strategy document will undoubtedly require additional funding; this will be picked up through the respective MTFP processes.

It must be noted that any proposed actions over and above Business as Usual are currently unfunded.

Individual projects and actions that are being identified for immediate action are currently being costed and will be subject to Business Cases and the MTFP (2020/23) process.

6. Consultations and co-production

6.1. The Framework document has been co-produced by the five Somerset Local Authorities (Mendip District Council, Sedgemoor District Council, Somerset County Council, Somerset West and Taunton and South Somerset District Council).

6.2. The approach has been discussed and developed with a wide range of subject matter experts and climate activist organisations including, but not limited to, Exeter University, Somerset Climate Action Network (SCAN), Somerset Community Energy and Extinction Rebellion.

6.3. The approach to the Consultation process has been formulated in conjunction with SCAN who will be supporting and facilitating the Climate Emergency drop

in sessions and online survey and will provide analysis of the outputs.

Consultation with the Business Community is being developed and is being coordinated in conjunction with the local Chamber of Commerce and Federation of Small Businesses.

Consultation with young people will include an online survey for 11-25 year-olds and is being coordinated with the help of Somerset Association of Secondary Headteachers.

7. Financial and Risk Implications

7.1. Somerset County Council, as part of its Declaration of a Climate Emergency at the Full Council Meeting of February 2019, allocated £25,000 from the Councils contingency budget to develop the strategy. All of the District Councils have also allocated similar amounts of funding towards the development of the strategy.

These monies are, in part, being utilised to fund the consultation process, as well as paying for additional project resource and being available to commission discreet, specialised research projects.

7.2. Risk 1: Lack of engagement with the public resulting in insufficient responses to the consultation process

This will be mitigated by the holding of a series of Climate Emergency Have your Say events, one in each District of the county. The events will be heavily promoted through media channels and through partner organisations to ensure as wide a reach and interest as possible.

The Consultation will also be hosted online for the requisite Consultation period so attendance at the events will not be required for engagement with the Consultation process

Likelihood	2	Impact	3	Risk Score	6
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Risk 2: That the draft Framework sets expectations that are not then followed through in the Climate Emergency Strategy due to lack of financial resource.

Likelihood	4	Impact	4	Risk Score	16
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8. Legal and HR Implications

8.1. There are no Legal or HR implications as a result of the development of the Framework document for consultation, however, there may be some implications as a result of the development of the full Strategy document.

These will be documented and addressed at the time of the Strategy development.

9. Other Implications

9.1. Equalities Implications

The Somerset District Councils have assumed the responsibility for arranging the Climate drop-ins around the county. All relevant accessibility issues are being considered.

To ensure the widest range of attendees the events is being heavily promoted across media channels, including through the substantial combined reach of the Somerset Local Authorities social media platforms.

The Consultation will also be hosted online for the requisite Consultation period so attendance at the events will not be required for engagement with the Consultation process

9.2. Community Safety Implications

Given the subject matter of the Framework document and the Consultation, it is possible that emotions may run high during the events.

The Consultation events and venues will be dynamically managed to ensure community safety at all times.

9.3. Sustainability Implications

The Framework document contains a set of broad themes for Consultation which propose ways in which we can reduce carbon and other greenhouse gas emissions across Somerset.

It also sets out a number of ways in which the landscape of Somerset can be adapted to the inevitable effects of Climate Change.

It is planned for individuals, communities and groups to have the opportunity to shape the priorities of the resultant Strategy and Action Plans. The full sustainability implications of the proposed projects and actions will be considered and measured at that point.

9.4. Health and Safety Implications

N/A

9.5. Health and Wellbeing Implications

While Health and Wellbeing is not one of the defined Workstreams within the Framework, it is clear that public health and the identification of the co-benefits of the proposed actions must be a golden thread throughout the document and the resultant Strategy

The implementation of proposed actions and projects will have numerous opportunities to improve local communities and living standards for all in Somerset. A number of the projects and proposals will provide significant socio-economic and health benefits, can reduce healthcare costs and improve the quality of life for many.

9.6. Social Value

Although we are unable to provide detail of the contents of the Climate Emergency Strategy at this stage as the Framework document is yet to be consulted upon, the Strategy and resultant projects will undoubtedly include a number of Social Value benefits. These are likely to include measures that will:

- Address fuel poverty for those in deprived areas
- Address air pollution in built-up urban areas
- Look at the affordability and availability of public transport
- Encourage healthier, sustainable forms of transport
- Create community cohesion through the development of local projects
- Provide an opportunity for community groups and individuals to feel that they are vested in the Strategy development and delivery through a robust and comprehensive consultation process

10. Scrutiny comments / recommendations:

- 10.1.** The Draft Somerset-wide Framework was considered by Somerset County Council's Policies and Place Scrutiny Committee on 9th October 2019. A number of members identified concerns in relation to specific points within the document. These points have been raised with the Strategic Management Group and discussed at the Somerset Climate Emergency Joint Task and Finish Group on 22nd October 2019 alongside points raised at other authorities. The Framework is being amended as considered appropriate taking account of these discussions and will be circulated for agreement by the Joint Cabinet / Portfolio Holders Group in consultation with the Chair of the Task and Finish

Group.

11. Background

- 11.1.** In 2019 the five Somerset Local Authorities each recognised or declared a 'Climate Emergency' and agreed to collaborate in producing a joint Climate Emergency Strategy for Somerset. Whilst each declaration is slightly different, all aspire to achieving carbon neutrality in their own operations and to work towards achieving this across the geography of their administrative area. Given the alignment of the declarations, it was agreed that a cross-authority Strategy be developed to identify ways in which the county of Somerset can become 'Carbon Neutral' by 2030.

Experts from the fields of academia, industry, climate activism and subject matter experts from across the Somerset local authorities have been engaged to develop the scope of the Framework and identify the key areas of focus and to help understand the scale of the challenge set by the ambitious targets within the 'Climate Emergency' to inform the resulting Strategy and local Action Plans

- 11.2.** The Framework document identifies a number of key themes and proposed actions and an initial planned direction of travel for the Strategy and recommends a number of discreet yet interdependent workstreams comprised of local authority and industry and subject matter experts to identify actions and deliver the strategy.

The framework is intended to stimulate conversation with communities, interest groups, businesses and other relevant stakeholders in order to generate true community engagement and strategy co-development, ensuring that everyone in Somerset feels a sense of ownership of the full Climate Emergency Strategy.

It is intended that this Framework document reaches as wide a range of people of Somerset as possible to give them the opportunity to input into and shape the final Strategy document.

To facilitate this, the proposed Consultation process will be multi-faceted and multi-media; it is proposed to use both face-to-face and online approaches, with a strong communications programme to make the public aware of the opportunities to engage with us on this matter.

Face to face contact – Within each district area, a day long 'Climate Emergency - Have your Say drop-in session' has been arranged to allow the public to attend, at a time that suits them, to understand what was being

proposed and give their feedback on our approach. This would also be supplemented by a series of panels through the day on subjects of interest. The panels would be filled by subject specialists and would be a discussion of a climate topic rather than about our proposals. The aim of the panels is to draw people in, in a way that they might not otherwise feel it was worth their attending. The events will be managed and facilitated on the day by Somerset Climate Action Network (SCAN), not the councils. In this way it is hoped that people will feel more comfortable to attend the events.

Online consultation – running over the Consultation period there will also be an online consultation which people can access at a time that suits them. This will cover the same 'asks' as those made during the drop-in sessions to ensure that there is consistency.

District supplemental events – where considered helpful to districts, it is proposed that they offer smaller events as appropriate to help them flesh out the area specific plans in their district. These events are seen to be an opportunity to engage the community in local activities, sign-post people to the online consultation and promote the work the councils are doing.

Business and Industry events – a tailored business and industry focussed Consultation event (supported by the Federation of Small Business and the Chamber of Commerce) will be run to garner the views of those specifically engaged in Somerset's business communities with their unique challenges.

Young People -There is a recognition that many young people have strong views on climate change and the impact on the planet. Actions coming from the strategy will impact their future and so it seems appropriate to engage with them separately.

A two-fold approach is suggested that takes account of the need to show that as local authorities we are taking this matter seriously but also allows young people to respond electronically.

1. A programme of attendances at schools and colleges will take place which will see council representatives promoting the consultation process.
2. A young person's online consultation will run, independently from the public one, to allow them to feed in their views.

It is proposed that this work makes use of the enthusiasm of the members of the Somerset UK Youth Parliament and that they are asked to support the formation of the online consultation as well as promoting the programme amongst young people.

It is also planned to promote the consultation to a number of faith groups and voluntary organisations in order to gain their views.

The outputs of the Consultation responses will then be analysed and help to inform and shape the Strategy document.

Time-table

The proposed timeline for development and sign-off of the Strategy can be seen below. It was revised following the delay of the public consultation from November to February due to the general election period.

Date	Stage
Sept 2019	Framework Strategy through joint T&F, Leaders and CEOs
Oct-Dec 2019	Framework Strategy through individual Council Scrutiny and Cabinets/ Executive Committees
Nov-Feb 2020	Working groups continue to develop plans
Jan-Feb 2020	Consult on Framework Strategy with public events / online
Mar-Apr 2020	Draft Strategy and action plan through joint T&F, Leaders and CEOs, Cabinet Member groups
May-June 2020	Consult on draft strategy
June-July 2020	Final Strategy through joint T&F, Leaders and CEOs
Jul-20	Final Strategy and Action plan to full Councils for adoption

12. Background Papers

12.1. A full set of references are contained within the Appendix 1 Framework Document.

Report Sign-Off

		Signed-off
Legal Implications	Honor Clarke	Click or tap to enter a date.
Governance	Scott Woodridge	05/11/19
Corporate Finance	Sheila Collins	28/10/19
Human Resources	Chris Squire	30/10/19
Property	Paula Hewitt	01/11/19
Procurement / ICT	Simon Clifford	29/10/19
Senior Manager	Paula Hewitt	01/11/19
Commissioning Development	Ryszard Rusinek for information	29/10/19
Local Members for information	All members	10/12/19
Cabinet Member	Cllr David Hall - Cabinet Member for Economic Development, Planning and Community Infrastructure	04/12/19

Opposition Spokesperson for information	Cllr Jane Lock (on behalf of Cllr Simon Coles)	28/10/19
Scrutiny Chair for information	Cllr Anna Groskop - Place Scrutiny	28/10/19

Draft Somerset Climate Emergency Framework

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1: Introduction

This framework document has been produced by the five Somerset Local Authorities (Mendip District Council, Sedgemoor District Council, Somerset County Council, Somerset West and Taunton District Council, and South Somerset District Council). It aims to summarise and outline the work currently co-ordinated by the Local Authorities to meet our targets for carbon neutrality. A brief account of the current situation in Somerset and issues associated with climate change is provided, highlighting why we are undertaking this work.

This framework is intended to spark a conversation with our communities, interest groups, businesses and other relevant stakeholders in order to generate true community engagement and strategy co-development, ensuring that everyone in Somerset feels a sense of ownership of the full Climate Emergency Strategy and the actions that arise from it. This initial document will provide some high-level detail explaining the expected directions of travel required to address the various issues that have been identified. However, it is essential that the detailed Climate Emergency Strategy and Action Plans derived from it are informed by listening to the communities that will be affected by any changes, whilst we learn from initiatives, projects and actions already planned and implemented within our communities. The final Climate Emergency Strategy produced by this work will not simply be a Council document; it will be recognised and owned by everyone in Somerset and be held as a collective response to the Climate Emergency.

The Climate Emergency Strategy will contain more detailed analysis of the changes required for Somerset to become carbon neutral and increase resilience to the risks posed by climate change locally. The Strategy will aim to detail programmes and projects to address these issues, with estimated costs, carbon emissions reductions and cost-benefit analysis included. Actions will be split over short-, medium- and long-term timescales to enable prioritisation and effective planning.

Individual Local Authorities will produce Action Plans supplementing the Climate Emergency Strategy. These Action Plans will specifically identify how the overall Strategy is relevant to each district, how projects will be delivered and funded, and detail the response to area-specific issues. To maximise the effectiveness and efficiency of the mitigation and adaptation responses implemented by the Local Authorities, these Action Plans will be dynamic and flexible in nature, continuously adapting to the most up to date evidence, methodologies, funding sources and ideas. Engaging with communities throughout the life-cycle of these Action Plans will be essential as the Plans evolve to meet new challenges or opportunities.

2: The Declarations

In 2019, the five Somerset Local Authorities passed resolutions to declare or recognise 'Climate Emergencies' and have since agreed to collaborate to produce and deliver an ambitious, joint Climate Emergency Strategy encompassing the county of Somerset.

Each declaration is slightly different, but all aspire to achieving carbon neutrality and ensuring that we are adapted to the effects of climate change within each administrative area. The appendix contains the individual motions of each Council in full.

3: Contextualising Climate Change

3.1: Global

A recent Intergovernmental Panel on Climate Change (IPCC) report highlights the importance of taking immediate action to limit global warming to a 1.5°C threshold, compared to temperatures from the pre-industrial period¹. Whilst achieving this limit is a challenge, requiring 'rapid and far-reaching transitions in land, energy, industry, buildings, transport and cities' to meet the required net-zero carbon emissions targets, it is certainly possible and requires action to meet these targets immediately¹.

The risks associated with missing this 1.5°C threshold are significant: global warming reaching 2°C has considerable implications for sea level rise, Arctic Ocean sea ice coverage, and prevalence of extreme weather, whilst 99% of all coral reefs would be lost¹.

3.2: United Kingdom

In response to the IPCC report, the Committee on Climate Change (the UK Government's independent advisor on Climate Change) published *Net Zero – The UK's contribution to stopping global warming*², which suggested that the UK should set a national target for carbon neutrality by 2050, and recommended numerous 'core', 'further ambition' and 'speculative' options, policy changes and projects for the UK to pursue. Since then, the UK Government has declared a climate emergency and set a legally binding target for carbon neutrality in 2050 through amendments to the Climate Change Act³. However, Government policy continues to lag behind this target and the recommendations of the CCC.

Nationally, the UK has reportedly made significant progress, reducing emissions by approximately 40% since 1990. However, the majority of progress derives from changes made in the power, waste and industry sectors. Key sectors, such as the built environment and transport, have made little progress – transport emissions have remained steady with little reduction since 1990. The importance of achieving net-zero carbon emissions is highlighted within legislation; the UK's 2050 net zero target is legally binding³ and offers an opportunity for the UK to be an exemplar case study in inspiring other countries to legislate for and meet ambitious carbon neutrality targets.

3.3: Somerset

The tangible impacts of climate change will be particularly visible in Somerset. Due to the topography of the region, rising sea levels will significantly impact coastal flooding in low-lying regions such as the Somerset Levels and Moors, whilst increases in extreme weather events will increase river and surface water flood risk. Coastal communities are likely to become more vulnerable to coastal erosion and shoreline retreat.

Additionally, temperatures are likely to increase in excess of the global average. Even if the global temperature increase is limited to 2°C, Somerset is likely to experience temperature change higher than this⁴. The latest projections (UK Climate Projections 18, produced by the Met Office) indicate that summers will be hotter, with increases by 3.7°C to 6.8°C, depending on how carbon emissions are managed, by 2070⁵. Hot spells, defined as consecutive days reaching temperatures in excess of 30°C, will increase in likelihood by almost 20 times⁵. This increases risk to drought, heat-waves, water stress and pressures to existing water infrastructure, which can become major issues disproportionately impacting those most

vulnerable in society. Current rates of heat-related mortality reach around 2,000 premature deaths per year; by 2020 this figure could increase to 3,400 and approach 11,000 in 2080⁶.

Ensuring local businesses are prepared for these projected climatic changes is important to consider for Somerset, due to the prevalence of small-medium sized enterprises in the region. If implemented incorrectly, a transition to a greener economy more resilient to the impacts of climate change could harm the most vulnerable in society. In order to avoid this, bottom-up engagement and co-development is essential to ensure a fair transition and provide adequate support, up-skilling and re-training for the necessary workforces at risk where industry is required to adjust to meet emissions reductions targets.

Changes to the natural environment, driven by increases to temperature and precipitation profiles, can mean existing ecosystems are vulnerable to die-back or different pest species; ensuring that the rich biodiversity found in our landscapes is preserved is of considerable importance. These changes will impact farming and agriculture, and so developing detailed and evidence-based strategies to mitigate these impacts and provide support to farmers within the industry is important.

3.4: Net Emissions in Somerset

Work has been undertaken to baseline the current net carbon emissions picture within Somerset. Quantifying both emissions and sequestration in the present-day is fundamental to evidence-based strategy development. Understanding sources of emissions in each district is important due to both the geographical and demographical variation within Somerset and a singular action plan is unlikely to be successful. Highlighting key areas of focus to identify maximum benefits and prioritisation of areas for concentration will increase the success of the Strategy and relies upon accurate baselining and monitoring of changes implemented.

3.4a: Emissions

In 2017, a total of 3,285 kt (kilotons) of CO₂ were emitted in Somerset⁷ from industrial, domestic and transport-related sources. For context, a kiloton of carbon is emitted by 200 average cars in 1 year. In fact, the majority of emissions in Somerset derive from the transport sector - 46.7%, compared to 29.5% from industry and 23.8% from the domestic sector.

The relative contributions of each sector vary by Local Authority: in Sedgemoor, 54.1% of emissions derive from transport (with the majority of these sourced from the M5 motorway), compared to only 38.6% of emissions in Mendip. For this reason, specific analysis of emissions sources within each overall sector is required.

Whilst the dataset used to calculate emissions at a high-level separates data at an overall District level, utilising other sources can provide a more detailed picture of emissions sources in Somerset. For example, using the Energy Performance of Buildings database⁸, emissions produced by individual houses can be analysed. Work going into further detail will be carried out by the Energy and Built Environment workstreams.

Calculating emissions produced by industries and businesses is more difficult, primarily due to emissions from their supply chains. Not all emissions have to be disclosed by businesses to the public, so there is a lack of data available online to assess the emissions of individual

organisations. The Industry, Business and Supply Chain workstream will work to assess these emissions.

3.4b: Sequestration

Carbon sequestration is the natural process of capturing and storing atmospheric CO₂. Long term storage of CO₂ through plants, soils and geological formations can mitigate the effects of climate change by offsetting carbon emissions produced by human activity.

Using data from the National Forest Inventory (NFI) it was calculated that approximately 66.1 kt of CO₂ is removed from the atmosphere each year by trees in Somerset⁹. This is equivalent to the domestic emissions of Sedgemoor alone – the lowest contributor to domestic emissions in Somerset – or 2.0% of the total emissions produced directly within Somerset in 2017 alone⁸.

Data from the NFI is updated annually, meaning any changes to tree cover can be tracked and monitored. It is important to note that sequestration rates vary between different tree species and age of trees – the figure provided is an estimate but gives a simple foundation for tracking the progress of Somerset to carbon neutrality. In comparison to the emissions produced in Somerset, the total volume of CO₂ removed is relatively low; this highlights the importance of emissions reduction at the source, rather than prioritising offsetting, which supports the foundational concept of the Strategy to take direct action to reduce total emissions and in situations where this is not possible, offset emissions.

Additional work will be undertaken by relevant workstreams to quantify the net sequestration rates of crops, hedgerows and soils (such as peatlands). Specific research is required due to the variation in management practices used by farms contributing to different net emissions totals.

4: The Climate Emergency Strategy Scope

The Climate Emergency Strategy, co-ordinated by the Somerset County and District Councils in conjunction with relevant partners, will identify ways in which Somerset could become carbon neutral by 2030. This will undoubtedly include overcoming a number of issues that will require legislative change and we will actively lobby for the necessary amendments to legislation to be implemented. For the purposes of this Strategy, carbon neutrality is defined as:

'Carbon neutrality, or having a net zero carbon footprint, refers to achieving net zero carbon emissions by balancing a measured amount of carbon released with an equivalent amount sequestered or offset'¹⁰

The primary objective for the Strategy will be to identify ways that carbon emissions can be directly reduced or avoided. Offsetting and sequestration of emissions will be supplementary actions for situations where direct reduction is not possible, reasonable or cost-effective. It is important to note the distinction between *carbon neutrality* (the aim of the Strategy) and *zero carbon*; emissions will be reduced as much as feasibly possible, but any remaining emissions will be offset to the same quantum.

In this regard, the Strategy will uphold 'responsible research and innovation principles'¹¹; offsetting of emissions will be implemented as close to the emissions source as possible. This

will increase the local relevance of the projects undertaken, whilst increasing the likelihood of adequately managing the primary and secondary impacts and effects of delivery.

As well as working to reduce emissions, the Strategy will identify the adaptations required to ensure Somerset is resilient to predicted environmental changes induced by climate change, such as increased temperatures, more varied precipitation profiles, extreme weather events and sea level rise. Secondary impacts associated with these changes, such as increased pest prevalence impacting the natural environment, will be also be identified, evaluated and mitigated within the Strategy.

5: Opportunities

Immediately taking proactive steps to mitigate and adapt to these inevitable changes can offer numerous opportunities to improve the local communities we live in and living standards for all in Somerset. Projects and proposals can provide significant socio-economic, non-environmental 'co-benefits' and reduce costs to society in other places whilst contributing to increased standards of living of all residents of Somerset.

For example, changes implemented to reduce emissions from transport contribute to many health co-benefits, which can reduce healthcare costs and improve the quality of life for many – increasing rates of cycling or walking can contribute to reductions in heart disease rates or obesity-related risks and lower rates of urban and noise pollution¹²; whilst transport systems prioritising rapid transit can improve access for vulnerable groups improving equality and access to healthcare¹².

Similarly, whilst tree-planting schemes are intended to increase the rate and volume of CO₂ removed from the atmosphere via natural sequestration, increasing tree coverage in urban areas can deliver public and mental health benefits for residents in the communities as well as serving to improve biodiversity in urban or natural regions.

Within the energy sector, actions intended to reduce reliance on fossil fuels or decrease energy consumption have numerous associated co-benefits. Construction of community renewable energy generation and storage projects can provide greater energy security, lower energy bills, revenue opportunities as well as jobs for both local communities and the wider region. Delivery of retrofit schemes, intended to reduce energy consumption and increase energy efficiency within domestic or other buildings, can contribute to reductions to energy bills and fuel poverty rates whilst decreasing health concerns associated with cold and damp homes for those in vulnerable communities.

Whilst the Climate Emergency Strategy will primarily focus on climate change and its associated impacts, delivery of projects intended to reduce carbon emissions or adapt to predicted changes are likely to have co-benefits relevant to other environmental issues. Issues relating to single-use plastic consumption, biodiversity and health and well-being of local communities are not the primary focus of the Strategy. However, in some situations individual workstreams may develop responses, action plans and projects relevant to these areas where there is a significant overlap with climate change and clear opportunities to meet the primary objectives of carbon neutrality and adaptation are present.

Although initial costs of project implementation may be high, it is undoubtable that these costs are minimal compared to those that will be incurred if a 'business as usual' approach is continued. For example, the 2013-2014 winter floods cost Somerset up to £147.5 million with £20 million to residential property alone¹³ – climate change will increase both the frequency and severity of flooding, making similar events more likely in the region. Taking proactive steps to adapt to the impacts of climate change can considerably reduce these costs derived from flooding alone; long-term impacts to the economy associated with other changes, such as drought or reductions to water quality, can also be avoided.

6: Challenges to Delivery

Whilst the direct contribution of the five Local Authorities to Somerset's total emissions has not yet been calculated it is likely to be a small proportion overall. Work commissioned by Manchester City Council indicated that they only produce 3% of the total emissions within their administrative area¹⁴. The immediate influence that we have in reducing the net emissions of Somerset is limited to internal infrastructure or contracts, such as making changes to the estates owned by the Authorities or to services delivered, supplied and procured.

However, the policies, strategies and other regulatory powers of the Authorities can influence reductions to net emissions externally across Somerset. For example, planning policies setting carbon reduction targets for new developments can influence the emissions picture county-wide as opposed to continuing a business as usual approach. In addition, the role that the Local Authorities play in encouraging action by stakeholders, businesses, partners or communities that can directly reduce emissions themselves is essential. By working with an array of groups, the Local Authorities can empower, encourage and support the strategic actions required by these parties to achieve carbon neutrality and act as a catalyst towards a carbon neutral Somerset. This underlines why it is essential to build consensus and ensure everyone in Somerset feels a sense of ownership of the Strategy and in delivery of its actions.

Other challenges associated with delivery are less simple to overcome. The composition of Somerset, in both environment and demographics, can add to difficulties associated with delivery. For example, whilst the beauty of the natural environment and rurality of the region makes Somerset a special place to live, reducing emissions from the transport sector is less simple than in an urbanised city region with a more concentrated, less dispersed population. In total, there are 6,604km (4,104 miles) of roads in the county with a total of 4.31 billion miles travelled in 2018¹⁵; whilst urban centres like Taunton, Yeovil and Bridgwater are well connected, accessibility is an issue in rural areas due to the limited local road network located in regions like the Mendip Hills or Exmoor. Additionally, the presence of the arterial roads spanning Somerset (M5 and A303) contributes to a large proportion of transport emissions with journeys not necessarily originating or terminating within the county – 26% of Somerset's total transport emissions derive from the M5 alone¹⁵.

Furthermore, the abundance of protected landscapes, such as Exmoor National Park and the four Areas of Outstanding Natural Beauty (AONBs), add to the natural capital within Somerset, yet may prove problematic when identifying areas suitable for renewable energy generation and storage or climate change adaptation projects.

Initial scoping work has highlighted the need for retrofit or replacement of a large proportion of existing domestic and commercial buildings in Somerset to improve energy efficiency, decarbonise heat and power, and ensure buildings are resilient to the impacts of climate change. To meet the national net-zero target it is estimated that 27 million properties across the UK will require deep retrofit by 2050; this equates to 20,000 properties per week, yet currently only 20,000 per year are in receipt of energy efficiency measures¹⁶. The lack of disposable income and prevalence of fuel poverty in some of our communities, as well as the limited opportunities for Local Authorities to influence existing properties, presents more barriers to project implementation.

With the current economic climate and lack of resources available for Local Authorities to deliver projects or infrastructure change, prioritising resource allocation is essential. Due to the limited availability of funds, identifying opportunities providing the optimal cost-benefit (e.g. carbon emissions savings per £) is essential and requires in-depth analysis. Producing an extensive evidence-base will enable the Local Authorities to prioritise where resources are concentrated and ensure optimal projects are delivered in Somerset.

This issue is made worse by the national policy gap - to reach net-zero emissions for the UK as a whole, further legislation and strategy needs to be delivered to prioritise investment and provide funding to enable delivery of the extensive projects required to achieve this target. In these circumstances, it will be most appropriate for the combined Local Authorities to lobby Central Government for increased national policy and action, funding, local regulatory powers, or all of the above. Identifying situations in which we will require further support – from stakeholders, Central Government, or other relevant parties – forms a crucial aspect of this work.

Overcoming these barriers will be important for the success of the Climate Emergency Strategy.

7: Strategy Development

It is important that an overarching Strategy is developed to co-ordinate Somerset's response to the climate emergency and ensure actions are taken to achieve carbon neutrality. Without an aligned strategy, ad-hoc or piecemeal action is likely to result in higher costs, incompatible projects running in parallel, and potentially undesirable and/or unintended outcomes and consequences.

To produce the Strategy, we will collaborate with sector and industry experts to develop joint approaches in tackling climate change whilst sharing resources to maximise the benefits of projects implemented. Additionally, we will identify ways for the Local Authorities to assist businesses, industry, communities and individuals in making the necessary changes required for Somerset to achieve carbon neutrality, whilst ensuring that the most vulnerable within society are not disproportionately affected by these changes.

Traditionally 'co-developed' projects are more successful: we will be engaging with individuals, young people, the elderly, communities, interest groups, businesses and industry, educational institutions, wards, town and parish councils, and other relevant sectors. All sectors of society will have the opportunity to help us develop the strategic responses, action plans and projects

produced from this work. We will work with these groups to identify projects and proposals, and then provide support in assessing the wider benefits or unintended consequences of each action and assist in the delivery of projects.

Whilst the Somerset Climate Emergency Strategy will include higher level actions and projects that are relevant across Somerset, all individual Authorities will supplement the Strategy with their own Action Plan. These will outline the necessary policies, projects and actions required to meet the strategic targets and identify resources required to enable the delivery of the Strategy. These will be dynamic and evolve as our evidence-base grows, ensuring that the most up-to-date projects are prioritised and funding opportunities identified.

8: The Workstreams

8.1: Workstream Function

Climate change will impact every aspect of society. To make the task more manageable, work will be separated into nine workstreams:

- Built Environment
- Energy
- Farming and Food
- Industry, Business and Supply Chain
- Natural Environment
- Transport
- Waste and Resource Management
- Water
- Communications and Engagement

Due to the co-benefits associated with project delivery, public health will be important for consideration by all workstreams and will be a priority focus for all workstreams, with health experts contributing to project research, development and implementation for all workstreams.

Each workstream will contain sector and subject-matter experts. They will:

- Research and prioritise key issues
- Develop mitigation and adaptation strategies
- Evaluate costs, benefits and unintended secondary consequences
- Work together where appropriate

Work has been undertaken to identify key areas for further research. These are presented as initial themes within this framework, but to ensure the success of the overall Climate Emergency Strategy wider stakeholder engagement and input is crucial to provide feedback and alternative ideas for consideration to the workstreams. We are keen to draw on ideas, expertise and enthusiasm from all to ensure that the actions to be delivered are appropriate and informed by a wide cross-section of the people and organisations of Somerset.

This research has highlighted some potential projects for delivery over short-, medium-, and long-term timescales. These, and other ideas emerging from engagement and consultation

events, will be explored and evaluated in further depth to ensure that the Strategy and Action Plans are evidence-based.

Actions taken intended to mitigate or adapt to climate change often come with co-benefits, defined as 'the positive effects that a policy or measure aimed at one objective might have on other objectives'¹⁷. In many cases, these can help to meet the statutory duties of Local Authorities and other public-sector bodies. Evaluating these co-benefits will support business cases and enable us to access increased funding. Also, it is true that climate change may not be a priority for everyone in Somerset – by identifying the co-benefits, we can clarify how action taken to address the climate emergency can improve other aspects of life in Somerset¹⁸.

The broad range of stakeholders identified for engagement, as well as experts included within each workstream, will ensure that the views, ideas and concerns of relevant parties are considered and accounted for within the Strategy.

8.2: Built Environment

32% of the UK's emissions derive from the business and residential sectors¹⁹, and 45% of energy use occurs in houses, offices, shops and public buildings²⁰. In Somerset in 2017, total domestic emissions are greater than the national county average (783 kt CO₂ yr⁻¹ compared to 539 kt CO₂ yr⁻¹), although domestic emissions per capita are comparable to the national county average²¹.

Therefore, minimising and decarbonising energy consumption in buildings will be crucial to meeting carbon neutrality targets by 2030. Through planning, local authorities have the power to influence location and type of development, materials used in construction, carbon reduction, building design and low carbon and renewable energy generation in relation to new development. However, the majority of buildings that will be standing by 2030 and beyond to 2050 are likely to have already been built and influencing how these are retrofitted and improved is more complex.

Both new developments and existing buildings and communities will need to be resilient to projected climatic changes.

Theme 1: New Developments

The workstream will explore ways to ensure that new developments reduce carbon emissions. This can include minimising the need to travel, reducing energy consumption of homes and businesses, facilitating low carbon and renewable energy generation, encouraging sustainable behaviours, and ensure that they are adapted to the projected future climate of Somerset.

Initial directions of travel for this workstream are to:

- Identify opportunities to ensure that all new residential and commercial developments consider sustainable travel and transport links to lessen the impact of the scheme.
- Ensure that all new developments consider projected climatic changes and encourage planners to incorporate sustainable urban drainage schemes (SuDS), urban trees, and waste management.

- Highlight building designs that reduce the carbon footprint throughout the life cycle of homes and work towards all buildings achieving zero carbon accreditation as soon as possible.
- Review the effectiveness of existing planning policies against minimum standards for new housing development and identify opportunities to improve the delivery of those policies. This is likely to include the requirement to lobby Central Government to improve minimum building regulation and energy performance criteria, as well as implement changes to the National Planning Policy Framework.

Theme 2: Existing Buildings and Communities

Whilst changes to planning policy improving the efficiency and resilience of buildings are essential to ensure that future developments are fit for the climate future, many improvements to the performance of existing buildings are required. Identifying priority buildings or communities, as well as projects intended to deliver improvement, is essential. Overcoming the issue of funding is likely the primary barrier to delivery of wide-scale changes across Somerset; lobbying Central Government for increased investment will be required.

This workstream will:

- Identify sources of funding, investment or subsidy for retrofit opportunities, in conjunction with the Energy workstream.
- Highlight priority buildings and communities requiring retrofit or improvements to resilience and develop high-level strategies for delivering the required changes. This will include specific focus on council-owned buildings and retained housing stock to ensure the Local Authorities set an example within Somerset, as well as identifying opportunities to incentivise and enable change in privately-owned properties.
- Explore the potential to simplify, encourage and de-risk action to deliver retrofit to existing buildings and communities via planning or other means.

8.3: Energy

Somerset has significant potential for renewable energy generation, ranking highly in both a national and European context. In 2017, Somerset possessed installed renewable energy capacity of 506MW, of which 90% was attributable to photovoltaic technology²² – but there is still a considerable amount of untapped renewable energy source. Increasing total renewable energy capacity and generation is crucial to meet carbon neutrality targets, yet changing the source of energy supply exerts significant pressure on the electricity grid. However, implementation of renewable energy technologies can contribute to a range of societal benefits, including: socio-economic development; increased energy access; a more secure energy supply and a reduction to negative environmental and health impacts associated with large-scale combustion of fossil fuels²³.

37% of UK emissions derive from heating²⁴; reducing end-user emissions totals, via retrofit and improvements to insulation, is important – yet only a start. Decarbonising heat, via innovative solutions such as decentralised heat networks or implementation of hydrogen or biogas technologies to green the gas grid, is cited as being essential to meet zero-carbon targets by 2050²⁵. Whilst potentially difficult to implement in Somerset, due to the rurality and prevalence

of fuel poverty in some regions, developing projects that can overcome these barriers is crucial to meet the aspirations of carbon neutrality by 2030.

Theme 1: Reducing and Shifting Energy Demand

Working with the Built Environment workstream, opportunities will need to be identified to reduce energy consumption within buildings in Somerset. This will include delivering retrofit projects to improve the performance of existing building stock whilst working to increase minimum energy standards and requirements for planning proposals to reduce energy consumption in new developments.

Priority tasks for this workstream are to:

- Identify existing houses or communities with high energy consumption and develop strategies to overcome these issues via retrofit.
- Research and develop mapping of identify existing/ potential major heat sources or loads.
- Liaise with planning departments and developers to produce a uniform, Somerset-wide approach to reducing energy consumption and increasing energy efficiency in new developments.

Theme 2: Low Carbon and Renewable Energy Generation and Storage Technologies

The workstream will develop a co-ordinated strategy to increase the prevalence of low carbon technologies and renewable energy generation and storage in Somerset. Reducing emissions derived from heating in the domestic, industrial and commercial sectors will require development of decarbonised heat infrastructure. Working with relevant stakeholders - such as the Built Environment working group, energy providers and developers - opportunities identified by this workstream are likely to positively influence public health and reduce the impacts of fuel poverty on top of reducing carbon emissions.

This will include:

- Liaising with local community groups and relevant stakeholders to overcome issues relating to capital investment and grid infrastructure.
- Lobbying Central Government to incentivise uptake of such technologies, like photovoltaic energy generation or electric vehicle infrastructure and to change national policy to release the potential for onshore wind.
- Identifying sites suitable for renewable energy generation and storage projects.
- Explore opportunities for low carbon technology, like electric vehicle infrastructure or projects intended to decarbonise heat production, across Somerset.

Theme 3: Own Estate and Operations

Whilst influencing external parties to minimise energy usage and carbon emissions may be difficult for Local Authorities, the ability to reduce internal emissions derived from estates and operations is more significant as direct action can be taken to increase the efficiency of internal infrastructure. The workstream will identify how to cost-effectively implement these proposals and then develop business cases ready for project implementation.

The workstream will:

- Explore utilising council owned land to generate renewable or low carbon energies to decrease reliance on fossil fuels and generate revenue for alternative climate-related projects.
- Develop an Energy Policy and Energy Management Plan for each Local Authority to minimise energy waste, mitigate future energy price rises and ensure responsible stewardship of public money.
- Initiate internal communications campaign to encourage best practice by staff and highlight the exemplar actions taken by the Local Authorities to external businesses and organisations.
- Identify current and historic activity implemented by Local Authorities and promote upscaling of similar projects county-wide.
- When contracts allow, look to collaborative procurement strategies in purchasing energy from renewable sources.

8.4: Farming and Food

The agricultural industry will be significantly impacted by climate change. Rising temperatures, rainfall patterns and variations to atmospheric CO₂ concentrations will impact operations and productivity, as well as pest prevalence, within the UK²⁶. Impacts to global food production could influence UK markets and the food industry²⁷.

With the considerable importance of agriculture to Somerset's economy and livelihood of many residents, ensuring the sector remains resilient to these predicted climatic changes will be an important aspect of the Climate Emergency Strategy.

Working to reduce net greenhouse gas emissions from the agricultural sector will contribute to mitigating some of the impacts of climate change. The IPCC have highlighted the importance of reducing red meat and dairy consumption²⁸ and encouraged a transition to the consumption of more fruit and vegetables. However, we recognise the importance of agriculture within Somerset and the fact that the carbon efficiency of British farms is amongst the best in the world²⁹; ensuring there is a balance between responsible consumption and prioritising locally sourced, high quality produce will be carefully considered within our Strategy.

The contribution of agriculture to the total emissions of the UK has been recognised by industry and sector experts, such as agricultural trade bodies or the NFU, and pathways to making the industry carbon neutral (e.g. via responsible land management practices and further reductions in emissions from livestock) have been identified³⁰.

Theme 1: Reducing Net Emissions

Net greenhouse gas emissions can vary significantly between farms, dependent on many factors. Variations to land usage or management practices, such as quantity, timing or type of fertiliser used by arable farms or type of feedstock used for livestock on pastoral farms, can greatly influence total emissions production by a farm. Often, changes made to management practices intended to reduce the net emissions are more cost-effective than existing practices and come with associated economic benefits for farmers.

To work towards reducing the net emissions of farms in Somerset, this workstream will begin to:

- Identify and increase awareness surrounding best practice relating to emissions for both arable and pastoral farms.
- Explore opportunities to incentivise or provide subsidy to encourage best practice for both arable and pastoral farms.
- Produce a baseline for the net emissions picture of Somerset to monitor progress and identify optimal project delivery.

Theme 2: Carbon Storage

By conserving and enhancing naturally existing hedgerows, woodlands or carbon-rich soils, and improving land management practices, higher volumes of CO₂ can be removed from the atmosphere. To encourage these changes, incentivising positive practices relating to carbon storage, via ecosystem service payments or similar schemes, may be required.

This workstream will:

- Explore methods to incentivise farmers to implement positive management practices.
- Identify restoration schemes, such as peatland or wetland restoration projects, to increase carbon storage, in conjunction with the Natural Environment workstream.
- Increase awareness of more innovative land management practices, such as silvopasture, intended to increase carbon sequestration and storage rates.

Theme 3: Climate Change Adaptation

Many existing agricultural strategies, including crop selection and management, are not well adapted to predicted climatic changes, such as increased temperatures, variations to weather patterns and increasing prevalence of extreme events like floods and droughts. Improving the resilience of existing farmland ecosystems is important to minimise impacts of climate change and provides opportunities to enhance crop productivity. Additionally, changes to the climate are predicted to increase the prevalence and biodiversity of pest species. Co-benefits associated with the delivery of projects, intended to increase preparedness for the impacts of climate change, include supporting pollinator species and biodiversity.

In order to assist farmers in adapting to these changes, this workstream will:

- Model current farmland ecosystem and specific crop responses to climatic changes and classify regions by vulnerability.
- Identify crop species and management strategies that are adapted to predicted climatic changes and suitable for implementation within Somerset.
- Develop a strategy to implement and deliver 'ecosystem resilience improvement' projects.
- Develop education strategies to highlight the economic and environmental benefits associated with transitioning to more resilient management practices.

Theme 4: Food Consumption

Reducing the demand for high-emissions livestock products has been highlighted as significantly important by both the IPCC³¹ and CCC³². Increasing awareness surrounding the issues associated with carbon intensive products, such as beef or dairy, can lead to more balanced consumption practices and reduced environmental impacts. Eating more balanced diets can contribute to positive health impacts. Encouraging consumers to select locally sourced, ethically produced products, with lower carbon footprints - as opposed to foreign meat or dairy - can decrease the carbon footprint associated with the sector with a less radical change than eliminating meat or dairy products entirely.

Initial directions of travel for this workstream will be to:

- Produce education and engagement strategies highlighting the impacts of high-carbon food production and consumption, and suggest alternative foods with lower carbon footprints.
- Identify opportunities to reduce high-carbon food consumption within the respective Local Authority workplaces and operations.
- Encourage reductions to high-carbon food consumption externally within the wider community.

8.5: Industry, Business and Supply Chain

Industry and businesses in Somerset contribute to approximately 29.5% of Somerset's emissions. Whilst many organisations have taken steps to reduce their carbon footprint, exploring strategies to reduce supply chain emissions is cited as the next step to reduce emissions further and mitigate some of the impacts of climate change³³. Supply chains can contain between 60-80% of greenhouse gas emissions associated with both the production and consumption of goods and services^{34,35}.

Despite the potential direct and indirect benefits for businesses associated with demonstrating best practice and minimising supply chain emissions, legislation is identified as a key driver to enable pro-environmental behaviour within organisations³⁶. Working to incentivise and increase awareness of the benefits associated these changes will drive changes in industries and businesses in Somerset.

Specific engagement strategies will be required in order to appeal to these organisations and ensure engagement of SMEs and larger groups in Somerset. Highlighting the co-benefits of taking steps to reduce carbon footprints, which are often economic in nature, will comprise an important part of the work carried out by this workstream.

Theme 1: Emissions Reduction and Stakeholder Engagement

Due to the minimal influence the Local Authorities have in reducing the emissions of private sector bodies, we require specific strategies for engaging with industries and businesses to encourage net emissions reduction. These strategies will highlight the economic and financial benefits often associated with actions intended to mitigate impacts related to climate change.

To do this, the workstream will:

- Explore ways to reduce supply chain emissions for industry and businesses in Somerset whilst encouraging sustainable material manufacture, processing and usage.

- Encourage the transition by corporations, industries and businesses to renewable energy providers or generation of on-site renewable energy.
- Incentivise positive behaviour change and showcase examples of best practice within Somerset with an environmental awards scheme.
- Create a peer network for engagement and collaboration to share knowledge and best practice regarding the shift to a low carbon, clean growth economy.
- Provide support and platforms for knowledge sharing and feedback between businesses and industries in Somerset.
- Hold business-specific Climate Summits during Strategy consultation stages.

Theme 2: Data Collection and Analysis

Whilst large amounts of data are available for assessing domestic emissions at a high resolution, data quantifying emissions produced by individual businesses and industries is not available publicly. In order to track the progress of businesses in Somerset toward carbon neutrality, additional monitoring of data will be required.

To overcome this barrier, the workstream will:

- Incorporate monitoring of progress on emissions into the Somerset Local Economic Assessment (LEA).
- Present this data on the new LEA website (called Somerset Trends) in order to ensure a centralised online data resource for partners to use and evaluate their own progress to reducing emissions.
- Design a generic methodology or 'toolkit' to assist businesses and industries in quantifying, and then reducing, supply chain emissions.

Theme 3: Business and Workforce Resilience to Climate Change

Ensuring business and industry in Somerset remains resilient to the projected impacts of climate change is important for the local economy. Additionally, a change to a low carbon society or greener economy must be delivered fairly in order to ensure a 'just transition' and ensure workforce skills and employability are preserved.

In order to achieve these goals, the workstream will:

- Design research to better understand the local skills and employment challenges relating to the climate change agenda and shift to a low-carbon economy
- Identify employment in at-risk sectors or businesses and undertake a skills gap assessment
- Develop guidance for re-skilling for training providers and relevant support bodies.
- Highlight businesses or industry susceptible to the projected impacts of climate change and aid in developing mitigation strategies to reduce the risk of these impacts.

8.6: Natural Environment

Projected meteorological changes as a result of climate change, such as warmer temperatures, increasing variability and intensity of precipitation and extreme weather events (like flooding and droughts)³⁷, will exert pressure on ecosystems adapted to present-day conditions. Increasing the resilience of Somerset's Natural Environment to predicted impacts is essential

– yet should be a minimum requirement, due to the potential for innovative projects to provide emissions mitigation and cross-sector benefits.

Theme 1: Sequestration and Land Usage Change

The workstream will explore opportunities to increase the volume of CO₂ removed from the atmosphere by trees and plants via sequestration, whilst ensuring that existing carbon stocks contained in the natural environment - such as in soils, peatlands and existing trees - are preserved and managed responsibly.

To achieve this, the workstream will:

- Identify and designate land classification scenarios to provide an evidence-base for what is required to achieve a zero-carbon county.
- Liaise with the Built Environment workstream to ensure new developments minimise impacts to the environment. For example, adapting planning policy to ensure new developments produce Environmental Net Gain of minimum thresholds (e.g. 20%). This could follow the case study of Manchester with a clear mitigation hierarchy.
- Embed Natural Capital consideration into all planning and major investment decisions to minimise the declining condition of Natural Capital assets.
- Support schemes to increase tree cover in Somerset, such as the Urban Tree Challenge Fund or the Parish Tree Policy produced by the Re-Imagining the Levels programme.
- Work to stop peat extraction and increase peat restoration schemes in Exmoor to restore wetlands and coastal habitats.

Theme 2: Landscape Resilience

Existing ecosystems are not well adapted to predicted climatic changes, such as increased temperatures, variations to weather patterns and increasing prevalence of extreme events like floods and droughts. These changes are likely to increase both the prevalence and biodiversity of pest species and impact pollinators. This workstream will utilise the latest climatic projections to identify vulnerable ecosystems and develop opportunities to increase the resilience of the Natural Environment.

Theme 3: Co-ordination and Data Collection

Whilst all workstreams are required to identify key issues requiring a collaborative approach, co-ordination between the Natural Environment, Farming and Food, and Water workstream is particularly important. This workstream will develop a communications and implementation strategy between appropriate working groups ensuring relevant information, analysis and findings are shared.

Key objectives for this workstream are to:

- Bring together existing datasets to establish repeatable monitoring of Somerset's baseline as an ecological network for the county.
- Identify key opportunities for collaboration based upon the above science and evidence-base to ensure a targeted approach to the natural environment between relevant stakeholders.

- Engage with, or merge with, the Local Nature Partnership to ensure collective delivery is a priority and avoid duplication of work.

8.7: Transport

Emissions from transport are the largest contributor to emissions across a range of scales, from locally in Somerset (45%, with Sedgemoor and Taunton-Deane >50%)⁷ to the UK (27%)³⁸ and to Europe³⁹. Since 1990, emissions totals have steadily declined across all sectors – other than transport, indicating the inherent difficulties associated with implementing wide-scale changes to sector⁷.

Whilst reducing transport emissions in Somerset is a challenge due to the rurality of the region, meaning it is difficult for public transport schemes to connect dispersed communities, the European Commission Strategy for low-emission mobility highlights the roles that local authorities can fulfil³⁹. With the diversity of Somerset and variation in access to public transport, it is unlikely for there to be a singular solution appropriate for all areas. However, the Local Authorities encouraging a modal shift to more active or public transport where appropriate and seek investment to develop, improve or upgrade existing transport links.

Theme 1: Public Transport

Increasing both the frequency and quality of service provided by public transport is important to encourage a modal shift from personal vehicle usage. Whilst active travel is carbon zero, we recognise that not all journeys are appropriate for walking or cycling. Improving the public transport provided in Somerset whilst transitioning to lower emissions vehicles can significantly reduce emissions derived from Transport.

To achieve this, the workstream will:

- Amend evaluation criteria and contract terms for passenger transport contracts awarded by SCC in the DPS review in March 2021 to encourage usage of lower emission vehicles.
- Develop an innovative rural transport pilot project following on from work currently investigated in South Somerset.
- Commission a data analytics study to identify potential demands for bespoke passenger transport for clusters of working age people who may be attracted to a quality service.
- Develop a detailed proposal for mass-movement rapid transport on the A38 supporting existing priority infrastructure proposals; this could provide an opportunity for a testbed for electric fleets or CAV trials in the long term.
- Explore expanding Demand Responsive Transport Provision, potentially developing additional routes in the morning/afternoon for college students.

Theme 2: Personal Transport

Reducing the demand for car travel is essential for minimising transport emissions. Enabling active travel, via improvements to walking or cycling infrastructure or subsidising the cost of cycling equipment, can eliminate the need for car journeys. Increasing awareness surrounding the impacts associated with short car journeys may contribute to a modal shift in travel; however, under many circumstances car usage is unavoidable. Popularising car sharing schemes can eliminate repetition of similar journeys.

To reduce the demand for car travel and incentivise a modal shift to active travel, some examples of work to be undertaken include:

- Develop a detailed countywide travel behaviour change/travel demand management proposal, focusing on community action and individual responsibility, learning from previous and current activity in Bridgwater.
- Agree walking and cycling capital programme funding allocation.
- Submit Department for Transport (DfT) Pinch Points bid focused on walking and cycling.
- Develop feasibility designs and costed schemes from current Local Cycling and Walking Infrastructure Plans (LCWIPs) while commissioning additional LCWIPs for other towns.
- Lobby Central Government for a dedicated walking and cycling fund.
- Increase awareness of the impact short car journeys can have and highlight the benefits associated with active travel via numerous engagement schemes, such as the 'Think Travel' web portal to access travel-related information.

Theme 3: Logistics, Planning and Innovation

Engaging with relevant communities, stakeholders and organisations is crucial to promote sustainable transport. With new developments, planning strategies can be implemented to minimise the need for travel and thus reduce emissions. A holistic approach to development can reduce emissions derived from logistical operations, such as 'last-mile' deliveries or HGV freight. With the considerable lack of progress made in reducing transport emissions since 1990 across the UK, innovative ideas and concepts are required.

Some objectives to explore for the workstream include:

- Liaise with parish/town councils to produce a list of high priority/biggest difference actions that could be taken relating to transport.
- Organise a commission to ensure engagement with academic experts and industry leaders to identify opportunities to reduce transport emissions.
- Understand logistics patterns, HGV vehicle movements and employee personal vehicle use to develop programs to reduce associated emissions, such as via car or freight share.
- Identify locations suitable for electric vehicle charging points.
- Work with planners and the Built Environment workstream to ensure new developments are designed to reduce the demand for car travel.
- Launch a digital competition to design an app enabling people to reduce demand for car travel.
- Upscale the agile-working Programme used in Shepton Mallet to other district council offices, enabling work from home for all staff within Somerset Local Authorities. Highlighting the benefits from this scheme can incentivise uptake of similar programmes by private sector organisations.

8.8: Waste

Recent research highlights the potential for the UK Waste Management sector to drive reductions to greenhouse gas emissions⁴⁰. Since 1990, emissions have decreased by 70% with an acceleration in annual average abatement between 2012 and 2016 of 10%.

In Somerset, household and non-household waste contributes to a significant proportion of the region's carbon emissions – the majority (>90%) derive from methane produced by the decomposition of biodegradable waste⁴¹.

Somerset's domestic waste and recycling is managed by Somerset Waste Partnership. Somerset is independently ranked as a 'high flying' (top 10%)⁴² area in England in carbon saving from its household waste and recycling services, saving 103kg of a carbon equivalent per person⁴³.

Major progress in the Waste Management sector will only be achieved if waste is considered as a resource whilst increasing management of industrial and commercial waste. The workstream will look at opportunities to move towards a more circular economy and increase consideration of the relationship between Waste Management and other economic activities.

Theme 1: Commercial Waste and the Circular Economy

Nationally, commercial recycling rates are low (30%) and minimal source segregation of waste or separate food waste collection is undertaken. Targeting this sector, in conjunction with the Business, Industry and Supply Chain workstream, can provide potential for considerable emissions reductions and show Somerset's national leadership on the climate agenda.

The workstream will:

- Identify how the Local Authorities can celebrate and share best practice, whilst avoiding 'greenwash' (or the deceptive promotion of an organisation's environmental policies).
- Work with local businesses and relevant partners to identify the support and guidance they require to improve waste management.
- Seek to pilot collaborative procurement for recycling and waste – reducing costs for businesses, improving environmental outcomes and aligning with local needs.
- Create a route-map identifying the steps required to create a more circular economy in Somerset.
- Explore opportunities to ensure that Somerset has the recycling reprocessing industry needed to match its ambitions for the future.

Theme 2: Residential Waste and Behaviour Change

The workstream will explore opportunities to encourage behavioural change across a variety of sectors, such as minimising household waste in the domestic sector and increase recycling 'on the go'. This will be supported by identifying ways to ensure adherence to adequate planning standards for waste management within new housing developments.

This will include:

- Improving domestic waste recycling opportunities by adding in additional recycling to the existing weekly kerbside collection (Recycle More). This will result in reductions to waste by 15% and increase recycling by 20-30%, and improve on our already 'high-flying'⁴² carbon saving performance.

- Introducing more stringent controls that ensure even more waste is processed within the UK and not exported elsewhere. Currently over 90% of Somerset's recycling remains in the UK.
- Roll-out a behavioural change campaign ('Slim my waste, feed my face') in early 2020. This scheme intends to encourage reducing food waste within homes.
- Working with the Built Environment workstream and planning departments to ensure new development planning proposals consider resource management, waste storage, and waste disposal.
- Moving away from landfill by Spring 2020. Whilst reduction, reuse and recycling always remain better, this transition will ensure that the little waste that is leftover is mostly used to generate electricity rather than going into landfill.

Theme 3: Public Sector Waste

The public sector is a major employer in Somerset and can lead by example with how it deals with its own waste. There is potential for considerable improvement within the sector; for example, the current recycling rate in schools is only 25% and recycling across the Local authority's own buildings is patchy. Using the scale of the sector provides an opportunity to shape the market for commercial waste services in Somerset and instigate significant changes within the industry.

The workstream will:

- Develop a joined-up approach across the public sector in Somerset to maximise reuse, separate recycling and minimise waste arisings from the public sector.
- Utilise the buying power across the public sector in Somerset to create a viable commercial market offering environmentally optimal commercial waste recycling.
- Identify if there are any stakeholders in Somerset who may need additional support in order to recycle effectively seek to develop a cost-effective pilot which improves recycling and reduces waste.
- Expand the Schools Against Waste programme and incentivise schools to recycle more (including though rolling out additional services to them such as plastic pots, tubs and trays, cartons/tetrapak recycling).

8.9: Water

Climate projections predict increasing precipitation intensity and variability in the UK, leading to increased risks of flooding, drought and extreme weather events⁴⁴. Flood risks in Somerset are exacerbated by sea level rise, with low-lying regions such as the Levels and moors particularly vulnerable to these changes⁴⁵.

Additionally, predicted climatic changes impact current water management practices and adaptation schemes, which are unlikely to be robust enough to cope with these added pressures⁴⁴. Ensuring future developments consider the most recent climatic projections is required to minimise flood risk and other issues.

The requirement for the Water workstream to be cross-sector in approach is significant; alterations to land usage and management practices in both the natural environment and agricultural ecosystems are likely to impact flood risk, water quality and other aspects of the

hydrological cycle. Ensuring these issues are both accounted for and minimised will be crucial to minimise the secondary consequences associated with project implementation.

Theme 1: Strategy and Policy

Improving existing strategies and policies relating to water will ensure co-ordinated response by all partner organisations, provide long-term risk assessment for predicted climatic changes, and enable access to increased sources of funding.

Examples of reviews and updates to be explored by this workstream are:

- Update internal and statutory strategies to ensure the inclusion of most recent climate change projections and associated risks
- Support the establishment of the Somerset Rivers Authority to deliver adaptation schemes to address projected risks

Theme 2: Data Collection and Analysis

Detailed modelling of changes to the flood, drought and extreme weather profile of Somerset is required to inform evidence-based project development, business cases and feasibility studies.

Initial tasks for this workstream will be to:

- Map changes to flood risk caused by climate change.
- Map changes to coastal erosion caused by climate change.
- Develop integrated flood investment strategies from predicted changes.
- Map priority regions suitable for sustainable drainage (SuDS) projects.

Theme 3: Schemes and Initiatives

Developing projects to adapt to the projected risks of climate change is crucial to ensure the communities of Somerset remain resilient to these predicted impacts.

The workstream will:

- Continue to deliver adaptation schemes to minimise the risks of flooding, drought and coastal erosion.
- Assess pre-existing adaptation schemes and infrastructure to ensure they are resilient to the most recent climate projections.
- Identify opportunities and potential funding to develop water processing infrastructure for future resilience.

8.10: Communications and Engagement

Substantial levels of communication and engagement will be crucial to the success of all the workstreams and delivery of the overall Climate Emergency Strategy. As well as facilitating changes within the areas under the direct control of the five Local Authorities, the success of the Strategy will be underpinned by encouraging action to be taken by the many individuals, communities and other stakeholders.

Whilst many groups and communities are actively engaged with the climate change agenda currently experiencing considerable coverage within the media, some groups prioritise the issue to less of an extent. Receiving feedback from these groups and individuals and encouraging them to engage with the development of the Strategy is a vital action for this workstream.

Theme 1: Engagement and Consultation

Ensuring that everyone in Somerset feels a sense of ownership of the Strategy is fundamental to its success; therefore ensuring as many people as possible from a cross section of society have an opportunity to contribute to the development of the Strategy is essential.

To achieve this, the workstream will:

- Develop Climate Summits in each district in conjunction with Somerset Climate Action Network (SCAN).
- Produce an online forum for on-demand engagement with the Strategy development.
- Organise specific engagement with young people through school and college events.
- Explore further opportunities for ongoing feedback and suggestions for the Strategy and subsequent Action Plan development.
- Work with local communities, towns, wards and parish councils to ensure local interest and community buy-in with the Strategy and associated Action Plan development.

Theme 2: Internal Communications

The five Local Authorities and partners have well-established internal communications channels. These can all be immediately used to engage and inform a significant workforce and seek to develop a significant body of ambassadors for the strategy and source of good practice case studies.

This workstream will:

- Highlight the importance of best practice, encompassing suggestions from all workstreams, within internal communication channels such as employee email and online newsletters.
- Explore opportunities to incentivise partner employee best practice and behaviour change.

Theme 3: External Communications

An appealing online presence will be a major component of the external communications and engagement strategy. Developing a central repository or hub for information, case studies, progress updates, resource packs and relevant materials will be critical in informing the wider community of the climate emergency whilst ensuring community buy-in and contribution to Strategy development. More traditional forms of media, such as press releases, news features or specific events, will supplement the external communications strategy to ensure accessibility for all.

Initial components of this work will include:

- Developing a uniform communications strategy to be implemented at all levels from all five Local Authorities.
- Utilising the Councils' established communications channels, such as traditional PR, in conjunction with the combined social media presence and reach, to maximise engagement opportunities.
- Ensure that documents and resources are available in other, accessible formats.

9: Climate Emergency Strategy Delivery

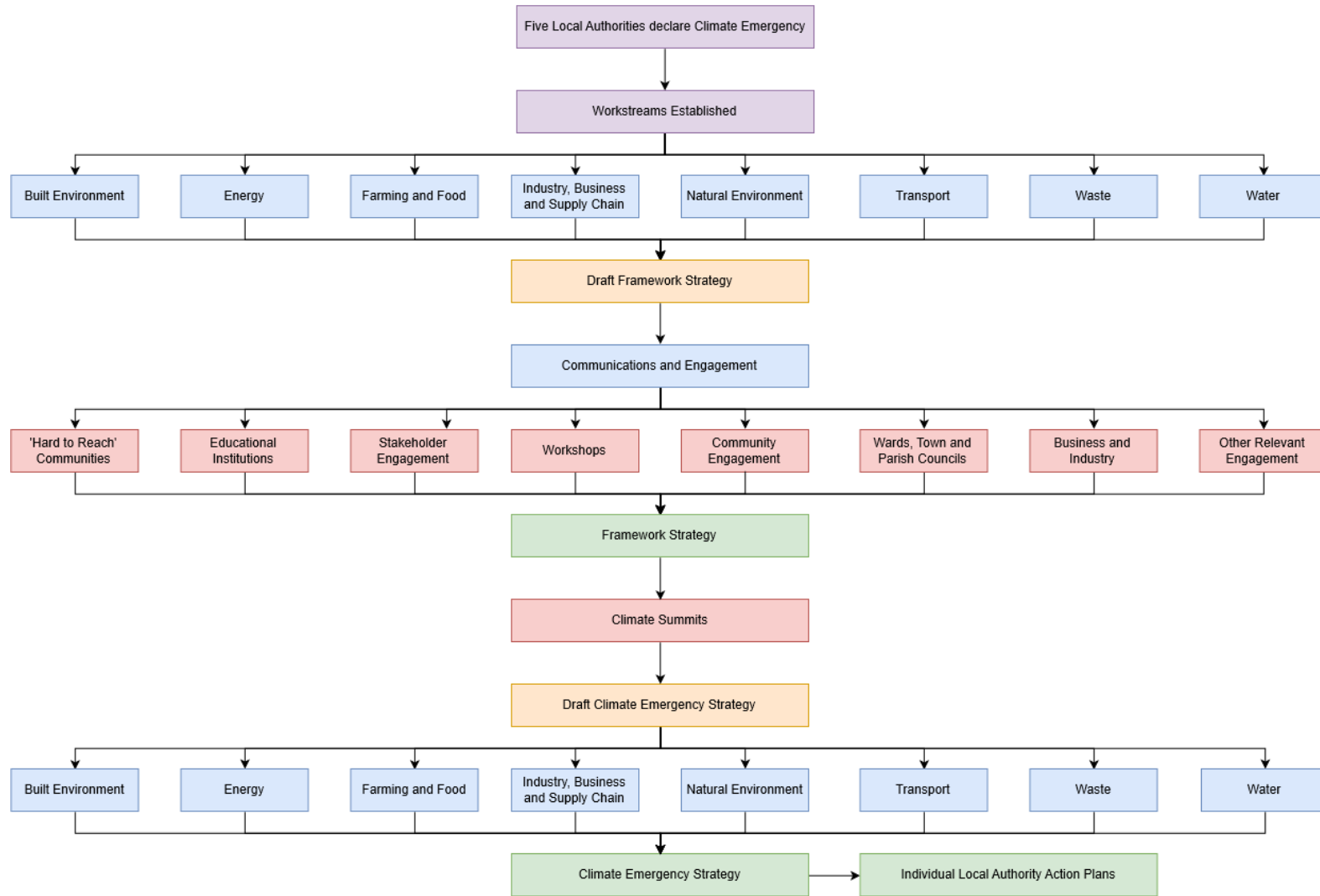
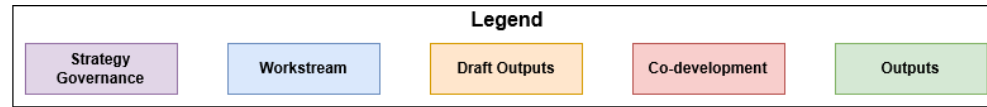
The flowchart below aims to simplify the steps that will be taken in order to develop and deliver the final Climate Emergency Strategy.

Community engagement will be a priority throughout Strategy development. We have chosen to deliver a 'Climate Summit' in each district to provide the opportunity for as many individuals and communities to engage with the development of the Strategy. However, this is only one strand of the engagement strategy. We will also be seeking feedback from an online platform as well as events at local schools and colleges to engage with the young people of Somerset. Each workstream will identify issues requiring stakeholder or sector-specific expertise and look to engage with the relevant academic or industry experts throughout Strategy development. It is hoped that through this engagement and consultation additional or alternative themes will be identified as priority issues for individuals and communities requiring action from the Climate Emergency Strategy.

Whilst workstreams appear independent in the flowchart below, it is important for these groups to work together. A collaborative approach is required to reliably evaluate key issues and develop projects encompassing a range of issues.

Additionally, development of the Individual Local Authority Action Plans is occurring simultaneously to the Climate Emergency Strategy. This means the Action Plans will be implemented alongside the final Strategy, ensuring that action is taken as soon as feasibly possible, once specific evidence-based projects are prioritised and developed following feedback from the public.

However, actions to mitigate and adapt to the impacts of climate change are already in progress across Somerset. Whilst time is being taken to develop an evidence-based Strategy, it is key that the actions being undertaken already are not slowed down by this process. Many projects will continue to be delivered throughout Strategy development, such as those intended to increase Somerset's resilience to flood risks and the continuation of preparation for the roll-out of the Somerset Waste Partnership's Recycle More scheme in 2020.



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11: Appendix

Somerset County Council

Full Council resolves to:

- a) affirm the Council's recognition of the scale and urgency of the global challenge from climate change, as documented by the latest Special Report of the Intergovernmental Panel on Climate Change, and declares a climate emergency; and
- b) mandate the Policy and Place Scrutiny Committee to review and recommend what further corporate approaches can be taken through a SCC Climate Change Strategy and to facilitate stronger Somerset-wide action through collaboration at a strategic, community and individual level; and
- c) pledge to work with partners, including the Heart of the South West LEP, individuals and community action groups across the county to identify ways to make Somerset carbon neutral by 2030, taking into account both production and consumption emissions (scope 1, 2 and 3); and
- d) write to the Secretaries of State for Business Energy & Industrial Strategy, Transport, Environment, Food & Rural Affairs and Housing, Communities & Local Government calling for the creation, provision or devolution of powers and resources to make achievement of the 2030 target possible here in Somerset; and
- e) report to Full Council before the end of 2019 with the actions the Council has and will take to address this emergency; and
- f) allocate £25,000 from the Council's 2018/19 contingency budget and authorise the Lead Director for Economic and Community Infrastructure to utilise this funding to resource the work necessary to support Scrutiny Committee for Policies and Place and to assess any specific recommendations and financial implications. Any unspent allocation will be carried forward into 2019/20 to continue the work.

Somerset West and Taunton District Council

Shadow Full Council resolves:

1. To declare a climate emergency.
2. With partners across the district and region, to start working towards making Somerset West and Taunton carbon neutral by 2030, taking into account emissions from both production and consumption (7).
3. To call on the UK Government to provide guidance and the powers and resources to make carbon neutrality possible by writing to local MPs, the Secretaries of State for Business Energy & Industrial Strategy, Transport, Environment, Food & Rural Affairs and Housing, Communities & Local Government.

4. To develop a Carbon Neutrality and Climate Resilience Plan, starting from July 2019, with a cross party working group and the necessary officer support to assist with investigative work, drafting the plan and the delivery of early projects.

5. To report to Full Council before the end of 2019 with costed proposals for projects for the Council to effectively start addressing the climate emergency, which could include:

a) Enabling more cycling, walking and use of shared and public transport.

b) Providing electric car charging points in car parks and other suitable locations, including for use by council tenants and council vehicles.

c) Adopting high energy efficiency standards and providing for the effective use of recycling services in new buildings through the planning system.

d) Demonstrating and developing a programme for retrofitting high standards of energy saving and insulation in existing council buildings, including housing, and assets; initially focusing on where the greatest benefits could be gained.

e) Promoting waste reduction, reuse and recycling on the go, and supporting community projects.

f) Sourcing electricity used by the council from renewable energy suppliers and providing support for smart energy infrastructure, including demand management and storage.

g) Supporting green businesses and social enterprises.

h) Review of planning policies and investment opportunities for local renewable energy and infrastructure and environmental markets, as well as divestment from fossil fuels.

i) Adaptation for flooding, coastal erosion and other impacts of climate change.

j) The appointment of a specialist officer to develop and champion the delivery of the Carbon Neutrality and Climate Resilience Plan.

6. To provide an annual review and update of the plan thereafter.

7. A provisional budget of £25,000 to be allocated to allow this work, including early projects agreed by the working group, to be undertaken either through resources already available or through commissioning. This sum to include £15,000 as a supplementary budget allocation from the General Fund in 2019/20, to be taken from general reserves and returned if able to be undertaken from already available resources, and £10,000 to be prioritised from the proposed HRA Maintenance Budget in 2019/20.

South Somerset District Council

The Council have agreed to:

1. Note the background information above.
2. Declare its recognition of a 'Climate and Ecological Emergency'.
3. Develop a Strategy by the Full Council meeting on 19th September 2019*, that sets ambitious targets to protect the environment and ecology; to reduce Carbon Emissions; and for a) South Somerset District and b) the Council to become carbon neutral
4. Develop a delivery plan that sets out the necessary policies, projects and actions to deliver the targets, and identifies the resources necessary to enable the delivery of the strategy.
5. Work with councils and other partners in Somerset to develop collaboration, joint approaches and share resources in tackling climate change and protecting the environment

*Now Autumn 2019

Sedgemoor District Council

Proposed Climate Change Motion that Council:

- a) Affirms the recognition of the scale and urgency of the global challenge from climate change, as documented by the latest Special Report of the Intergovernmental Panel on Climate Change
- b) Pledges to work with partners, including the HoTSWLEP, Somerset County Council, Somerset Districts, individuals and community groups to identify ways to make Sedgemoor and Somerset carbon neutral by 2030, taking into account both production and consumption emissions
- c) Joins with the County Council and Somerset Districts in writing to the Secretaries of State for Business Energy and Industrial Strategy, Transport, Environment, Food and Rural Affairs and Housing, Communities and Local Government calling for the creation, provision or devolution of powers and resources to make achievement of the 2030 target possible here in Sedgemoor and Somerset
- d) Allocates up to £25,000 from the Council's Community Development Fund and authorises the Strategic Director (Doug Bamsey) to utilise this funding to resource the work necessary and develop a strategy and actions
- e) Will receive a report before the end of 2019 with the actions that have been and will be taken to address this target.

Mendip District Council

Full Council calls on Mendip District Council to:

1. Declare a 'Climate and Ecological Emergency';
2. Pledge to make the district of Mendip carbon neutral by 2030, taking into account both production and consumption emissions (scope 1, 2 and 3);
3. Call on Westminster to provide the powers and resources to make the 2030 target possible;
4. Work with other councils and governments to determine and implement best practice methods to limit Global Warming to less than 1.5°C;
5. Continue to work with partners across the district and region to deliver this new goal through all relevant strategies and plans;
6. Submit a bid as part of the Council's budget setting process for an additional £100,000 to fund a 'Sustainability' Officer Post for a two-year period to champion the scoping and delivery of the District Council's Climate Emergency 2030 commitment.
7. Report to Full Council every six months with the actions the Council will take to address this emergency.

DRAFT

PAPER B

Decision Date – 18th December 2019

Investment Strategy

Cabinet Member(s): Cllr Mandy Chilcott – Cabinet Member for Resources

Division and Local Member(s): All

Lead Officer: Sheila Collins, Interim Director of Finance

Author: Jason Vaughan. Strategic Finance Manager & Deputy S151 Officer

Finance Contact Details: SDCollins@somerset.gov.uk 01823 359028

	Seen by:	Name	Date
	County Solicitor	Honor Clarke	12/12/2019
	Monitoring Officer	Scott Wooldridge	12/12/2019
	Corporate Finance	Sheila Collins	12/12/2019
	Human Resources	Chris Squire	12/12/2019
	Property	Paula Hewitt / John Cooper	12/12/2019
	Procurement / ICT	Simon Clifford	12/12/2019
	Senior Manager	Sheila Collins	12/12/2019
	Commissioning Development Team	commissioningdevelopments@somerset.gov.uk	12/12/2019
	Local Member(s)	All	12/12/2019
	Cabinet Member	Cllr Mandy Chilcott	12/12/2019
	Opposition Spokesperson	Cllr Liz Leyshon	12/12/2019
	Relevant Scrutiny Chairman	Cllr Anna Groskop for Scrutiny Place	12/12/2019
Forward Plan Reference:	FP/19/10/13		
Summary:	This report outlines the three options available to the Council to make investments and generate a financial return to support the delivery of council priorities. Those options are the investment of surplus cash through our Treasury Management activities, further investment in property assets that the council already owns and the purchasing of new		

	<p>property assets. Considering the risks, returns and ease of implementation the Council propose to focus initially on generating increased revenue returns through the current Treasury Management Portfolio. It is forecast that a more diversified approach to investments could lead to additional income of over £1m over the next two years.</p> <p>The Council will also actively explore options for further investment in property that it already owns. The current governance and delegation arrangements that are in place for the Council’s Treasury Management Strategy and Financial Regulations, are robust and fit for purpose and do not need to be changed. For clarity, the responsibility for determining the precise timing of any investment and the decision about which fund to invest in is currently delegated to the Section 151 Officer to enable timely decision making.</p> <p>An investment strategy of actively purchasing new property assets for financial return involves risk that requires additional due diligence and strengthened governance arrangements.</p>
<p>Recommendations:</p>	<p>It is RECOMMENDED that the Cabinet endorses and recommends that Full Council agrees to:</p> <ol style="list-style-type: none"> 1. Build on its current Treasury Management investment activities to generate higher returns, protect against inflationary risks, sustaining a prudent balance of risk and reward. 2. Pro-actively consider options for further investing in existing Council owned property to optimise the value from these assets. 3. Consider other investment opportunities that may arise from time to time subject to appropriate due diligence and governance arrangements being in place.
<p>Reasons for Recommendations:</p>	<p>To ensure suitable governance arrangements are in place for any investment decisions including transparency, risks and returns.</p>
<p>Links to County Vision, Business Plan and Medium-Term Financial Strategy:</p>	<p>The Medium-Term Financial Strategy includes proposals to build upon Treasury Management investment activities.</p>

Consultations and co-production undertaken:	None.
Financial Implications:	By building on the approach to Treasury Management investments, it is expected that there will be increased income which can be built into the 2020/21 Budget.
Legal Implications:	<p>The Local Government Act 2003 requires the Council to operate the overall treasury function regarding the CIPFA Code of Practice for Treasury Management in the 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. The Council complies with these requirements.</p> <p>The Secretary of State issued statutory guidance in 2018 regarding 'Local Government Investments' which came into effect from 1 April 2018.</p> <p>The definition of an investment covers all of the financial assets of a local authority as well as other non-financial assets that the organisation holds primarily or partially to generate a profit; for example, investment property portfolios. This may therefore include investments that are not managed as part of normal treasury management processes or under treasury management delegations. The guidance applies to all local authorities, who hold or during the next financial year intend to hold financial or non-financial investments, solely or in part to generate revenue income.</p> <p>For each financial year, a local authority should prepare at least one Investment Strategy. The Investment Strategy needs to be approved by the Full Council prior to the start of the financial year.</p> <p>Where a local authority prepares a Capital Strategy in line with the requirements of the Prudential Code, a Treasury Management Strategy in line with the requirements of the Treasury Management Code, or any other publicly available document, the disclosures required to be included in the Investment Strategy can be published in those documents.</p>

HR Implications:	There are no HR implications arising directly from this report.
Risk Implications:	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):	<p><u>Equalities Implications</u> There are no specific equalities implications arising from the contents of this report.</p> <p><u>Community Safety Implications</u> There are no community safety implications arising from the contents of this report.</p> <p><u>Sustainability Implications</u> There are no sustainability implications arising from this report.</p> <p><u>Health and Safety Implications</u> There are no health and safety implications arising from this report.</p> <p><u>Privacy Implications</u> There are no privacy implications arising from this report.</p> <p><u>Health and Wellbeing Implications</u> There are no health and wellbeing implications arising from this report.</p>
Scrutiny comments / recommendation (if any):	<p>The Audit Committee is the nominated body to provide scrutiny for Treasury Management.</p> <p>In addition, the established reporting to the Cabinet and Full Council on the proposed Annual Treasury Management Strategy and mid-year review provide opportunities for all members to scrutinise performance and risk management.</p>

1. Background

- 1.1 In the 2019-22 Capital Strategy (Investment Strategy) report to the Cabinet and County Council meetings in February 2019, the possibility of investing £100m

for financial gain was identified as an option to be explored pending the appropriate strategy and governance being put in place. The proposed approach was subject to approval by the Cabinet and County Council.

- 1.2 The introduction of Prudential Code lifted the restrictions on local authority borrowing and allowed authorities the local freedom to borrow provided they could afford the repayment costs. This has provided local authorities with significant freedoms and with the reductions in funding has seen significant borrowing by several councils in order to purchase new properties for purely commercial returns.

2. Updates and Changes to the landscape

- 2.1 The National Audit Office and the Public Accounts Committee have recently raised several concerns about some of the investment activity by councils where they have been borrowing to purchase various property assets. They have suggested that some local authorities are exposing themselves to too much financial risk through borrowing and investment decisions in relation to their sizes. There is a concern that some are not providing enough transparency around their activities and decision-making processes. There is also a concern that there may not be enough expertise to fully understand the complex transactions that they are approving.
- 2.2 External Auditors are also looking at the accounting treatments adopted by some councils and have raised issues around the approaches of not including Minimum Revenue Provision (MRP) costs in the accounts. If these costs were included, then some of the Business Cases would not provide a sensible return or would be very marginal for the risks involved.
- 2.3 The Public Works Loan Board (PWLB) is the main source of funding for local authority borrowing and is a statutory body operating within the United Kingdom Debt Management Office, an Executive Agency of HM Treasury. The PWLB's function is to lend money from the National Loans Fund to local authorities, and to collect the repayments.
- 2.4 On 9th October 2019, HM Treasury, without warning, imposed a 1% premium on all loans from the PWLB. Within the letter to all Local Authority Chief Finance Officers, it cited the following:

“Some local authorities have substantially increased their use of the PWLB in recent months, as the cost of borrowing has fallen to record lows. HM Treasury is therefore restoring interest rates to levels available in 2018, by increasing the margin that applies to new loans from the PWLB by 100bps (one percentage point) on top of usual lending terms”.

“This restoration of normal PWLB lending rates will apply to all new loans with immediate effect. The Government will monitor the impact of this change and keep rates policy under review”.

- 2.5 The increase in rate obviously reduces the potential returns from any new investments and has a negative impact upon any business case. This combined with some auditor concerns how some councils have accounted for the repayment costs (MRP) has meant that the financial returns from new property purchases are now very marginal for the risks involved. The rate change has already been an impact with a significant reduction in local authority borrowing.

3 Treasury Management

- 3.1 The Council invests its surplus cash through its Treasury Management investments processes which are well established and heavily governed. Full Council approves the Treasury Management Strategy Statement on an annual basis, and this sets out the range and limits of the investment and borrowing activity. The day to day decision making is delegated to the Section 151 Officer who must comply with the limits set out in the Treasury Management Strategy and provide members with an update on treasury management activities during the year.
- 3.2 A key principle in Treasury Management is to protect the Council’s assets so this involves assessing the risks of each investment. To help do this the Council has appointed Arlingclose as its Treasury Advisors who provide regular updates on the credit risks as well as advice on the Treasury Strategy.
- 3.3 One of the key risks to the Council’s Treasury Management Portfolio is the loss of capital value if the return on investments is below inflation. The returns from the investment portfolio have fallen below inflation and to help mitigate against this the Council began a programme to diversify. In 2017 a £10m investment into the CCLA property fund was made with the intention of making further longer-term strategic investments of this type in due course. The returns from this investment have consistently been above inflation at around 4% per annum. The current approved Treasury Management Strategy and associated limits are sufficient to enable further similar investments without additional decisions. The responsibility for determining the precise timing of any investment and the decision about which fund to invest in is delegated to the

Section 151 Officer to enable timely decision making. Ahead of any decision, the Section 151 Officer will take the usual advice from the councils external treasury advisors Arlingclose. One of the key objectives will be to achieve a higher return than that which is currently being achieved by short term investments in banks, Money Market Funds and other local authorities by taking a more longer-term view and trying to achieve a more diversified portfolio of investments.

- 3.4 By achieving a higher return on investments, the Council will protect itself against inflationary risk and the devaluing of its cash assets. Based upon current cash flow projections it is estimated that the Councils strategic investments could be increased from the current level of £10m (that is currently invested with CCLA) to around £60m. This strategy of increasing our Strategic Investments and reducing our short-term investments would generate an additional income of over £1m over the next 2 years. Taking this approach will expose the Council to risks on the capital values of the investment but these will only be realised if the investments are sold and the intention is to hold these investments for the longer term.
- 3.5 The existing governance arrangements around Treasury Management Activity are strong and robust and therefore no changes are needed to these for decision making purposes. The 2020/21 Treasury Management Strategy Statement will be considered by Cabinet and Full Council in February and will set out both the level of Strategic Investments and the different types of investments that will be used to deliver a more diversified portfolio.

4 Investing in Property that the Council already owns

- 4.1 The Council is ambitious to optimise the value from property assets that it currently owns and will consider opportunities to invest in these properties to generate either a higher sales value (capital receipt) if the property is surplus to service needs, or to generate an on-going income stream for the Council. For these properties, that is ones the council already owns, developing firm proposals to enhance value will likely be timelier than for any property the council would need to purchase.
- 4.2 The decision to invest will be considered through the usual process for capital schemes with a report to Cabinet and will be considered against the other priorities and competing capital schemes. The Business Case will need to clearly demonstrate that it works financially and the higher sales value or increased income more than cover the borrowing costs.
- 4.3 If approved the scheme will be added to the Capital Programme and the costs of the scheme will be reported through the usual quarterly Capital Programme

monitoring reports to members. The borrowing costs and increase income will be included in the Medium-Term Financial Plan and monitored through the usual monthly budget monitoring reports to Cabinet and Scrutiny.

5 Purchasing New Properties for Investment Returns

- 5.1 For the Council to consider an approach of a major investment programme for purchasing new properties that generate a financial return it would need to create an Investment Strategy which set out the following:
- Criteria for which 'properties' to invest in, including specification of the balance / mix of a portfolio (i.e. asset types), and;
 - Clear governance arrangements and democratic accountability ensuring transparent and open decision making and rigorous due diligence (property, legal, financial).
- 5.2 It would be essential that appropriate governance arrangements were put in place to ensure that there is robust appraisal of any potential investments that may be made. Examples of the type of arrangements that may be considered include:
- Investment Board – comprising members, officers and professional advisers (as required) to review and provide views on potential investment decisions to be undertaken by either the Cabinet Member for Resources or the Section 151 Officer. This Board would need to meet regularly for the Cabinet Member or Section 151 Officer to be able to act swiftly on any opportunities presented to the Board
 - Gateway process – to determine whether to pursue a proposal. Clear criteria need to be pre-determined and rigorously applied
 - Cabinet / Cabinet Member for Resources / Section 151 Officer approval – the Council's constitution (Cabinet Scheme of Delegation) would need amending to clarify the proposed decision-making arrangements and any limits or internal consultation requirements prior to the exercise of delegated powers.
- 5.3 Depending on the property assets that the Council might be invested in it may be necessary to have a:
- Shareholder Board - comprising members and professional advisers to ensure effective oversight of the property portfolio and alignment with corporate priorities;
 - 'Property' Company – 'arms-length' company would be required to make any investments in properties for financial gain (rather than economic prosperity).
- 5.4 Some of the principal risks that the Council would need to address in formulating its approach to non-treasury investments are:

- Failing to identify realistic net gains – being over-ambitious could lead to investments with an inappropriate level of risk
- Some investments will not pay back immediately, requiring an investment approach which is affordable in cash-flow terms
- Not setting out clear parameters for investment areas (e.g. retail, commercial, residential portfolio mix)
- An inability to secure adequate commercial skills / resources to advise on the investment options
- Allowing insufficient time to set up rigorous due diligence, governance and transparent democratic accountability
- Not establishing 'smart' democratic processes to ensure investments can be approved at pace.

5.5 Considering the above, the recent restrictions that government have put in place, which means that any assets that are purchased must be within the 'economic area' of Somerset, and the additional costs of borrowing following the rate rise by the PWLB means that this route is now less attractive and more restricted. The experience from other councils shows that were we to actively undertake significant programme of activity in this area, the existing governance arrangements would need to be strengthened.

5.6 This however does not stop the Council from taking advantage of any opportunities that may arise from time to time. Such opportunities will be subject to appropriate due diligence with a full business case including the full costs, returns and risks and can be considered within the existing governance framework.

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Treasury Management Mid-Year Outturn Report 2019-20

Cabinet Member(s): Cllr Mandy Chilcott - Cabinet Member for Resources

Local Member(s) and Division: All

Lead Officer: Sheila Collins, Interim Director of Finance

Author: Alan Sanford, Principal Investment Officer

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1. Summary / Background

- 1.1.** 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 the Chartered Institute of Public Finance and Accountancy's (CIPFA) recommendations.

Gross investment balances stood at £234m on 30th September yielding an average rate of return of 1.10% as at that date. This figure includes approximately £60.1m of cash managed on behalf of the Local Enterprise Partnership (LEP), and £8.0m of other external bodies (e.g. Exmoor National Park (ENP), and South West Councils (SWC).

During the six months, gross investment balances averaged £224.7m (£165.2m net of funds held for others), yielding 1.12% for the period including the CCLA Property Fund. The cash return (net of Property Fund) of 0.98% was 0.15% higher than the 12-month LIBID rate (a benchmark rate at which Banks will lend to each other).

Income (net of that apportioned to the LEP and external bodies) of approximately £1,026,380 has been earned in the period, against anticipated income of £764,000.

The cost of carry associated with long term borrowing compared to temporary investment returns means that a passive borrowing strategy, borrowing funds as they are required has been most appropriate. No new borrowing has been taken during the period, and due to timing of spending and changes to the Capital Plan, it is not currently envisaged that any will be taken in the second half of the year.

All Treasury activities undertaken have been in full compliance with relevant legislation, codes, strategies, policies and practices.

2. Recommendations

- 2.1. That the Cabinet endorses the Treasury Management Mid-Year Report for 2019-20 and recommends it is received and endorsed by Full Council at the next sitting of Full Council.**

3. Reasons for recommendations

- 3.1** 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 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 2019-20.

4. Other options considered

- 4.1.** Not applicable

5. Links to County Vision, Business Plan and Medium-Term Financial Strategy

- 5.1.** Effective Treasury Management provides support to the range of business and service level objectives that together help to deliver the Somerset County Plan.

6. Consultations and co-production

- 6.1.** None

7. Financial and Risk Implications

- 7.1.** 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.

8. Legal and HR Implications

- 8.1.** None.

9. Other Implications

9.1. Equalities Implications

None.

9.2. Community Safety Implications

None.

9.3. Sustainability Implications

None.

9.4. Health and Safety Implications

None.

9.5. Health and Wellbeing Implications

None.

9.6. Social Value

Not applicable

10. Scrutiny comments / recommendations:

10.1. The Audit Committee is the nominated body to provide scrutiny for Treasury Management.

11. Background

11.1. Economic Background

UK Consumer Price Inflation (CPIH) fell to 1.7% year-on-year in August 2019 from 2.0% in July, weaker than the consensus forecast of 1.9% and below the Bank of England's target. The most recent labour market data for the three months to July 2019 showed the unemployment rate edged back down to 3.8% while the employment rate remained at 76.1%, the joint highest since records began in 1971. Nominal annual wage growth measured by the 3-month average excluding bonuses was 3.8% and 4.0% including bonuses. Adjusting for inflation, real wages were up 1.9% excluding bonuses and 2.1% including.

Quarter 2 GDP confirmed the UK economy contracted by 0.2% following the 0.5% gain in Q1 which was distorted by stockpiling ahead of Brexit. Only the services sector registered an increase in growth, a very modest 0.1%, with both production and construction falling and the former registering its largest drop since Q4 2012. Business investment fell by 0.4% (revised from -0.5% in the first estimate) as Brexit uncertainties impacted on business planning and decision-making.

Tensions continued between the US and China with no trade agreement in sight and both countries imposing further tariffs on each other's goods. The US Federal Reserve cut its target Federal Funds rates by 0.25% in September to a range of 1.75% - 2%. The euro area Purchasing Manager Indices (PMIs) pointed to a deepening slowdown in the Eurozone. These elevated concerns have caused key government yield curves to invert, something seen by many commentators as a predictor of a global recession. Market expectations are for further interest rate cuts from the Fed and in September the European Central Bank reduced its deposit rate to -0.5% and announced the recommencement of quantitative easing from 1st November.

The Bank of England maintained Bank Rate at 0.75% and in its August Inflation Report noted the deterioration in global activity and sentiment and confirmed that monetary policy decisions related to Brexit could be in either direction depending on an outcome for Brexit.

After rallying early in 2019, financial markets have been adopting a more risk-off approach in the following period as equities saw greater volatility and bonds rallied (prices up, yields down) in a flight to quality and anticipation of more monetary stimulus from central banks. The Dow Jones, FTSE 100 and FTSE 250 are broadly back at the same levels seen in March/April.

Gilt yields remained volatile over the period on the back of ongoing economic and political uncertainty. From a yield of 0.63% at the end of June, the 5-year benchmark gilt yield fell to 0.32% by the end of September. There were falls in the 10-year and 20-year gilts over the same period, from 0.83% to 0.55% and from 1.35% to 0.88% respectively.

Recent activity in the bond markets and PWLB interest rates highlight that weaker economic growth remains a global risk. The US yield curve remains inverted with 10-year Treasury yields lower than US 3-month bills. History has shown that a recession hasn't been far behind a yield curve inversion. Following the sale of 10-year Bunds at -0.24% in June, yields on German government securities continue to remain negative in the secondary market with 2 and 5-year securities currently both trading around -0.77%.

As gilt yields have a direct correlation to Public Works Loan Board (PWLB) the downward movements in PWLB borrowing rates can be seen in Tables 2 and 3 in Appendix A.

London Interbank Bid (LIBID) rates based on the Intercontinental Exchange London Interbank Offered Rate (LIBOR) fixings show that there was significant downward movement in rates from April to the end of September. The slowdown in global trade, and rate cuts in Europe and the US meant that markets were expecting further reductions. This view was

enhanced after Boris Johnson was elected leader of the Conservative Party and a no-deal Brexit appeared more likely.

6-month and 12-month rates were the most volatile, with a high to low difference of 0.18% and 0.29% respectively. Most periods closed on or close to year-to-date lows and had reduced by 0.01%, 0.09%, 0.13%, and 0.17% respectively over the period. 1-month, 3-month, 6-month, and 12-month LIBID rates averaged 0.60%, 0.66%, 0.73%, and 0.83% respectively over the period.

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.

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

11.2. 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 by the 4-year capital medium-term financial plan (MTFP) where the capital strategy forecast £196m of expenditure during 2019/20. £65m was identified for highways maintenance, major engineering and traffic management; £57m for the delivery of schools' basic need; £53m for Local Enterprise Partnership and Economic Development projects; and £22m for other programmes. Much of this was to be funded by a combination of grant, contributions and capital receipts. Although timings of capital expenditure may not be totally predictable, it was envisaged that potentially, borrowing of up to £91m may have been necessary.

Changes to the capital plan, and slippage, mean this has changed during the year, with the quarter 1 capital spend to be funded by borrowing, now forecast to be £62m.

The cost of carry associated with long term borrowing compared to temporary investment returns means that a passive borrowing strategy, borrowing funds as they are required has been most appropriate. The benefits of this strategy have been monitored and weighed against the risk of shorter-term rates rising more quickly than expected. No new borrowing has been taken during the period, and due to timing of spending and changes to the Capital Plan, it is not currently envisaged that any will be taken in the second half of the year.

The cash flow of the Council has been carefully managed so that there is no need for additional external borrowing to fund the Capital Programme during 2019-20. This has resulted in a favourable variance of £0.65m due to no additional interest charges that were assumed when the budget was

set.

The overall rate paid on loans remained unchanged for the PWLB portfolio of £159.05m, at 4.59%. The average Market Loan rate at 30th September (LOBOs + Barclays, total £165.5m) was also the same as at 31st March, at 4.74%. The combined average rate was 4.66% on £324.55m.

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 24.7 years. The average duration of all Market Loans dropped to 32.5 years from 33.

11.3. 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 in **Table 1** below. Those used during the first half of the year are denoted with a star.

Table.1 - Approved Counterparties

Bank or Building Society			
Australia & NZ Bank	*	Lloyds Bank	*
Bank of Montreal		National Australia Bank	
Bank of Nova Scotia		National Westminster	*
Bank of Scotland		Nationwide BS	
Barclays Bank Plc		Nordea Bank	
Canadian Imperial Bank of Commerce		OP Corporate Bank	
Close Brothers Ltd	*	Oversea-Chinese Banking Corp	
Commonwealth Bank of Australia		Rabobank	*
DBS Bank Ltd	*	Royal Bank of Scotland	
DZ Bank		Santander UK	*
Goldman Sachs Inv Bank	*	Standard Chartered Bank	*
Handelsbanken Plc		Toronto-Dominion Bank	*
HSBC Bank	*	United Overseas Bank	*
Landesbank Hessen-Thüringen			
Sterling CNAV Money			

Market Funds			
Goldman Sachs		Insight	*
Deutsche MMF		Standard Life	*
Invesco Aim	*	LGIM	*
Federated Prime Rate	*	Insight	*
JP Morgan	*	SSGA	*
Other Counterparties			
Debt Management Office		Other Local Authorities (13)	*
CCLA Property Fund	*		

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 considered 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.

11.4. Counterparty Update

There were minimal credit rating changes during the period. After completion of UK Banks' ringfencing and the subsequent upgrades for the ringfenced entities of National Westminster and RBS, these counterparties were reintroducing to the SCC lending list with a limited duration of 100-days.

Credit Default Swap (CDS) spreads rose and then fell again during the quarter, continuing to remain low in historical terms. After rising to almost 120bps in May, the spread on non-ringfenced bank NatWest Markets plc fell back to around 80bps by the end of September, while for the ringfenced entity, National Westminster Bank plc, the spread remained around 40bps. The other main UK banks, as yet not separated into ringfenced and non-ringfenced from a CDS perspective, traded between 34 and 76bps at the end of the period.

In response to the overall worsening UK and global economic picture and the factors highlighted in the Economic Background at 1.1, the maximum duration for which deposits could be made was reduced for several counterparties, some from 6-months to 100-days, others from 13-months to 6-months.

Maturities for new investments with financial institutions on the Council's

list at 30th September are currently limited as follows: -

UK Institutions

Barclays Bank, Close Brothers Ltd, Goldman Sachs International Bank, National Westminster Bank, and RBS - **a maximum period of 100 days;** Bank of Scotland, HSBC Bank, Lloyds Bank, Nationwide Building Society, Santander UK, and Standard Chartered Bank - **a maximum period of 6 months;**

Non-UK Institutions

National Australia Bank - **a maximum period of 100 days.**
All other overseas banks on the lending list - **a maximum period of 6 months.**

UK Local Authorities

To diversify the portfolio, some deposits have been placed with UK Local Authorities. This allows for longer-dated maturities with excellent creditworthiness and an appropriate yield.

11.5. Liquidity

In keeping with the Ministry of Housing, Communities, and Local Government (MHCLG) guidance, the Council maintained a sufficient level of liquidity through the use of call accounts, Money Market Funds, and short-term deposits.

95 cash deposits totalling more than £436m were made during the first half of the year. SCC did not need to borrow short-term money during the first half of 2019-20.

11.6. Yield

Comfund

As at 30th September Comfund investment stood at £183m averaging just over £175m for the year-to-date. The Comfund vehicle, which consists mainly of SCC Capital, Revenue Reserves, and money held on behalf of the Local Enterprise Partnership (LEP), has an average return for the year-to-date of 1.03%, and has out-performed the benchmark by 0.28% as base rate has averaged 0.75% for the period. The weighted average maturity of the Comfund was approximately 4.6 months. This is the same as for this time last year. SCC, in holding on average approximately £52m of LEP money, has needed to retain more liquidity than normal, as forecasting and timing of LEP spending has been beyond its' control. With the possibility of rates going in either direction, a proportion of the portfolio has been lent to other

Local Authorities for up to a year to protect against a rate downturn. Bank notice accounts have also been used to provide better liquidity, and a higher rate than short-term deposits. The return of 1.03% is 30 basis points above the 6-month LIBID average of 0.73 and 0.20% above the 12-month LIBID average of 0.83%.

A total of over £904k (£666k net of that paid to the LEP and external bodies) has been earned in Comfund interest in the first six months of the year (£708k gross 2018-19). Comfund administration charges and other Treasury Management fees brought in approximately £67k of income in the period.

Revenue

Revenue interest has contributed a further £147k of income, with an average revenue balance (general monthly working capital) of just over £39.2m (£32.5m 2018-19), and an average return of 0.75%, 15 basis points above the average 1-month LIBID rate.

Property Fund

To 30th September the £10m invested in the Churches, Charities, Local Authorities (CCLA) Property Fund delivered an average net income yield of approximately 4.26%, £214,000 cash, or £164,000 more than if invested in cash. The level of this investment is kept under review, to see if advantage can be taken of this better rate on a larger sum. As per the Treasury Strategy for 2019-20, an appropriate level will be determined with reference to core balances and reserves.

Combined

Combined return for the period has been 1.12% on an average balance of £224.7m. This figure includes approximately £51.5m of cash managed on behalf of the Local Enterprise Partnership (LEP), and £8.0m of other external bodies (e.g. Exmoor National Park (ENP), and South West Councils (SWC). Total investment income was £1.265m (£1.026m net of external investors). This equates to a £1.29m per annum gross benefit of investing over the risk-free option, the Government Debt Management Office (DMO).

The combined gross return for the same period in 2018-19 was 0.91% on an average balance of £223m, or approximately £1.014m in monetary terms. The increase in rates achieved is in part due to locking into longer-term deposits at the end of the last financial year when a possible rise in base rate and elevated levels paid by Local Authorities boosted the market. Average balances remained similar to the previous year.

Figures below highlight investment balances and returns over the period - **Table 2**, investment balances by type – **Table 3**, and a breakdown of

investment balances by source – **Table 4:** -

Table.2 – Investment figures and returns for period

	Balance 31 March 2019 £m	Rate of Return at 31 March 2019 %	Balance as at 30 Sept 2019 £m	Rate of Return at 30 Sept 2019 %	Average Balance April to Sept £m	Average Rate April to Sept %
Short- Term Balances (Variable)	34.93	0.79	41.00	0.74	39.25	0.75
Comfund (Fixed)	150.00	1.03	183.00	1.00	175.41	1.03
CCLA Property Fund	10.00	4.35	10.00	4.43	10.00	4.26
Total Lending	194.93	1.16	234.00	1.10	224.66	1.12

Table.3 – Investment balances by type

	31 March 2019 £m	30 Sept 2019 £m	Change £m
Money Market Funds	34.93	41.00	+6.07
Notice Bank Accounts	25.00	75.00	+50.00
Time Deposits – Banks	77.00	58.00	-19.00
Time Deposits – LAs	48.00	50.00	+2.00
CCLA Property Fund	10.00	10.00	+0.00
Total Investments	194.93	234.00	+39.07

Table.4 – Breakdown of investment balances by source

	31 March 2019 £m	30 Sept 2019 £m	Change £m
ENPA / SWC	0.11	-0.05	-0.16
Organisations in the Comfund	7.48	8.10	+0.62
LEP	35.25	60.11	+24.86
Total external	42.84	68.16	+25.32
SCC	152.09	165.84	+13.75
Total	194.93	234.00	+39.07

11.7. Icelandic Investments Update - Current position

Landsbanki & Glitnir – As reported in the end of 2018-19 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 in the Administrator’s October 2018 report was revised upwards to a range of 86.5p to 87.0p in the pound.

A further dividend of £41,259.73 was received in June 2019, 86.15% of this claim having been paid to date. 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.

In total, as at 30th September 2019 £23,282,566.36 had been recovered. The shortfall of £1.72m from the original investment was written off back in 2008-09.

11.8. Compliance and Prudential Indicators

All treasury management activities undertaken during the first 6-months have complied fully with the CIPFA Code of Practice and the Councils approved Treasury Management Strategy.

During the period the South West Audit Partnership (SWAP) conducted an audit of the Treasury Management function. It awarded the best possible outcome, ‘Substantial Assurance’, as quoted below.

“We can offer substantial assurance as the areas reviewed were found to be

adequately controlled. Internal controls are always in place and operating effectively and risks against the achievement of objectives are well managed”.

SCC has continuously proactively assessed and implemented mitigation for the risks that have materialised in the new investment environment. Controls/procedures are constantly being assessed and introduced/adapted where needed and embedded into practices to further mitigate risks to SCC investment and borrowing portfolios.

SCC has complied with its Prudential Indicators for 2019-20. Those indicators agreed by Full Council and actual figures as at 30th September are included below:

	2019-20	As at 30-09
	£m	£m
Authorised limit (borrowing only)	487	333
Operational boundary (borrowing only)	457	333

Maturity structure of borrowing

	Upper Limit	Lower Limit	As at 30-09-19
Under 12 months	50%	15%	35.0%
>12 months and within 24 months	25%	0%	0.0%
>24 months and within 5 years	25%	0%	1.5%
>5 years and within 10 years	20%	5%	9.3%
>10 years and within 20 years	20%	5%	10.8%
>20 years and within 30 years	20%	0%	0.0%
>30 years and within 40 years	45%	15%	43.4%
>40 years and within 50 years	15%	0%	0.0%
50 years and above	5%	0%	0.0%

	2019-20	As at 30-09
	£m	£m
Prudential Limit for principal sums invested for periods longer than 365 days	100	23

Credit Risk Indicator

The Council has adopted a voluntary measure of its exposure to credit risk by monitoring the value-weighted average credit rating / credit score of its investment portfolio. This is calculated by applying a score to each investment (AAA=1, AA+=2, etc.) and taking the arithmetic average, weighted by the size of each investment. Unrated investments are assigned a score based on their perceived risk (in conjunction with Arlingclose) and will be calculated quarterly.

Credit risk indicator (to be below target)	Target	Actual
Portfolio average credit rating (score)	A (6)	AA- (4.28)

CIPFA no longer recommends setting upper limits on fixed and variable rate exposures, so these are no longer calculated for this paper.

11.9. Outlook for Quarters 3 & 4

The global economy is entering a period of slower growth in response to political issues, primarily the trade policy stance of the US. There appears no near-term resolution to the trade dispute between China and the US, a dispute that the US appears comfortable exacerbating further.

The UK economy has displayed a marked slowdown in growth due to both Brexit uncertainty and the downturn in global activity. In response, global and UK interest rate expectations have eased dramatically.

Prime Minister Boris Johnson has agreed a withdrawal deal with the EU and it was successfully backed in a Commons vote; However, the timetable for withdrawal was voted down and at time of writing, a further short-term extension was in the process of being agreed with the EU. The probability of a no-deal EU exit in the immediate term has decreased, although it cannot be entirely ruled out for 2019 and the risk of this event remains for 2020. The risk of a general election in the near term has, however, increased.

Central bank actions and geopolitical risks will continue to produce significant volatility in financial markets, including bond markets.

Our treasury advisor Arlingclose expects Bank Rate to remain at 0.75% for the foreseeable future but there remain substantial risks to this forecast, dependant on Brexit outcomes and the evolution of the global economy. Arlingclose also expects gilt yields to remain at low levels for the foreseeable future and judge the risks to be weighted to the downside and that volatility will continue to offer longer-term borrowing opportunities.

With borrowing costs increasing and investment returns reducing, the Investment Strategy, also being presented at this meeting, is looking into the possibility of investing further in Pooled Funds.

Table 6 below shows a forecast for base rate to September 2022 and includes an assessment of the relative risks to it being maintained at 0.75%.

Table 6 – Base Rate forecast to 2022

	Dec 19	Mar 20	Jun 20	Sep 20	Dec 20	Mar 21
Upside Risk	0.00	0.00	0.25	0.25	0.25	0.25
Base Rate	0.75	0.75	0.75	0.75	0.75	0.75
Downside Risk	-0.50	-0.75	-0.75	-0.75	-0.75	-0.75

	Jun 21	Sep 21	Dec 21	Mar 22	Jun 22	Sept 22
Upside Risk	0.25	0.25	0.25	0.25	0.25	0.25
Base Rate	0.75	0.75	0.75	0.75	0.75	0.75
Downside Risk	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75

11.10. Revision to PWLB Lending Rates:

On 9th October HM Treasury, without warning, imposed a 1% premium on all loans from the PWLB. Within the letter to all Local Authority Chief Finance Officers, it cited the following

“Some local authorities have substantially increased their use of the PWLB in recent months, as the cost of borrowing has fallen to record lows. HM Treasury is therefore restoring interest rates to levels available in 2018, by increasing the margin that applies to new loans from the PWLB by 100bps (one percentage point) on top of usual lending terms”

“This restoration of normal PWLB lending rates will apply to all new loans with immediate effect. The Government will monitor the impact of this change and keep rates policy under review”

This will undoubtedly have a negative impact on the future borrowing costs of SCC. PWLB policy is being questioned by Local Authorities, particularly those that have been more prudent and pursued a strategy of internally borrowing to date. Whilst it is expected that other commercial lenders will enter the market with rates below that of the PWLB, the immediate effect of taking a £10,000,000 PWLB loan would be an extra £100,000 per annum.

11.11. 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 2019-20. 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 4.6 months, the return of 0.98% (15 basis points above the period average 12-month LIBID rate) has been achieved on average balances of £224.7m, producing income of over £1m.

12. Background Papers

12.1. Treasury Management Strategy Statement and appendices.

Report Sign-Off

		Signed-off
Legal Implications	Tom Woodhams	04/11/19
Governance	Scott Woodridge	26/10/19
Corporate Finance	Sheila Collins	25/10/19
Human Resources	Chris Squire	31/10/19
Property	Paula Hewitt / Claire Lovett	
Procurement / ICT	Simon Clifford	04/11/19
Senior Manager	Stephen Morton	21/10/19
Commissioning Development	Vikki Hearn	
Local Member	All	
Cabinet Member	Cllr Mandy Chilcott - Cabinet Member for Resources	04/11/19
Opposition Spokesperson	Cllr Jane Lock	
Scrutiny Chair	Cllr Anna Groskop for Scrutiny Place	

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 based on Intercontinental Exchange LIBOR rates)

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
01/04/2019	0.75	0.55	0.57	0.60	0.72	0.83	0.93	0.97
30/04/2019	0.75	0.56	0.57	0.61	0.69	0.82	0.97	1.04
31/05/2019	0.75	0.56	0.58	0.60	0.67	0.75	0.87	0.87
30/06/2019	0.75	0.55	0.56	0.60	0.65	0.73	0.83	0.83
31/07/2019	0.75	0.54	0.56	0.59	0.65	0.69	0.73	0.66
31/08/2019	0.75	0.56	0.56	0.58	0.63	0.66	0.71	0.65
30/09/2019	0.75	0.54	0.57	0.59	0.63	0.70	0.76	0.65
Average	0.75	0.55	0.57	0.60	0.66	0.73	0.83	0.82
Maximum	0.75	0.56	0.58	0.61	0.72	0.83	0.98	1.06
Minimum	0.75	0.54	0.55	0.58	0.63	0.65	0.69	0.60
Spread	0.00	0.02	0.03	0.03	0.09	0.18	0.29	0.46

Table 2: 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
01/04/2019	129/19	1.65	1.73	2.06	2.38	2.56	2.61
30/04/2019	167/19	1.78	1.90	2.24	2.54	2.70	2.74
31/05/2019	209/19	1.57	1.61	1.92	2.24	2.43	2.50
28/06/2019	249/19	1.59	1.61	1.89	2.23	2.43	2.50
31/07/2019	295/19	1.40	1.41	1.72	2.10	2.33	2.42
30/08/2019	338/19	1.35	1.28	1.43	1.74	1.95	2.02
30/09/2019	380/19	1.34	1.26	1.48	1.79	1.97	2.03
	Low	1.27	1.20	1.34	1.64	1.85	1.93
	Average	1.55	1.58	1.84	2.16	2.34	2.41
	High	1.83	1.95	2.29	2.58	2.73	2.78
	Spread	0.56	0.75	0.95	0.94	0.88	0.85

Table 3: PWLB Borrowing Rates – Fixed Rate, Maturity Loans

Change Date	Notice No	4½-5 yrs	9½-10 yrs	19½-20 yrs	29½-30 yrs	39½-40 yrs	49½-50 yrs
01/04/2019	129/19	1.72	2.04	2.56	2.58	2.46	2.44
30/04/2019	167/19	1.88	2.22	2.69	2.71	2.61	2.58
31/05/2019	209/19	1.61	1.90	2.43	2.48	2.39	2.36
28/06/2019	249/19	1.61	1.88	2.43	2.49	2.40	2.36
31/07/2019	295/19	1.40	1.70	2.33	2.41	2.35	2.32
30/08/2019	338/19	1.29	1.41	1.94	2.01	1.91	1.88
30/09/2019	380/19	1.27	1.47	1.97	2.01	1.91	1.87
	Low	1.21	1.33	1.85	1.92	1.81	1.77
	Average	1.57	1.83	2.34	2.39	2.30	2.27
	High	1.93	2.27	2.73	2.75	2.65	2.61
	Spread	0.72	0.94	0.88	0.83	0.84	0.84

Somerset County Council

County Council
– 22nd January 2020

Corporate Parenting Board Annual Report 2018 - 2019

Cabinet Member: Cllr Frances Nicholson, Cabinet Member for Children and Families Division and Local Member: Jill Johnson OBE, Chair of Corporate Parenting Board
Lead Officer: Julian Wooster, Director Children's Services, SCC
Author: Fiona Phur, Partnership Business Manager, SCC
Contact Details: 01823 355 259

1. Summary

- 1.1.** The Corporate Parenting Board continues to function effectively with reports from officers and partners showing clear progress against the 7 Principles of Corporate Parenting and our Ofsted Improvement programme. This report highlights the high quality of delivery that our front-line staff undertake daily and the Board's ability to influence this delivery through its direct contact with operational leads in its subgroups. Nevertheless, in our evaluation of this year's achievements, we have identified further areas of development that are ambitious for the overall outcomes for the 800+ children and young people in our care.

2. Recommendations

2.1. The Corporate Parenting Board requests:

- **That Council invites District Councillor representation on the Corporate Parenting Board to provide support on housing and leisure issues**
- **That Council extend its thanks to the young people on the Care Councils for all the hard work that they undertake.**
- **That Council recommends that Councillors appointed to the Corporate Parenting**

3. Background

- 3.1.** The role of the Somerset Corporate Parenting Board (CPB), is to ensure that Somerset County Council (SCC), together with the five District Councils, fulfil their duties towards children looked after (CLA), corporately and in partnership with other statutory agencies, including the NHS and Police. The existing Corporate Parenting Strategy and Terms of Reference (TOR), including membership, of the Corporate Parenting Board were agreed by Council in 2017.

The Corporate Parenting Board has met bi-monthly throughout the year, receiving regular updates from officers, partners and the Somerset In Care Council (SiCC) and Somerset Leaving Care Council (SLCC) who are a representative group of young people looked after or leaving care and are supported to meet by participation workers. The voice of the child is a key aspect of the Strategy and the Board has continued to engage with young people, both through their representation on the Board, and through SiCC and SLCC which is well established and has an effective and regular link with the Board.

The overall aim of the Corporate Parenting Strategy 2016 - 2019 is to strengthen good practice through a whole council approach to corporate parenting and a strong and effective approach to partnership working, thus improving the achievement, life chances and opportunities for all children looked after and care leavers.

The Corporate Parenting Strategy and annual action plan, aligns with and actively promotes Somerset's Plan for Children and Young People (CYPP), and the current Sufficiency Statement

This report provides an update of the function and impact of the Board over the past 12 months.

4. 2018 – 2019 Achievements

- 4.1.** The Board has approved a move to quarterly meetings and reporting commencing 2019. This brings the Corporate Parenting reports in line with CYPP reporting and gives a greater awareness to the Somerset Children's Trust.
- 4.2.** The chair also recommended to the Group leaders to review the regular attendance of their members on the Board.
- 4.3.** The chair especially wishes to highlight the many positive outcomes from the work of the Board and sub-groups especially:
 - No Somerset child is placed in an inadequate residential provision and no Somerset residential provision is judged as Inadequate
 - For the fifth consecutive academic year no CLA has been permanently excluded
 - An improved data monitoring set has been developed to include part time timetables, children missing education and persistent absenteeism
 - The Virtual School has aligned to the SiCC and SLCC priorities on a longer-term project regarding the issues CLA face in school
 - The Local Offer for Care Leavers launched November 2018
 - More information in place around reasons for lack of timely initial health assessments

- Refreshed Corporate Parenting Strategy and The Pledge co-produced with SiCC and SLCC
- Better monitoring and interventions of care leavers who are not in education, employment and training (NEET)
- Project work to determine extent and risk of children from other local authorities placed in Somerset.

4.4. SiCC & SLCC update: Despite the long-term absence of the Engagement & Participation Worker this year the work of the In-Care Council's (SiCC & SLCC) has not been impacted; due to the excellent support from staff and volunteers and the young people themselves. Particular thanks should be noted to elected members who raised funds and donated gifts for the Summer Away Day and Christmas Party.

5. Areas for Development

- 5.1.** A focus regarding children and young people's health by applying appropriate interventions following Strengths & Difficulties Questionnaires and the timeliness of initial health assessments and out of county health assessments.
- 5.2.** To increase the participation of Children Looked After to participate via the use of the Mind of My Own app.
- 5.3.** Develop capacity of Route One advocacy to better support the voice of the child in child protection conferences
- 5.4.** Engage with and support the launch and communication of Our Plan – The Somerset Plan for Children, Young People and Families 2019-2022 in April 2019
- 5.5.** Refresh and launch the Corporate Parenting Strategy 2019 – 2022 and terms of reference
- 5.6.** Commence quarterly performance and monitoring reports from sub groups to the board from April 2019
- 5.7.** A focus on improving education attainments and improving attendance at school.
- 5.8.** Develop a better understanding of the safeguarding of other Local Authorities Children Looked After placed into Somerset
- 5.9.** More focus on CLA and CL who are able and available for, but not engaged in, education, training or employment (ETE)

6. Background Papers

- 6.1.** Somerset Corporate Parenting Strategy 2019 - 2022

[Somerset Corporate Parenting Strategy 2019 -2022](#)

7. Appendices

7.1 Somerset Corporate Parenting Board Annual Report 2018 - 2019

Glossary of Terms

CAMHS	Child and Adolescent Mental Health Services
CCG	Clinical Commissioning Group
CIN	Children in Need
CL	Care leavers
CLA	Children Looked After
CPB	Corporate Parenting Board
CSC	Children's Social Care
CV	Curriculum Vitae
CYPP	Children and Young People's Plan
DCS	Director of Children Services
DfE	Department for Education
DT	Designated Teachers
IRO	Independent Reporting officer
NEET	Not in Education, Employment or Training
NHS	National Health Service
OFSTED	Office for Standards in Education, Children's Services and Skills
P2i	Pathway to Independence
PEP	Personal Education Plan
RAG rated	Red, Amber, Green, Blue (Business As Usual - BAU) rated
SCC	Somerset County Council
SCPB / CPB	Somerset Corporate Parenting Board
SCT	Somerset Children's Trust
SDQs	Strength and Difficulties Questionnaire
SEND	Special Educational Needs /Disability
SiCC	Somerset in Care Council
SLCC	Somerset Leaving Care Council
Sompar	Somerset Partnership
SW	Social Worker
TOR	Terms of Reference
UASC	Unaccompanied Asylum Seeking Children
VS	Virtual School

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SOMERSET CORPORATE PARENTING ANNUAL REPORT

2018 - 2019





ANNUAL REPORT 2018 – 2019

1. Summary

- 1.1. The Corporate Parenting Board continues to function effectively with reports from officers and partners showing clear progress against the 7 Principles of Corporate Parenting and our Ofsted Improvement programme. This report highlights the high quality of delivery that our front-line staff undertake on a daily basis and the Board's ability to influence this delivery through its direct contact with operational leads in its subgroups. Nevertheless, in our evaluation of this year's achievements, we have identified further areas of development that are ambitious for the overall outcomes for the 800 children and young people in our care.

2. Recommendations

- 2.1. The Corporate Parenting Board requests;
- That Council recommends that Councillors appointed to the Corporate Parenting Board who do not attend Board meetings for three consecutive meetings are reported to Group Leads
 - That Council invites District Councillor representation on the Corporate Parenting Board to provide support on housing and leisure issues
 - That Council extend their thanks to the In Care Councils young people for all the hard work that they undertake.

3. Background

- 3.1. The role of the Somerset Corporate Parenting Board (CPB), is to ensure that Somerset County Council (SCC), together with the five District Councils, fulfil their duties towards children looked after (CLA), corporately and in partnership with other statutory agencies, including the NHS and Police. The existing Corporate Parenting Strategy and Terms of Reference (TOR), including membership, of the Corporate Parenting Board were agreed by Council in 2017.

The Corporate Parenting Board has met bi-monthly throughout the year, receiving regular updates from officers, partners and the Somerset In Care Council (SiCC) and Somerset Leaving Care Council (SLCC) who are a representative group of young people looked after or leaving care and are supported to meet by a Participation Worker (see **Appendix A** for their report). The voice of the child is a key aspect of the Strategy and the Board has continued to engage with young people, both through their representation on the Board, and through SiCC and SLCC which is well established and has an effective and regular link with the Board.

The Council's corporate parenting arrangements, reviewed in 2015, were further reviewed following May 2017 Local Elections to ensure Somerset continues to provide a robust Corporate Parenting approach.

Full council in June 2017 approved the new elected members, and the updated annual action plan, and the arrangements set out in the corporate parenting strategy 2016-19.

The overall aim of the Corporate Parenting Strategy 2016 - 2019 is to strengthen good practice through a whole council approach to corporate parenting and a strong and effective approach to partnership working, thus improving the achievement, life chances and opportunities for all children looked after and care leavers.

3.2. Promotion of the 7 Principles of Corporate Parenting:

In order to thrive, children and young people have certain key needs that good parents generally meet. The corporate parenting principles set out 7 Principles (identified in section 1 of the Children and Social Work Act 2017) that local authorities must have regard to when exercising their functions in relation to looked after children and young people as follows:

1. to act in the best interests, and promote the physical and mental health and wellbeing, of those children and young people
2. to encourage those children and young people to express their views, wishes and feelings
3. to take into account the views, wishes and feelings of those children and young people
4. to help those children and young people gain access to, and make the best use of, services provided by the local authority and its relevant partners
5. to promote high aspirations, and seek to secure the best outcomes, for those children and young people
6. for those children and young people to be safe, and for stability in their home lives, relationships and education or work; and
7. to prepare those children and young people for adulthood and independent living.

These principles form the structure of our actions and guide the decisions and challenges we make as a board.

3.3. The focus of the Corporate Parenting Board is on the delivery of five priorities covering placement sufficiency and stability, education, health, voice of the child and leaving care through well-established sub-groups with good cross agency working, led by a senior officer, and supported by a Councillor from the Board. Additionally, the key area of foster care development is led by the council's fostering service. Action owners on the groups take responsibility for issues to deliver solutions within deadlines.

The outcomes of this work are reported quarterly through the Children & Young People's Plan 2016-2019 performance reporting arrangements, against the seven improvement programmes. Reports are complemented by detailed data and performance measures provided to the Board to support them in their role in leading and challenging service delivery.

3.4. This report provides an update of the function and impact of the Board over the past 12 months. See **Appendix C** for the 2018 – 2019 Corporate Parenting Board Action plans and **Appendix D** for the March 2019 data dashboard.

4. 2018 – 2019 Achievements

4.1. Achievements 2018 - 2019 (see **Appendix A**) this information evaluates the progress against the annual priorities set for 2018/19.

4.2. The format/governance of the Corporate Parenting Board: The Board has approved a move to quarterly meetings and reporting commencing 2019. This brings the Corporate Parenting reports in line with The Somerset Plan for Children, Young People & Families 2019 - 2022 reporting and gives a greater awareness to the Somerset Children's Trust.

The chair also recommended to the Group leaders to review the regular attendance of their members on the Board.

Three key staff changes have led to the Head of Service - Children Looked After and Care Leavers, Jayne Shelbourn-Barrow; Interim Head of Virtual School, Emily Walters;



and Designated Nurse Children Looked After, Sarah Ashe being welcomed to the Board.

4.3. The chair especially wishes to highlight the many positive outcomes from the work of the Board and sub-groups especially:

- No Somerset child is placed in an inadequate residential provision and no Somerset residential provision is judged as Inadequate
- For the fifth consecutive academic year no CLA has been permanently excluded
- An improved data monitoring set has been developed to include part time timetables, children missing education and persistent absenteeism
- The Virtual School has aligned to the SiCC and SLCC priorities on a longer-term project regarding the issues CLA face in school
- Local Offer for Care Leavers launched November 2018
- More information in place around reasons for lack of timely initial health assessments
- Refreshed Corporate Parenting Strategy and The Pledge co-produced with SiCC and SLCC
- Better monitoring and interventions of care leavers who are not in education, employment and training (NEET)
- Project work to determine extent and risk of children from other local authorities placed in Somerset

4.4. SiCC & SLCC update: (see **Appendix B**)

The long-term absence of the Engagement & Participation Worker this year could have impacted upon the work of the In-Care Council's (SiCC & SLCC); however, this has been averted due to the excellent support from staff and volunteers and the young people themselves. Particular thanks should be noted to elected members who raised funds and donated gifts for the Summer Away Day and Christmas Party.

5. Areas for Development

5.1. Areas for Development (see **Appendix A**) this information evaluates the progress against the annual priorities set for 2018/19.

6. Appendices

- **Page 5: Appendix A** – Corporate Parenting Board Achievements and Areas for Development 2018 – 2020
- **Page 10: Appendix B** – SiCC and SLCC Annual Report 2018 - 2019
- **Page 17: Appendix C** – Corporate Parenting Board Action Plans 2018 - 2019
- **Page 37: Appendix D** – Corporate Parenting Board Data Dashboard – March 2019
- **Page 41: Appendix E** – Corporate Parenting Board Strategy 2019 - 2022
- **Page 69: Appendix F** – Corporate Parenting Board Terms of Reference 2019 - 2022



APPENDIX A - Corporate Parenting Board Achievements and Areas for Development 2018 - 2020

7 PRINCIPLES	ACHIEVEMENTS 2018-19	AREAS FOR DEVELOPMENT 2019-20	RESPONSIBILITY
1 - To act in the best interests, and promote the physical and mental health and well-being, of children and young people	<p>Discovered reasons for lack of timely Initial Health Assessments (IHA)</p> <p>Knowledge of why we have low rates of Children Looked After (CLA) who have annual dental checks with CCG dental assessment survey</p> <p>Local Offer for Care Leavers launched November 2018</p>	<p>SDQ's - triangulation of, and appropriate interventions</p> <p>Timeliness of Initial Health Assessment (IHA)</p> <p>Out of County Health Assessments</p> <p>Education, Health and Wellbeing Pathways</p>	Health and Wellbeing Sub-Group
2 - To encourage children and young people to express their views, wishes and feelings	<p>Licence extended for Mind of My Own app from April 2019 to March 2020</p> <p>Promoting the use of Mind of My Own app via Route One Advocacy and the Fostering Team</p> <p>Mind of My Own film made by young people for staff training use</p> <p>Leaving Care service have trained a cohort of young people in interview skills</p> <p>SiCC / SLCC have been involved in 4 sets of interviews</p> <p>SiCC / SLCC refreshed The Pledge in 2018</p>	<p>Increase participation of Children Looked After to participate via use of Mind of My Own app</p> <p>Promote 'Top Tips to Include Young People Involved in Interviews' alongside refreshed Participation Strategy</p> <p>SiCC / SLCC to now have a regular agenda item at each CPB meeting</p> <p>Communicate the Pledge when refreshed Corporate Parenting Strategy is launched</p> <p>Learning Care Apprentice now working closely with Participation Team and SiCC / SLCC</p>	Voice of the Child Sub-Group
3 - To take into account the views, wishes and feelings of children and young people	<p>Participation Strategy was refreshed in March 2019 in co-production with Participation Workers Network</p> <p>Mind of My Own awareness now included in Foster Carers training</p> <p>SiCC / SLCC and IRO's are working on</p>	<p>Participation Toolkit to be hosted on Professional Choices</p> <p>Mind of My Own workshop planned for May 2019</p> <p>Mind of My Own information for new Children's Social Care staff in welcome</p>	Voice of the Child Sub-Group Corporate Parenting Board – Partnership Team



<p>amendments to CLA documentation and processes</p> <p>320 nominations for Annual Achievements Awards 2018: 200+ young people attended two ceremonies in July 2018</p> <p>Priorities of SiCC / SLCC were met in 2018-19</p> <p>The Corporate Parent Board has approved the refreshed Corporate Parenting Strategy and Pledge</p> <p>Board members took part in Getting to Know You Days, Annual Achievements Awards and engagement events for the new children and young people's plan</p>	<p>pack</p> <p>Develop capacity of Route One advocacy to better support the voice of the child in child protection conferences</p> <p>Limited budget secured for 2019 Awards; format to be decided</p> <p>Development of a Corporate Parenting e-learning module on TLC for SCC staff; could be adapted for use in Districts</p> <p>Priorities for 2019-20 have been set</p>
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4 - To help children and young people gain access to, and make the best use of, services provided by the local authority and its relevant partners

<p>The Corporate Parenting Strategy has been refreshed for 2019-22, and the Terms of Reference have been reviewed and approved</p> <p>SiCC / SLCC members took part in the planning and co-production of the new multi-agency plan Our Plan – The Somerset Plan for Children, Young People and Families 2019-2022</p> <p>The Board approved future quarterly reporting in the QPRM style (Quality and Performance Reporting Management)</p> <p>Adult's Services, Children's Services, Waste Partnership, Transport and Highways have all made a commitment to support CLA and care leavers through traineeships and work experience placements</p> <p>Representation of key stakeholders on the Board has been reviewed and the Chair has identified and approached potential new stakeholders</p>	<p>Communicate the refreshed Corporate Parenting Strategy and terms of reference</p> <p>Launch and communication of Our Plan – The Somerset Plan for Children, Young People and Families 2019-2022 in April 2019</p> <p>QPRM reporting to commence April 2019</p> <p>Information on children from other Local Authorities placed in Somerset to be aligned to adult social care scoping exercise and taken to the Joint Strategic Protocol Board</p>
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Corporate Parenting Board – Partnership Team
Voice of the Child Sub-Group



Scoping exercise to determine the extent and risk of children from other Local Authorities placed in Somerset completed

5 - To promote high aspirations, and seek to secure the best outcomes, for children and young people

Improved communication with EP and SEN managers

Creation of a Virtual School register

Priority list for CLA place in RI/I schools, missing education, exclusions or persistent absenteeism

Better transition arrangements on PEPs for Yr6 and Yr11

Improved data monitoring set developed to include p/t timetables, missing, persistent absenteeism, RI/I provision

No CLA have been permanently excluded in academic year 18/19

Higher percentage of Yr12 destinations confirmed

Higher quality of EYS (96.8%)

Inclusion audit launched across all Somerset schools which includes CLA

Launched Designated Teachers Network

New Head of Service for CLA and CL has worked with VS to align CSC and VS more closely

'Working with the Traumatized Child' training offer rolled out to schools, social care and

Exclusions and attendance remain the more significant concerns and priority within the education group and the Virtual School

Refresh PEP documentation

Focus on improving attainment and diminishing the difference

Changes and increases in stat requirements from 'The designated teacher for looked after and previously looked-after children - Statutory guidance on their roles and responsibilities' February Sept 2018 has increased pressure on the VS team

Only 3 of 38 students (8%) at KS4 achieved a standard pass at English and Maths but this was an increase (up from 6%)

51 CYP (16.7%) have had persistence absence (below 90%) – 51 are placed out of county (41%) and 75 have SEND

Sickness in team

VS Head resignations and subsequent interim with other responsibilities

Appropriate educational provision 10% of CLA (43) in RI/I school

33 CYP have had fixed term exclusions this academic year – 15 of them more than

Education Sub-Group – Virtual School



parents/carers	once
Education roadshow held for CSC staff for better understanding of CLA education	10 CYP not currently on a school roll
End of year celebration held at the beginning of summer holidays	
PEP training for EYS Sencos	
July 2018 trip to Bath Spa University for 8 CLA in year 10/11 to give them insight into the opportunities and experience available	
Virtual School Head attended SiCC / SLCC to discuss how we can raise awareness of the issues facing CLA and how we can best communicate this to schools and a wider audience.	

6 - For children and young people to be safe, and for stability in their home lives, relationships and education or work

Information packs for children and young people becoming CLA have been reviewed

All District Councils have approved Tax Exemption for working care leavers

Adoption Service Annual Report was presented to the Board in March 2019

Fostering Service Annual Report was presented to the Board in March 2019

Sufficiency Statement and Action Plan now as fixed agenda item

Somerset has seen an improvement in placement availability. No provision in Somerset is inadequate, and no Somerset child is in an inadequate placement

Safeguarding of other Local Authorities CLA placed into Somerset

Re-design of Living Away From Home information packs

Further work required on care leavers Tax Exemption to ensure consistency and equality of offer

QPRM style reporting will collect Fostering and Adoption reporting moving forward

Refresh of Sufficiency Statement and Action Plan

Corporate Parenting Board – Partnership Team

Sufficiency Report

Fostering and Adoption



7 - To prepare children and young people for adulthood and independent living

Leaving Care worker seconded to HR to work on Pathways 2 Employment providing information to Leaving Care Service and tracking NEET's

Review of Skanska and Viridor offer to care leavers

All CLA's have access to the Talent Academy programme

Supported Traineeship programme piloted with Hinkley Point

Yr12 and Yr13 Transition Panels now embedded

Better monitoring of care leavers who are NEET

UASC's now integrated into CLA and CL teams

New Local Offer for care leavers launched in November 2018

Development of new intake onto Skanska, Viridor and NHS for care leavers

More focus on CLA and CL who are able and available for, but not engaged in, education, training or employment (ETE)

Better links for NEET's with Emotional Health and Wellbeing Team

Work on combatting loneliness in our P2i development

Unaccompanied Asylum-Seeking Children (UASC) accommodation and support needs to be considered as part of a single 16+ panel

Care leavers survey to evidence 'Care Leavers Know How to Access the Offer'

Care Leavers Sub-Group



Somerset in Care Council & Somerset Leaving Care Council

www.somersetincarecouncils.org.uk

Who Are We?

- 27 members aged between 11 –20 attended meetings in 2018/19
- We welcomed 8 new members
- And said goodbye to 6 members
- There are 5 members of supporting staff
- And 6 volunteers
- We also had 9 visitors come along to meetings



Monthly Meetings

- To work on issues from our Annual Priorities plan
- Sundays from 11 – 4 at The Roller-coaster in Bridgwater
- Lunch and refreshments provided
- Supporting events and activities in between
- 9 meetings were held (1 snowed off)
- Along with 1 Christmas Party and a Summer Away Day



Activities

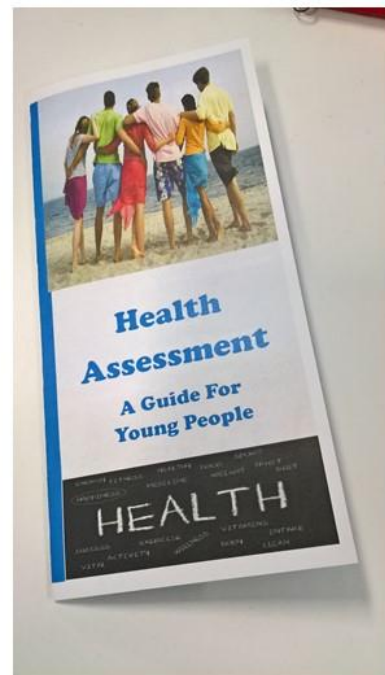
- July - Annual Achievement Awards 2018 - 320 nominations, and 200 attendees
- May - Mind Of My Own Conference - Ryan won 'Young Mind Of My Own Champion', 2 radio shows and a newspaper interview.
- April – August – 4 Getting To Know You days
- August - Away Day in the woods (and in the lake!)
- May – October - Engaged in 4 planning days and 2 consultations for the new Children and Young People's Plan
- December - Christmas Party

How did we meet our 2018/19 priorities – Voice Of the Child

- Redesigned the Family Group Conferencing evaluation form
- Redesigned 'Having Your Say' form
- Interview training and supported 4 interview panels
- Planned Mind Of My Own conference presentation
- Refreshed and redesigned The Pledge
- Mind Of My Own now on SCC complaints page
- Animation film for new social workers on Feedback
- Improve CLA reviews

How did we meet our 2018/19 priorities – Health and Education

- Designed new health assessment leaflet
- Attended 'Health of CLA conference' in February
- 'What schools need to know' – long term project for Virtual School

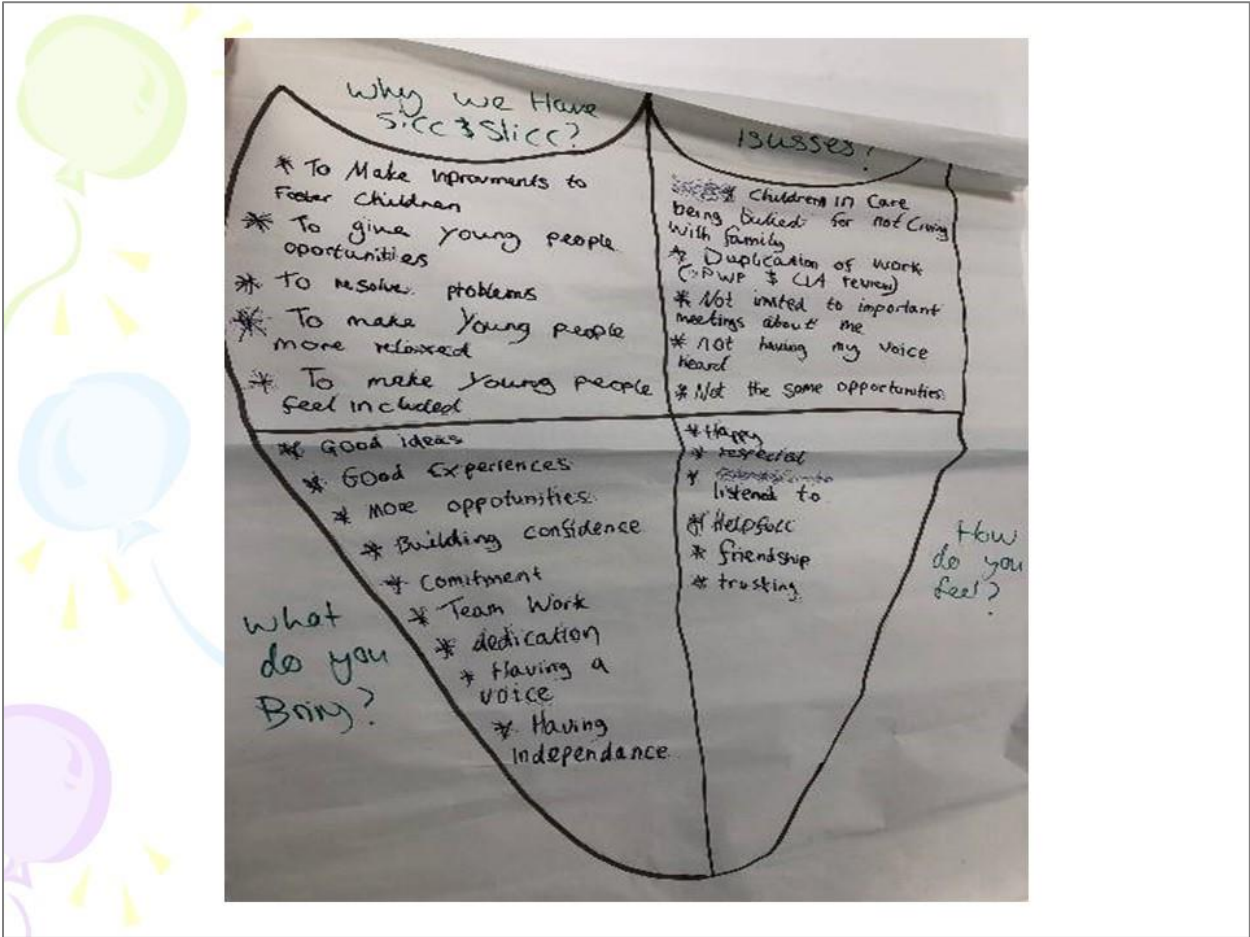
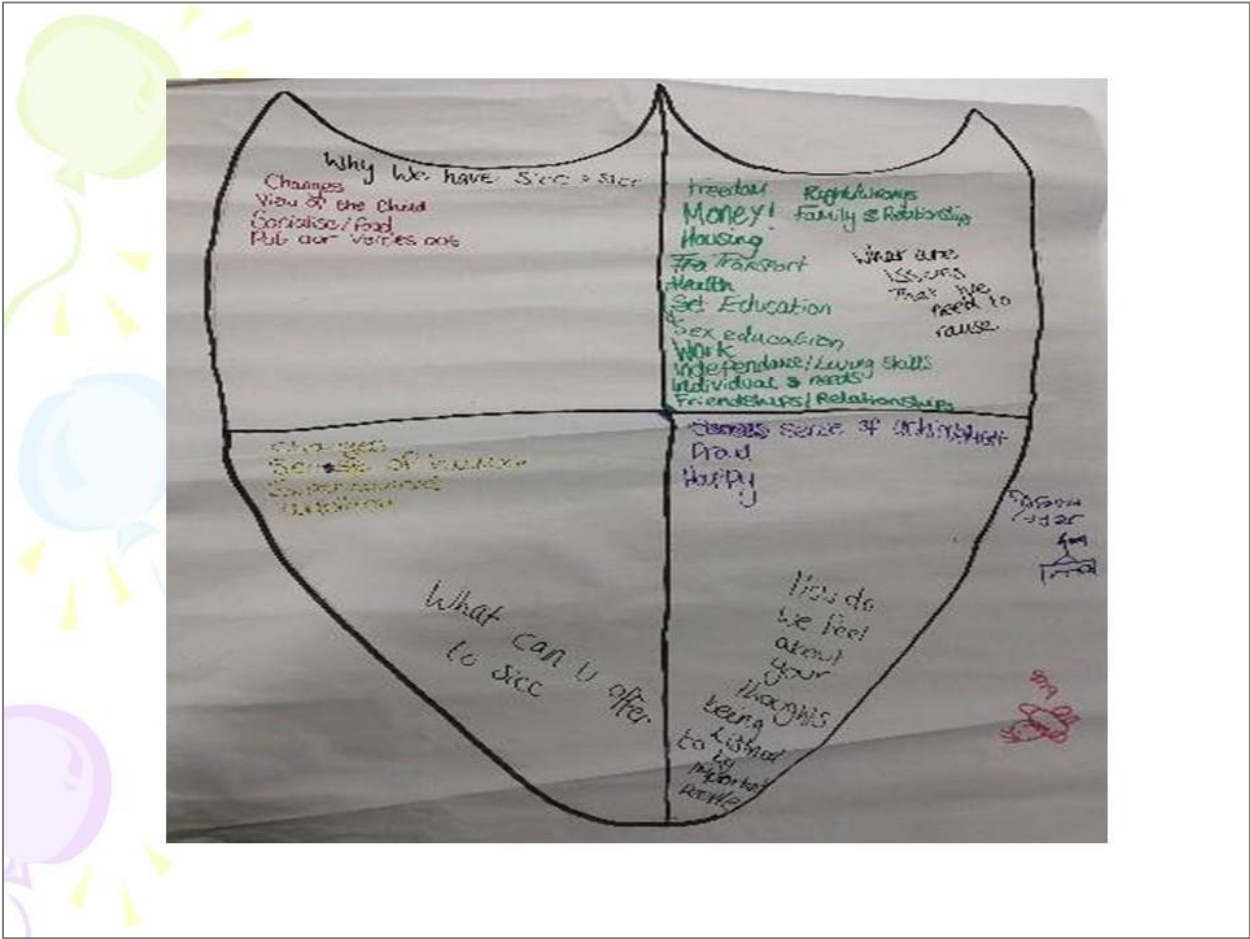


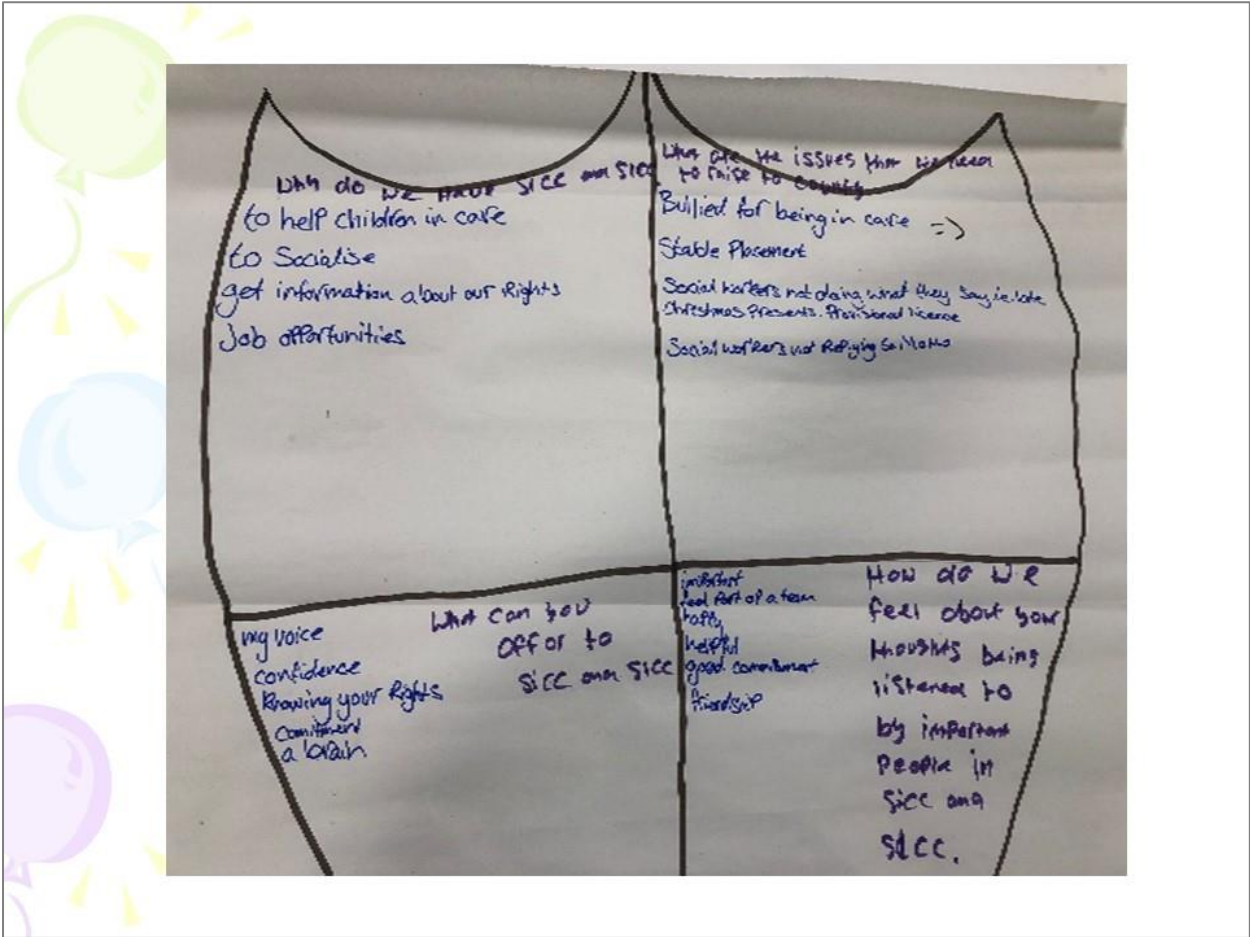
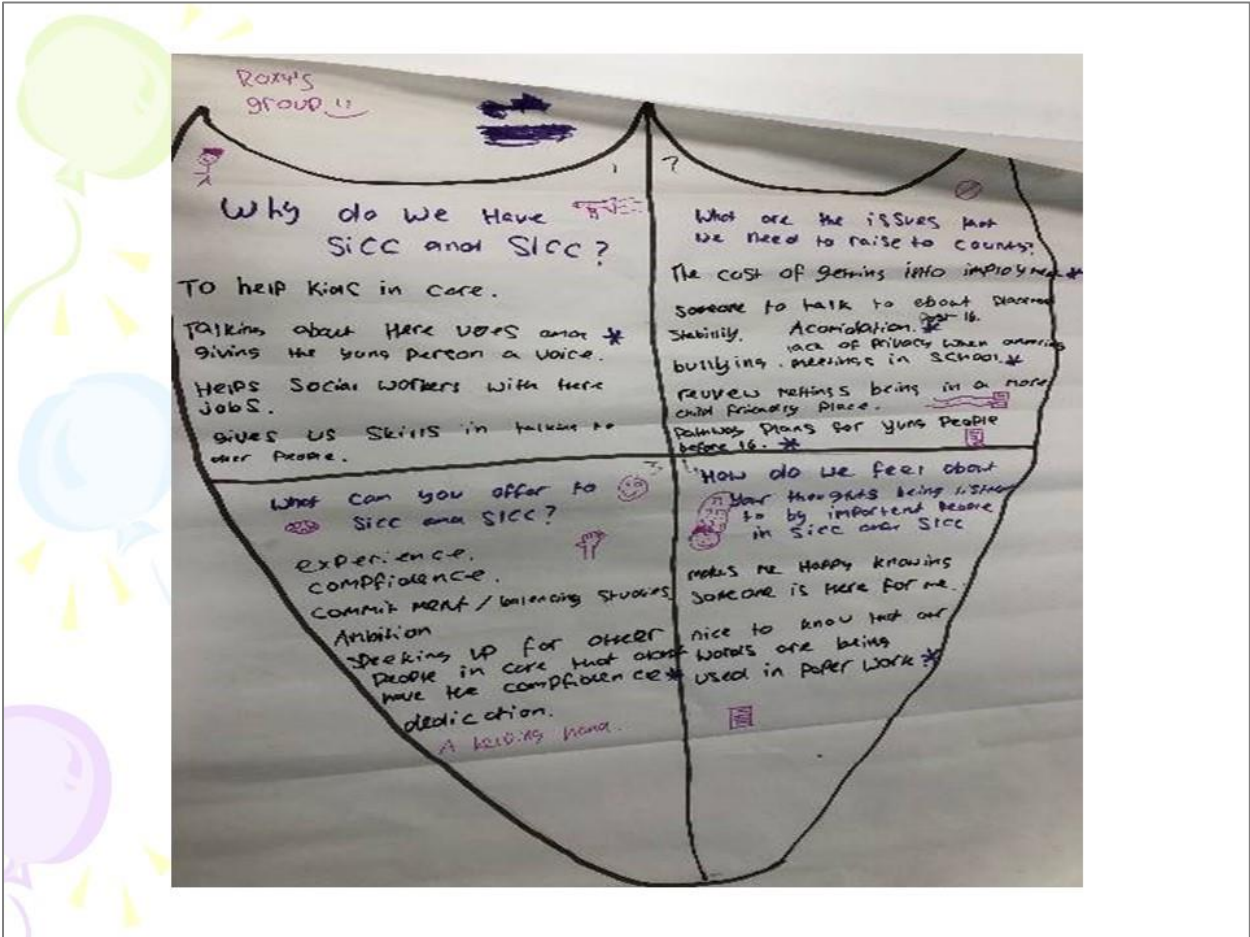
How did we meet our 2018/19 priorities – Leaving Care

- Supported the work towards the Local Offer for Care Leavers
- Worked on the 'Preparing for Adulthood' booklet
- Consultation on the new Children and Young People's Plan 'Preparing for Adulthood'

How did we meet our 2018/19 priorities – Accommodation

- Consultation on Premature Placement Endings process and questionnaire
- Devised the 'Accommodation' game
- Working on improving placement stability with Children's Commissioning Team







Priorities for 2019/20

- Money:
 - **Help with independence and budgeting**
- Independence and Living skills:
 - **ASDAN**
 - **tenants certificate**
- Freedom:
 - **Being able to go out with friends**
- Housing:
 - **Help with semi independent and independent living**
- How to keep good family relationships



Don't forget.....

www.somersetincarecouncils.org.uk



Young people in Somerset asked for Mind Of My Own - So now lets use it!

mindofmyown.org.uk



Appendix C - Corporate Parenting Board Action Plans 2018 - 2019

Appendix C (i) Health and Wellbeing – Sub-Group Action Plans

Principle	By Date	Actions for Corporate Parenting Board	Intended Outcome/Key Performance Measures	Lead Responsibility	BRAG Rating	Progress update
ACTION 1: Ensure that children have a robust initial health assessment that is completed in a timely way through the following:						
P1. To act in the best interests, and promote the physical and mental health and well-being, of children and young people. P4 To help children and young people gain access to, and make the best use of, services provided by the local authority and its relevant partners P7. To prepare children and young people	March 2019	a. Prompt notification by local authorities when a child has become looked after.	Children looked after will have had a robust initial health assessment within the statutory 28 days	Jayne Shelbourn-Barrow- Head of Children Looked After and Leaving Care Services	Amber	Update 23.10.18: <ul style="list-style-type: none"> JSB to look into the in and out of county processes regarding addresses and consent and verify if it's due to poor practice or instability of the workforce.
		b. Prompt confirmation of a child's demographics when a child becomes CLA and when placement changes.	Children looked after will have had a robust Review Health Assessments within the required 6 months (if under 5 years of age) or 12 months (if over 5 years of age)	Jayne Shelbourn-Barrow- Head of Children Looked After and Leaving Care Services	Amber	Update 23.10.18: <ul style="list-style-type: none"> JSB leading a CLA and CL Service Development Day on 6.11.18 and will take this and other issues discussed today, as a Key Message for the teams. Update 31.12.18 <ul style="list-style-type: none"> JSB confirmed that this was raised as planned at the CLA and CL service development day.
		c. Provision of evidence of consent for health assessment when no formal order is in place.	Children looked after will have had a robust Review Health Assessments within the required 6 months (if under 5 years of age) or 12 months (if over 5 years of age)	Jayne Shelbourn-Barrow- Head of Children Looked After and Leaving Care Services	Amber	Update 23.10.18: <ul style="list-style-type: none"> MD to meet with paediatricians undertaking CLA HA's at YDH and TST regarding availability of appointments and issue of consent. Update 09.01.2019: Meeting scheduled for 04.02.2019. Update 20.2.19: <ul style="list-style-type: none"> DN for CLA met with CLA team and Paediatrician undertaking IHAs. YDH now have monthly IHA clinics set up.
		d. Robust reporting of reasons for	Children looked after will have had a robust Review Health Assessments within the required 6 months (if under 5 years of age) or 12 months (if over 5 years of age)	Sarah Ashe – Designated Nurse Children	Blue	Update 23.10.18: <ul style="list-style-type: none"> MD to meet with CLA nursing team 24.10.18 to identify



Principle	By Date	Actions for Corporate Parenting Board	Intended Outcome/Key Performance Measures	Lead Responsibility	BRAG Rating	Progress update
for adulthood and independent living		lack of timely health assessments.		Looked After		<p>possible template for reporting into HWB sub group.</p> <p>Update 24.10.18</p> <ul style="list-style-type: none"> Capacity of CLA team admin currently under review by manager of admin within SCC. CLA nurse specialist providing monthly report via email on numbers of outstanding health assessments and known reasons for them being outstanding. This will be routinely shared with the CPB HWB sub group at the next scheduled meeting. <p>Update 20.2.19:</p> <ul style="list-style-type: none"> SA has developed monthly performance tool to understand rationale for every late IHA and RHA.
		e. Review of process in place for completion of out of county health assessments in counties bordering Somerset is undertaken.		Sarah Ashe – Designated Nurse Children Looked After	Amber	<p>Update 23.10.18:</p> <ul style="list-style-type: none"> JSB to look into the in and out of county processes regarding addresses and consent and verify if it's due to poor practice or instability of the workforce. MD to formalise NHSE escalation process with CLA team-delayed due to ongoing capacity issues. <p>Update 09.01.2019:</p> <ul style="list-style-type: none"> Formalisation of NHSE escalation process to be developed by new Des Nurse CLA (coming into post 01.02.2019) supported by additional admin post (interview date of 16.01.2019). <p>Update 20.2.19</p> <ul style="list-style-type: none"> Dedicated CLA admin for SA starting 6.3.19. Priority will be to formalise existing escalation process.
		f. Identification of rationale behind low rates of children looked after that have	Children looked after will have had an annual dental check	Sarah Ashe – Designated Nurse Children Looked After Jayne	Blue	<p>Update 23.10.18:</p> <ul style="list-style-type: none"> Report provided by LA shows age range of those children without completed dental check. CLA admin receive dental check data through HA documentation - will now load data in correct section of LCS. JSB to look into reasons behind inaccuracy of data on LCS



Principle	By Date	Actions for Corporate Parenting Board	Intended Outcome/Key Performance Measures	Lead Responsibility	BRAG Rating	Progress update
		been taken for their dental checks		Shelbourn-Barrow- Head of Children Looked After and Leaving Care Services		Update 09.01.2019: <ul style="list-style-type: none"> • Draft survey monkey for foster carers of children without a dental check recorded has been developed. • Awaiting up to date list from SCC before sending survey out via email; outcome will be greater understanding of reason behind lack of dental checks. Update 20.2.19: <ul style="list-style-type: none"> • CCG led dental assessment survey underway. • Agreement from business support unit in relation to adding child's dental check to Health section of LCS.
		g. Children will have a dental check undertaken within 12 months of coming into care.		Sarah Ashe – Designated Nurse Children Looked After Jayne Shelbourn-Barrow- Head of Children Looked After and Leaving Care Services	Blue	Update 23.10.18: <ul style="list-style-type: none"> • Further work needed with LA business unit to verify percentage of CLA without dental checks against peer group / general population. • CLA nurse specialist and public health dental lead to work together on promoting dental health with CLA and care leavers. • At next HWB group each agency to agree how we can further promote the importance of dental checks. Update 14.12.2018 <ul style="list-style-type: none"> • CLA nurse specialist and PH dental lead met as planned- will include dental information in CLA pack once it's reviewed, will also be considering how to provide all CLA and CL with advice and support in relation to dental health. • BAAF form C amended by CLA nurse specialists to include health information pertinent to specific child following HA. • Dental health was a topic that was requested to be added to the Local Offer website. Update 20.2.19: <ul style="list-style-type: none"> • CCG led dental assessment survey underway.



Principle	By Date	Actions for Corporate Parenting Board	Intended Outcome/Key Performance Measures	Lead Responsibility	BRAG Rating	Progress update
						<ul style="list-style-type: none"> Agreement from business support unit in relation to adding child's dental check to Health section of LCS.
ACTION 2: Ensure that the emotional and mental health needs of care leavers and children looked after are recognised and addressed through the following:						
<p>P1. To act in the best interests, and promote the physical and mental health and well-being, of children and young people.</p> <p>P4 To help children and young people gain access to, and make the best use of, services provided by the local authority and its relevant partners</p> <p>P7. To prepare children and young people for adulthood</p>	March 2019	<p>a. Prompt response to a child's emotional needs when they first become looked after; through use of the Parent and Carer Toolkit, the Mental Health Toolkit, Kooth, the SHARE project, the emotional health and wellbeing team, CAMHS and other resource's appropriate to their needs.</p> <p>b. Children Looked After have access to the emotional health and wellbeing team</p>	<p>Children looked after and care leavers will have their emotional needs assessed when they first become looked after.</p> <p>Children Looked After will have timely access to appropriate resources to meet their emotional needs</p> <p>A pathway for the EHWB team and Tier 1 to 3</p>	<p>Sarah Ashe – Designated Nurse Children Looked After</p> <p>Jayne Shelbourn-Barrow- Head of Children Looked After and Leaving Care Services</p> <p>Andrew Keefe – Head of Joint Commissioning Mental Health & Learning Disabilities, Somerset CCG</p>	Amber	<p>Update 23.10.18:</p> <ul style="list-style-type: none"> JM overseeing development of overall pathway. JSB to follow up progress with JM as no update available. AR and HW have provided a draft Initial emotional health screening tool to be used by services working with children and young people when they become looked after, which the group agreed to critique and provide comments on. <p>Update 20.2.19:</p> <ul style="list-style-type: none"> Draft EHWB team and CAMHS working protocol is in place, along with Emotion Health Screening flowchart. EHWB team psychologist and Specialist Nurse CLA meet on a quarterly basis review all CLA whose SDQ score is over 15. Aim is to gather assurance that appropriate services have been offered.



Principle	By Date	Actions for Corporate Parenting Board	Intended Outcome/Key Performance Measures	Lead Responsibility	BRAG Rating	Progress update
and independent living		c. A pathway between the Emotional Health and Wellbeing Team to Tier 1 to 3 emotional and mental health resources for Children and young people will be finalised	emotional and mental health resources for children and young people will be in place.			
	March 2019	d. Use of SDQ's to inform the health assessment and CLA review process.	SDQ's will be used to inform the health assessment and CLA review process.	<p>Sarah Ashe – Designated Nurse Children Looked After</p> <p>Jayne Shelbourn-Barrow- Head of Children Looked After and Leaving Care Services</p> <p>Dee Henderson Senior Specialist Educational Psychologist / Virtual School</p>	Amber	<p>Update 23.10.18:</p> <ul style="list-style-type: none"> The group discussed the current use of SDQs within Somerset. The procedure is that education, residential or foster carers should undertake the SDQ but this isn't happening. DH to find put more information about automated SDQ system and costings ready for next HWB sub group. JSB agreed to promote the use of SDQs at the CLA and CL service development day, as a key means of assessing the emotional health and wellbeing of CLA <p>Update 09.01.2019</p> <ul style="list-style-type: none"> DH to share additional information about automated SDQ system and costings with group via email. <p>Update 20.2.19</p> <ul style="list-style-type: none"> Report provided by LA in relation to breakdown of SDQ score for CLA as of 18.2.19. Further work needed to analyse data. Working group planned to look at business case for additional SDQ resources in Somerset.



Principle	By Date	Actions for Corporate Parenting Board	Intended Outcome/Key Performance Measures	Lead Responsibility	BRAG Rating	Progress update
				for CLA		
ACTION 3: Ensure compliance with new legislation regarding the publication of the Local Offer for care leavers						
P1. To act in the best interests, and promote the physical and mental health and well-being, of children and young people. P4 To help children and young people gain access to, and make the best use of, services provided by the local authority and its relevant partners P7. To prepare children and young people for adulthood and	March 2019	a. Working in partnership with the local authority to develop the local offer in relation to Health and wellbeing:	Children leaving care will be clear of the health component of the Local Offer, and know where to access services and information in relation to their health and wellbeing.	Maria Davis – Designated Nurse Safeguarding Children and Children Looked After, Somerset CCG Helen MacDonald – Deputy Operational Manager for Leaving Care Services Michelle Hawkes - Public Health Specialist	Green	Update 23.10.18: CCG representatives met with the leaving care team and have since provided website information on the local health offer
		b. The local offer will include services that teach about, support and enable good health and wellbeing.			Green	Update 23.10.18: The local offer soft launch is planned for 26.10.18. All agencies will be asked to review the website to identify any potential gaps and missing information. HM circulated the paper plan for the HWB group to review the health and wellbeing section of the Local Offer. Update 09.01.2019: All agencies reviewed the website as requested.
		c. The local offer should include links to, or information about, universal health services that might be particularly relevant to care leavers, as well as specific health and wellbeing services targeted at them.			Green	Update 23.10.18: All agencies agreed to review the local offer website once launched and provide feedback direct to HM. Update 09.01.2019: Feedback provided as requested.



Principle	By Date	Actions for Corporate Parenting Board	Intended Outcome/Key Performance Measures	Lead Responsibility	BRAG Rating	Progress update
independent living						



Appendix C (ii) Leaving Care – Sub-Group Action Plans

Principle	By Date	Actions for Corporate Parenting Board	Intended Outcome/Key Performance Measures	Lead Responsibility	BRAG Rating
P7. To prepare children and young people for adulthood and independent living	Business as usual	Improve outcomes for care leavers in respect of Education, Training and Employment	Information about opportunities for vulnerable young people and care leavers to be maintained by OD & HR dedicated P2E worker Update 5.2.19 LCW seconded to HR/OD as P2E Officer is providing information to Leaving Care service and joining NEET tracking in teams to promote initiatives and opportunities. An evaluation report outlining issues, actions undertaken, opportunities now available and proposals for the future is almost complete and will be presented to the April Subgroup for the May Board	Clive Mallon - Service Manager, Organisational and Development and Human Resources (OD&HR)	Blue
	Business as usual	Continue to develop and embed Pathway to Employment (P2E) work to best meet the needs of vulnerable young people including care leavers.	Develop and maintain plans for Care Leaver Programmes in Skanska, Viridor and 1610 etc Update 5.2.19 Plans are underway for the second intake onto Skanska Programme to commence in April 2019. The meeting with Viridor re; lessons learned and make plans has been postponed from January to April 19. 1610 are yet to be re-engaged. A six-week work experience programme in the NHS became available in January and 5 CLs were put forward but for valid reasons it wasn't possible for any of them to attend on this occasion. The opportunity will be available throughout the year on a cyclical 6 weekly basis'	Vikki Hearn - Strategic Manager, Commissioning Development, Major Programmes Clive Mallon - Service Manager, Organisational and Development and Human Resources (OD&HR)	Blue
	Business as usual	Develop and monitor mechanisms for appropriate levels of support to improve take up and sustainability of opportunities in Transition.	Update 5.2.19 All 19+ students can access bespoke National Careers Service 1:1 careers support (along with free staff training in CEIAG). All CLA have priority access to the Talent Academy programme, via Virtual School post 16 link. Working with EDF/HPC to develop an Access Course and supported programme aimed at vulnerable young people (in addition to the Supported Traineeship programme now piloted and in place). Virtual School attend every transition panel (including new year	Julie Young - Education Outcomes, Children's Commissioning Claire Merchant Jones - Transitions, Health Interface Service	Blue



Principle	By Date	Actions for Corporate Parenting Board	Intended Outcome/Key Performance Measures	Lead Responsibility	BRAG Rating																											
			<p>12/13 panels) to monitor all CLA and address any issues as they arise. All early leaver CLA student names and details are passed to the Virtual School on a weekly basis.</p> <p>Year 11/12/13 CLA can access the new NCOP workshops that are being delivered in NCOP target schools and colleges.</p>																													
	Business as usual	Monitor the number of children looked after and care leavers over statutory school leaving age, who are able and available for, but not engaged in, education training or employment (ETE)	<p>Update 5.2.19 A decrease in care leavers NEET for ‘other’ reasons was noted from December but an increase in those NEET due to disability / illness and parenting responsibility resulting in an overall increase of 2 to 80. An analysis of a cohort of CLs at end Dec. over 3 years 2016-18 indicates that indicating work needed re sustaining ETE;</p> <table border="1"> <thead> <tr> <th>Situation</th> <th>No.</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>Were in ETE all 3 years</td> <td>75</td> <td>37%</td> </tr> <tr> <td>Were NEET all 3 years</td> <td>17</td> <td>8%</td> </tr> <tr> <td>Were in ETE in 2016 lost it and remain NEET</td> <td>57</td> <td>28%</td> </tr> <tr> <td>Were NEET, gained ETE and sustained it 2017 & 18</td> <td>25</td> <td>12%</td> </tr> <tr> <td>Were in ETE in 2016, lost it, now in ETE</td> <td>17</td> <td>8%</td> </tr> <tr> <td>Were NEET, gained ETE, now NEET again</td> <td>8</td> <td>4%</td> </tr> <tr> <td>Were NEET 2016 & 17, gained ETE in 2018</td> <td>3</td> <td>1%</td> </tr> <tr> <td></td> <td>202</td> <td></td> </tr> </tbody> </table>	Situation	No.	%	Were in ETE all 3 years	75	37%	Were NEET all 3 years	17	8%	Were in ETE in 2016 lost it and remain NEET	57	28%	Were NEET, gained ETE and sustained it 2017 & 18	25	12%	Were in ETE in 2016, lost it, now in ETE	17	8%	Were NEET, gained ETE, now NEET again	8	4%	Were NEET 2016 & 17, gained ETE in 2018	3	1%		202		<p>Tony Johnson - Service Manager – Business Intelligence,</p> <p>Trish Lyons - Operations Manager Leaving Care</p>	Blue
Situation	No.	%																														
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Were NEET 2016 & 17, gained ETE in 2018	3	1%																														
	202																															
	31.3.19	Ensure that CLA and care leavers who are distanced from Education, Training or Employment due to their emotional and mental health needs are offered appropriate support	<p>Update 5.2.19 Discussions have been held with the Emotional Health and Wellbeing team manager, and a meeting arranged with their Psychologists, with a view to improving the support for CLs. A request has been made for the Designated Nurse for CLA within the CCG to join the LC subgroup in 2019/20 to provide a link with the Health & Wellbeing subgroup and ensure that adult CL needs are promoted via the development of the Emotional Health and Wellbeing/CAMHS Pathway.</p> <p>Information about Care Leavers distanced from ETE due to emotional and mental health problems has been shared with DWP and circulated to all sites who assure us that all support available is</p>	<p>Jayne Shelbourne - Barrow Head of Service, CLA and Care Leavers</p> <p>David Keogh Partnership Manager Partnership Manager for Somerset DWP</p> <p>Trish Lyons - Operations Manager Leaving Care</p>	Amber																											



Principle	By Date	Actions for Corporate Parenting Board	Intended Outcome/Key Performance Measures	Lead Responsibility	BRAG Rating
			being offered.		
	31/3/19	As part of P2i development and Sufficiency Statement, and joint commissioning with Adult Social Care and Public Health, ensure that the range of accommodation available meets the needs of all 16/17-year-old Children Looked After (CLA), and Care Leavers	Update 12.2.19 Somerset has received funding as part of the government Rough Sleepers strategy and was visited by the Adviser from the Ministry of Housing, Communities and Local Government in February. He was impressed with Somerset's accommodation and support Pathway in reducing homelessness so far and supports plans for exploring developments as part of the Adults Complex Lives new trauma informed model, and through the revised St Basils model, on which our Pathway is based. HE made suggestions about Peer support and trainer flats to help combat loneliness which the young people commented on.	Rowina Clift-Shanley -Strategic Commissioner, Children's Commissioning Jayne Shelbourne - Barrow Head of Service, CLA and Care Leavers	Amber
	31.3.19	Ensure that the specific needs of asylum seeking CLA and care leavers (UASCs) are considered in service delivery, and that barriers to accessing education, training, employment and appropriate placements / accommodation are eliminated or reduced	Update 5.2.19 A review of all UASC placements and plans has been undertaken and the work with UASCs is now integrated into the CLA and Leaving Care teams. From April future accommodation and support needs will be considered as part of the single panel bringing together all 16+ resource allocation.	Jayne Shelbourne - Barrow Head of Service, CLA and Care Leavers Trish Lyons - Operations Manager Leaving Care	Amber
	BAU	Ensure compliance with new statutory requirements of the Children and Social Work Act 2017 and Department of Education (DfE) Guidance relating to; <ul style="list-style-type: none"> • Informing care leavers aged 21-24 of their entitlement to request Personal Adviser (PA) support • Developing the Somerset Leaving Care Local Offer in conjunction with care leavers and partner agencies 	Update 5.2.19 Requests for Personal Adviser support have increased slightly with 45 being offered a service currently and a further 52 who have been in touch since April 2018. There has been more publicity about the Local Offer in Our Somerset https://oursomerset.wordpress.com/2019/02/08/new-local-offer-for-somerset-care-leavers/ The link has been sent to foster and residential carers and accommodation providers asking them to promote it with our CLs. The communications team have been asked to report on the number of people accessing the site by the end March and quarterly from then onwards. A survey of care leavers is to be carried at the end of March to	Trish Lyons - Operations Manager Leaving Care Helen MacDonald Deputy Operations Manager Leaving Care	Blue



Principle	By Date	Actions for Corporate Parenting Board	Intended Outcome/Key Performance Measures	Lead Responsibility	BRAG Rating
			evidence that care leavers know how to access, and can understand the Offer. The proposal for strengthening the relationship between CLs and the CPB was presented to the subgroup meeting 5/2. The group requested the authors amend it and re-present in April subgroup.		

Appendix C (iii) Voice of the Child (VOC) – Sub-Group Action Plans

Action	Action Owner	Timescales	Progress Update / Plans	RAG
1) Develop Participation Strategy				
Refresh of Somerset Children’s Trust (SCT) Participation Strategy	Fiona Phur - Business Partnership Manager	July 2019	Participation Workers Network to refresh strategy Strategy to recognise merge of Somerset Safeguarding Children’s Board in to SCT Following closure of Youth Service’s Participation Toolkit to be hosted on Professional Choices	Amber
2) Increase participation of children looked after and care leavers				
Increase opportunities for Children Looked After to participate via use of the Mind Of My Own app	Fiona Phur - Business Partnership Manager Lesley Corrin - Participation Officer, Voice of the Child	December 2019	Film to be re- shot or amended following Mind of My Own rebrand Mind of My Own workshop booked for 28 participants in May 2019 License for Mind of My Own due to expire 31.3.20 – metrics need to show improved usage for evaluation and business case to be produced December 2019 Working more closely with Route One advocacy and Fostering team to increase app usage	Amber
	Paul Shallcross Strategic Manager – Partnerships, Audit and Quality	March 2019	CSC Induction process to be updated to include reference to MOMO – to be incorporated into a review of the CSC induction process which will be completed by April 2018 MOMO information for new workers will be included within the CSC welcome pack – this is currently under review and the inclusion of MOMO information will be dependent upon agreement to extend the contract	Amber



	<p>Paul Shallcross <i>Strategic Manager – Partnerships, Audit and Quality</i></p>	March 2018	<p>Discussions to take place to investigate the feasibility of integrating MOMO into Foster care training.</p> <p>Action complete – Helen Rolls (Staff Development Officer, Learning and Improvement) has agreed to pursue this and will liaise with the MOMO steering group to ensure she has the required information.</p>	Blue
Further develop the representation of the VOC in Child Protection Conferences	<p>Liz Pearson - <i>Service Manager ISRO, Safeguarding Care & QA</i></p> <p>Penny Quigley <i>Community member SSCB & Advocate</i></p> <p>Louise Wallace <i>Route One Advocacy</i></p>	January 2019	<p>The capacity issue in respect of availability of advocates at CPCs remains an issue. Any work in this area is on hold until future management arrangements within Route One Advocacy are agreed</p> <p>Jane Sprague – newly appointed SM for QA will be considering how we can use MOMO in CPCs in the interim.</p>	Amber
Increase the participation of young people in the recruitment of professional staff	<p>Jodie Shields - <i>Participation Officer, Leaving Care</i></p> <p>Fiona Phur - <i>Business Partnership Manager</i></p> <p>Lesley Corrin - <i>Participation Officer, Voice of the Child</i></p>	July 2019	<p>Following interview training in 2018 there is a small cohort of young people who are enthusiastic to sit on panels</p> <p>YP panel interviewed Front Door Operational Manager post in March 2019</p> <p>Refreshed Participation Strategy will include new Top Tips for Involving Young People in Interviews; to be circulated to staff by July 2019</p>	Amber
		Ongoing	<p>Young people have been asked to participate in the recruitment process for the new social work at Yeovil college ; awaiting college for dates of next round of interviews</p>	Amber

Examine how we can improve individual participation i.e. reviews	<p>Liz Pearson - Service Manager ISRO, Safeguarding Care & QA</p> <p>Lesley Corrin - Participation Officer, Voice of the Child</p>	January 2019	<p>Task & Finish group to be created to look at how young people participate in CLA reviews, to include Jason Pincott, Lesley Corrin, a CLA team manager, CLA social worker, IRO and VOC elected members (Jason Pincott to lead). Group to review existing processes and propose amendments</p> <p>January update:</p> <p>SiCC and SLCC have considered this issue at their November meeting and their views are being fed in to the Task and Finish group</p>	Amber
	<p>Lesley Corrin - Participation Officer, Voice of the Child</p>	Complete	SiCC & SLCC representation at Corporate Parent Board meetings includes a regular agenda item at each meeting.	Blue
Ensure that funding is in place to enable Annual Achievement Awards to take place	<p>Lesley Corrin - Participation Officer, Voice of the Child</p> <p>Fiona Phur - Business Partnership Manager</p>	August 2019	<p>Limited funding found for smaller event</p> <p>Consider including Social Worker of the Year award</p> <p>Decisions needed re: motivational speaker/activity</p> <p>Potential additional funding from Eagle House Trust</p> <p>Support from Leaving Care apprentice ½ day per week</p>	Amber
3) Pledge and charter compliance				
Review The Pledge to ensure that it reflects the priorities of Children Looked After, Care Leavers and Corporate Parenting Board	<p>Lesley Corrin - Participation Officer, Voice of the Child</p> <p>Fiona Phur - Business Partnership Manager</p>	March 2020	<p>Refreshed Pledge was approved in 2018</p> <p>Will be part of the communications around refreshed Corporate Parenting Board strategy</p> <p>Will form part of proposed CPB e-learning module</p>	Amber
4) Understanding the corporate parenting role				



Roll out Getting To Know You events across all areas	Jayne Shelbourn-Barrow – <i>Head of Service - Children Looked After & Leaving Care Services</i>	Aug 2019	Promote Getting To Know You sessions and other events 2019/2020 Jayne to find out dates and arrange promotion	Amber
Corporate Parenting Training	Fiona Phur - <i>Business Partnership Manager</i>	March 2020	CSC have requested an e-learning module on TLC for SCC staff Fiona meeting website colleagues in April 2019 to commence development Decision required about rolling out training /awareness to districts and partner agencies	Amber
5) Increase the influence of the in care and leaving care councils				
Ensure that the wishes and aspirations of children and young people are understood and implemented by CSC ('you said, we did')	Fiona Phur - <i>Business Partnership Manager</i> Lesley Corrin - <i>Participation Officer, Voice of the Child</i>	March 2020	Five priorities set for 2019/2020 <ol style="list-style-type: none"> 1. Money – help with Independence and Budgeting 2. Independence and Living Skills – help with ASDAN, Tenants Certificates etc 3. Freedom – being able to go out with friends and not reported as 'missing' 4. How to keep good family relationships 5. Housing – help with finding semi-independent and independent living. Priorities to be reviewed and monitored via the VOC sub group and the CPB. SiCC and SLCC briefings are becoming established and are facilitating better communication. However, feedback is not always focused on outcomes and impact	Amber



<p>Better alignment of Leaving Care participation with In Care Councils Council (SiCC and SLCC)</p>	<p>Fiona Phur - <i>Business Partnership Manager</i></p> <p>Lesley Corrin - <i>Participation Officer, Voice of the Child</i></p> <p>Jodie Shields - <i>Participation Officer, Leaving Care</i></p>	<p>August 2019</p>	<p>Support to monitoring and evaluating Local Offer for Care Leavers</p> <p>Support for Annual Achievement Awards</p> <p>Support for interview panels</p> <p>Support to other ad-hoc requests for young people’s involvement</p>	<p>Amber</p>
<p>6) Review Living Away from Home Pack</p>				
<p>Review information packs for children and young people becoming CLA</p>	<p>Fiona Phur - <i>Business Partnership Manager</i></p> <p>Lesley Corrin - <i>Participation Officer, Voice of the Child</i></p> <p>Jayne Shelbourn – Barrow – <i>Head of Service, Children Looked After & Leaving Care Services</i></p>	<p>July 2019</p>	<p>Review ‘Living Away from Home’ hosted on SiCC and SLCC website</p> <p>Jayne S-B to determine what is being distributed via social workers/business support</p> <p>Sarah Ashe, CLA nurse also reviewing information to improve health offer – discussing with SiCC and SLCC in May 2019</p>	<p>Amber</p>



Appendix C (iv) Education – Sub-Group Action Plans

Principle	By Date	Actions for Corporate Parenting Board	Intended Outcome/Key Performance Measures	Lead Responsibility	BRAG Rating
Priority 1 To ensure all Somerset CLA and PLAC are in appropriate educational provision and receiving their full education entitlement and able to achieve and make progress		a. Attendance -to promote and support the highest levels of attendance for all CLA -to reduce absence and specifically the number of CLA who are Persistently Absent (PA - under 90% attendance) b. Exclusions - to reduce the number of exclusions experienced by CLA c. Part-Time Timetables – to ensure any reduction in provision of education to CLA is appropriate, time limited, regularly reviewed, monitored and short term d. To secure appropriate school places for all Somerset CLA through effective partnership working e. To review the placement of any Somerset CLA in a school judged as Requiring Improvement or Inadequate by Ofsted f. To provide high quality training opportunities for schools, Children’s Social Care, Foster carers and other stakeholders in order to strengthen partnerships and build skills knowledge and understanding around promoting high quality education for CLA and PLAC g. To effectively monitor the progress of Somerset’s CLA and, where	<ul style="list-style-type: none"> • Reducing numbers of CLA who are PA • Increased number of CLA with improved attendance • Reducing numbers of FTE and reduction in the duration of FTEs • Evidence of PTT being used effectively and have positive impact on outcomes • Increased number of Pupils making progress • Numbers attending VS provided training and support sessions • Effective use of PPG to maximise progress – case studies • Clear link to VS from LA data/school improvement agenda – joined up working • Attainment gap between CLA in Somerset and those in other authorities is narrowed. • End of Key stage data shows an improving trend year on year. 	Emily Walters and VS Leadership Team Support through Education Safeguarding Team (new appointment pending) VS to lead, Strategic managers in CSC to promote attendance. Link to SEND team Phase Strategy groups to support	



		<p>necessary intervene to boost rates of progress</p> <p>h. Additional interventions to be provided during the summer holidays to support pupils at risk of NEET or those at transition points</p> <p>i. Monitor progress data annually from statistical neighbours and national CLA.</p>			
<p>Priority 2 <i>To ensure a high quality Personal Education Plan (PEP) is in place for all Somerset CLA, scaffolding provision that meets needs and maximise the opportunities to make progress and achieve academically</i></p>		<p>a. To provide training opportunities, guidance and resources to facilitate partners in managing productive meetings with timely, detailed completion of effective plans</p> <p>b. To ensure the voice of the child is present and meaningful in the PEP</p> <p>c. To quality assure the plans that are submitted to identify and celebrate good practice and support and challenge where needed</p> <p>d. To track the PEP process efficiently so PEPs meet timescales, are returned to time and actioned promptly</p> <p>e. To monitor the use of Pupil Premium Grant funding to maximise impact, secure value for money and ensure accountability</p>	<ul style="list-style-type: none"> • Increase in submission of high quality PEPs identified through QA process • Pupil Friendly PEP in place • Schools and other education providers are demonstrating the ability to target set effectively for progress and outcomes • A PEP in place for all CLA each term • Effective use of PPG to maximise progress – case studies • Escalation process agreed and in place for delayed submission of PEPs and poor quality PEPs • Simplified process developed for allocation of PEP funding to ensure schools are able to access appropriate funds in a timely way. 	<p>Emily Walters and VS Leadership team, with support through escalation to IROs, CSC strategic managers as needed.</p>	
<p>Priority 3 <i>To strengthen partnership working, positioning the work of Somerset Virtual</i></p>		<p>a. To offer valued information, advice and guidance that effectively supports the work of partners and impacts positively on education provision for Somerset’s CLA</p> <p>b. To provide high quality, relevant</p>	<ul style="list-style-type: none"> • All partners are aware of the structure and remit of the VS and able to access and refer to its policy and practice effectively • ‘Footfall’ and feedback shows the VS website is well used and an effective form of support • VS continues to be present on panels and at 	<p>Jane Shelbourne-Barrow Richard Pears Jo Manning Emily Walters</p>	



<p><i>School prominently on the agenda of all stakeholders</i></p>		<p>training for all stakeholders that shares the purpose and values of the Virtual School</p> <p>c. To maintain the physical and online presence of the Virtual School in the work of SEND, CSC and education partners</p> <p>d. To be part of LA decision making through inclusion in relevant education and CSC panels and groups</p>	<p>meetings as structures within education and CSC develop over the coming months</p>		
<p>Priority 4 <i>To celebrate achievement for our CLA and those who support their education</i></p>		<p>a. To identify meaningful ways of praising those CLA taking positive steps towards academic achievement</p> <p>b. To bring Somerset CLA together to share their academic successes and to encourage recognition and celebration of this aspect of their life</p> <p>c. To develop the Somerset Kite Mark for schools going the extra mile and demonstrating consistent good practice in relation to education for CLA</p>	<ul style="list-style-type: none"> • VS has linked with other LA area to provide a celebration event that includes a focus on academic effort and achievement • A pilot group of schools is working with a draft VS Kitemark to explore how this could be implemented more widely 	<p>Emily Walters</p>	
<p>Priority 5 <i>To support effective transitions for Somerset CLA across all phases to encourage aspiration and achievement</i></p>		<p>a. To support timely, effective transition planning for all learners moving to new education provision</p> <p>b. To ensure schools and other providers are mindful of and proactive in supporting the potential impact of transition on CLA</p> <p>c. To reduce the mobility of Somerset's CLA avoiding school moves wherever</p>	<ul style="list-style-type: none"> • The VS is made aware of and actively involved with CYP with planned transitions due to take place within the next six months – supported by new appointment in Placements team to facilitate links • CSC involved the VS in decision making where placement changes are unavoidable • VS training and networking meetings include focus on the successful management of transition for CLA and the implications of school moves 	<p>Jane Shelbourne-Barrow Richard Pears Jo Manning Emily Walters Mel Reynolds</p>	

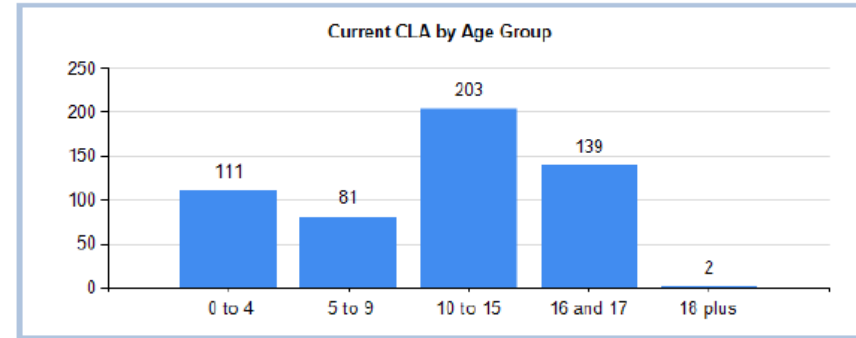
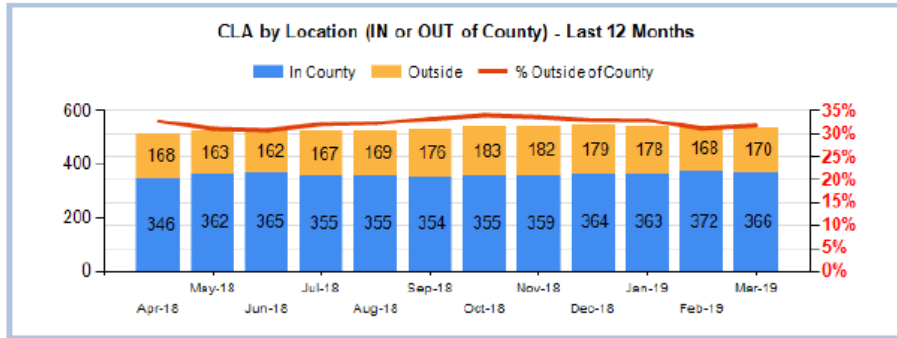


		<p>possible</p> <p>d. To build positive, well informed relationships with DSLs in Somerset's colleges and other post 16 provision, so that CLA are understood and appropriately monitored and supported</p> <p>e. To use the transition panels held termly to ensure CLA are highlighted for additional support to secure smooth entry to appropriate post 16 provision</p> <p>f. To provide additional support in year 11 and year 12 to reduce the likelihood of Somerset CLA becoming NEET</p> <p>g. To secure high quality careers information advice and guidance for Somerset CLA in KS4 to ensure post 16 choices are aspirational, relevant and well informed</p>	<ul style="list-style-type: none">• More CLA are able to continue to make progress through transition as evidenced in PEPs• Fewer CLA become NEET post 16• Retention figures for post 16 CLA are improved		
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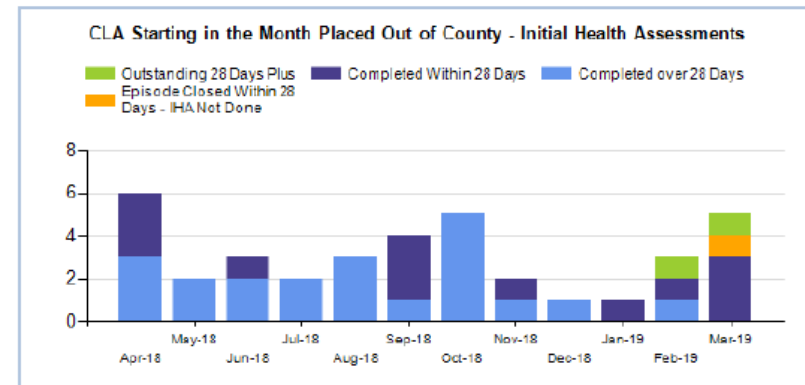
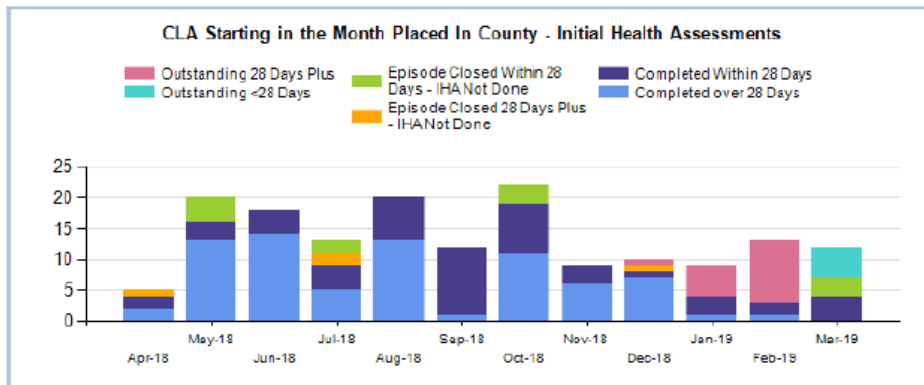
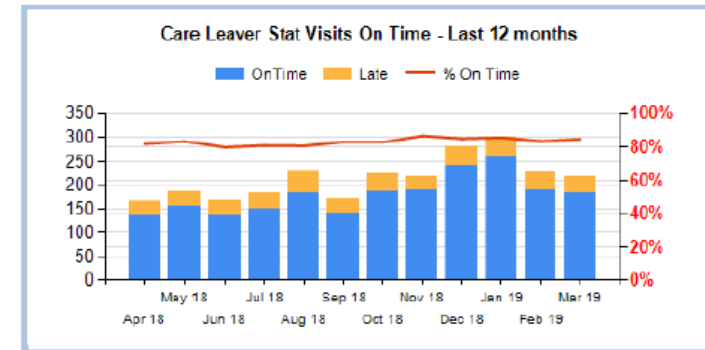
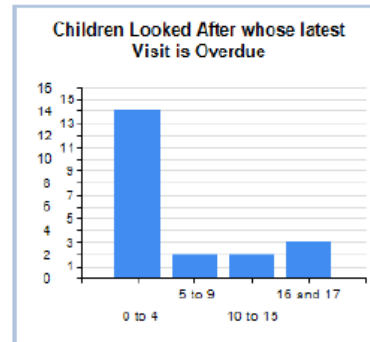
Appendix D – Corporate Parenting Board Data Dashboard – March 2019



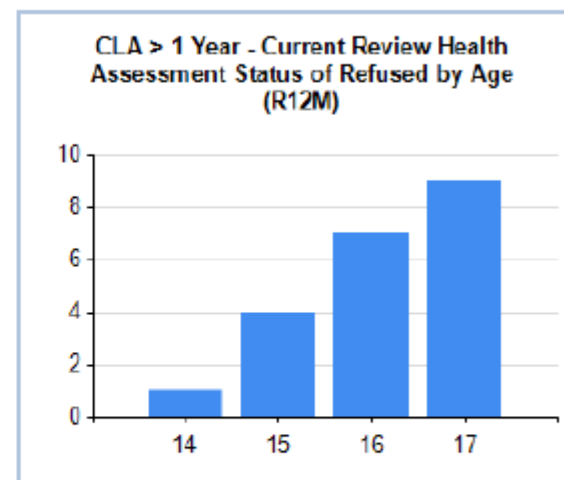
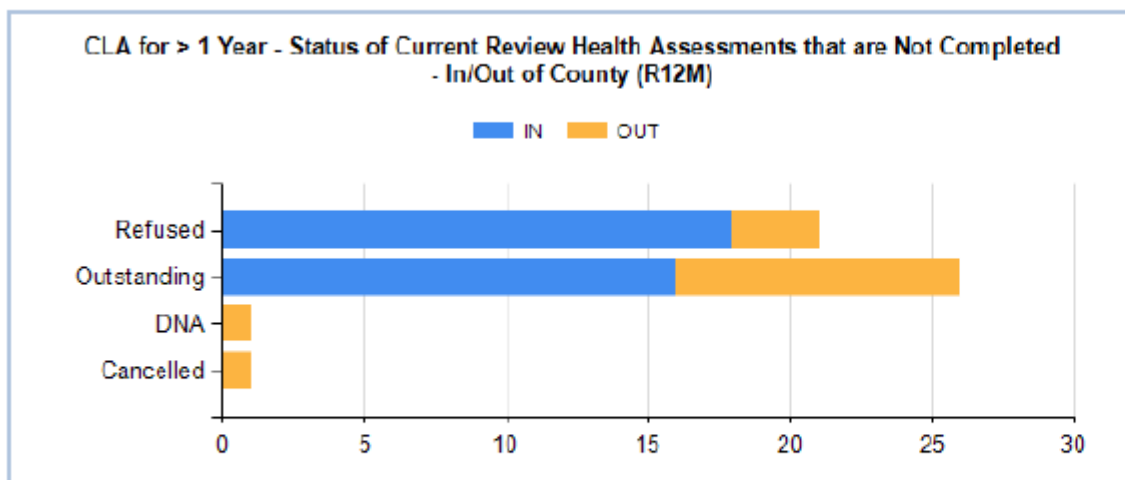
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Age Group	CLA Visits Undertaken in the past month where Child was Seen	CLA Visits Undertaken in the past month where Child was Seen Alone	% of Visits Undertaken on Time
0 to 4	100.0% (109/109)	40.4% (44/109)	78.9% (86/109)
5 to 9	100.0% (76/76)	65.8% (50/76)	92.1% (70/76)
10 to 15	100.0% (145/145)	77.2% (112/145)	87.6% (127/145)
16 and 17	99.1% (110/111)	82.0% (91/111)	86.5% (96/111)
18 plus	100.0% (7/7)	71.4% (5/7)	85.7% (6/7)



* The threshold of 28 days is relative to the period of care start date



* The chart above looks at the status of the most recent Review Health Assessment only - there may be a previous review health assessment against the child/young person that was completed within timescale.

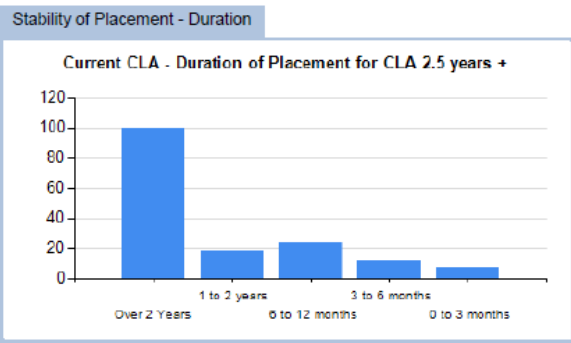
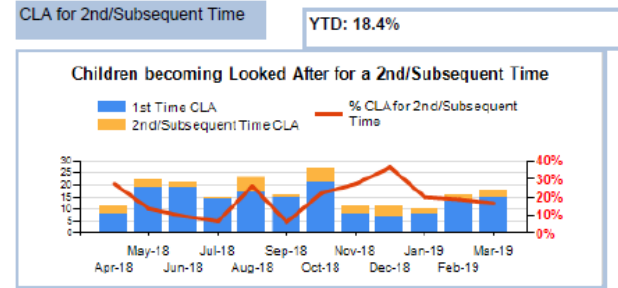
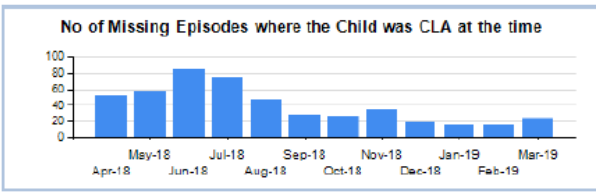


CLA Dashboard – March 2019

<p>CLA Placed over 20 Miles from home</p> <p>Over 20 Under 20</p> <p>22.3% (120/537)</p>	<p>Somerset Children Looked After</p> <p style="text-align: center;">537</p>	<p>Somerset CLA Rate per 10 000</p> <p style="text-align: center;">48.8</p>	<p>SN CLA Rate per 10 000</p> <p style="text-align: center;">57.0</p>	<p>England CLA Rate per 10 000</p> <p style="text-align: center;">63.6</p>	<p>South West Rate/10 000 Q3 2018-19</p> <p style="text-align: center;">52.2</p>	<p>LA's Rated 'Good' CLA Rate/10 000 Average</p> <p style="text-align: center;">55.1</p>	<p>Care Proceedings Open for < 26 Weeks</p> <p style="text-align: center;">31.2% (24/77)</p>	<p>Average Duration of Care Proceedings (Weeks)</p> <p style="text-align: center;">29</p> <p>National Average 2016/17 (Weeks) 28</p>	<p>% of Children placed for Adoption within 12 months of decision</p> <p style="text-align: center;">68.2% (15/22)</p> <p>National Ave 2015: 71%</p>	<p>CLA who are UASC</p> <p style="text-align: center;">1.1% (6/537)</p>
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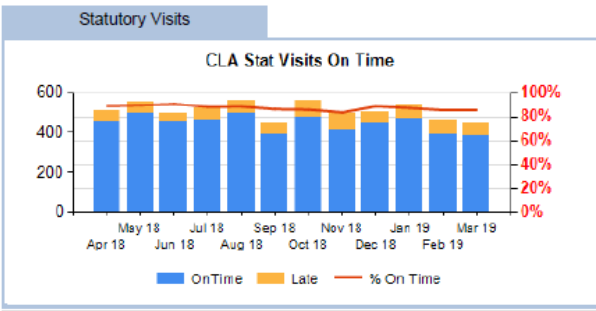
Net changes in No of Children Looked After by breakdown of Starting & Ending Care

YTD 20 (201:181)
Last 12 Months 20 (201:181)



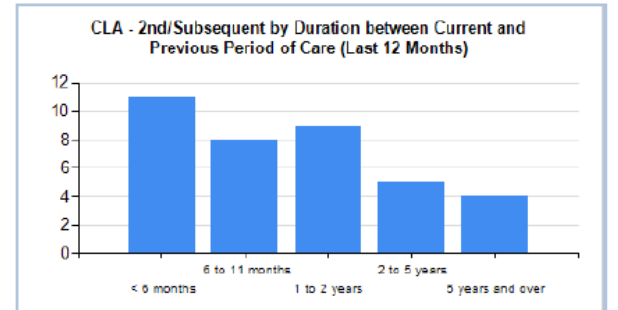
The % of children living in the same placement for at least 2 years during the last 12 months is **62.5%**, (100/160) **2017/18 Target: 70%**

90 children placed for 2 years or more are with Foster Carers



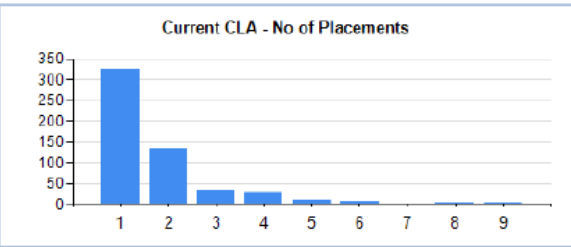
The percentage of CLA Stat Visits completed on time during the last 12 months is **87.6%** (5348/6108)

The percentage of children becoming CLA for a second/subsequent time in the last 12 months is **18.4%** (37/201)

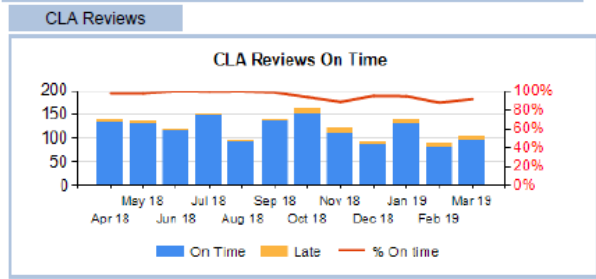


Stability of Placement - Moves YTD: 14.3% (77/537)

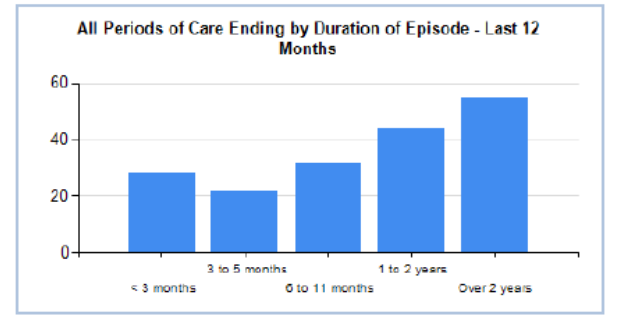
<p>% Of CLA Seen during the Last 28 days</p> <p style="text-align: center;">70.0% (376/537)</p>	<p>% Of CLA Seen Alone during the Last 28 Days</p> <p style="text-align: center;">52.3% (281/537)</p>
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The % of children with 3 or more placements during the last 12 months is **14.3%**, (77/537)

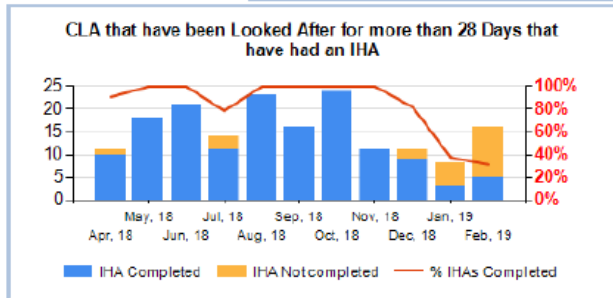


The percentage of CLA Reviews completed on time during the last 12 months is **95.1%** (1412/1485)



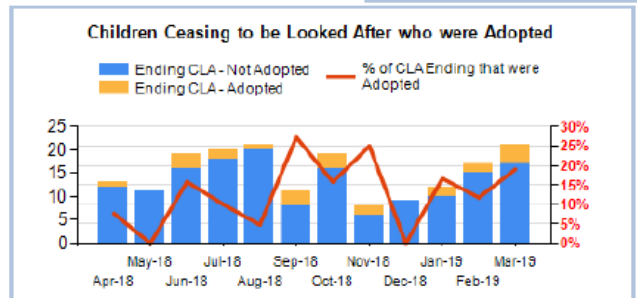


Initial Health Assessments YTD: 87.3% (151/173)

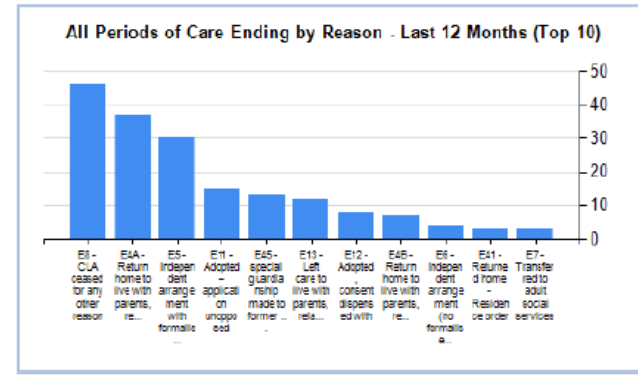


The percentage of children looked after for more than 28 days that have had their Initial Health Assessments during the last 12 months is **87.3% (151/173)**

Children Ceasing to be CLA - Adopted YTD: 12.7%



The percentage of children ceasing to be looked after that were adopted in the last 12 months is **12.7% (23/181)**



% of Children Looked After for More than 1 year or since 1st April for YTD that have had their Review Health Assessments

YTD	88.3% (333/377)
Last 12 months	88.3% (333/377)

% of Children Looked After for more than 1 year or since 1st April for YTD that have had their Dental Checks

YTD	68.7% (259/377)
Last 12 months	68.7% (259/377)

% of Children Aged 4 plus that have been Looked After for more than 1 year or since 1st April for YTD that have had a SDQ recorded

YTD	90.4% (311/344)
Last 12 months	90.4% (311/344)

% of Children Aged 4 plus that have been Looked After for more than 1 year or since 1st April for YTD that have had a SDQ recorded with concern >=17

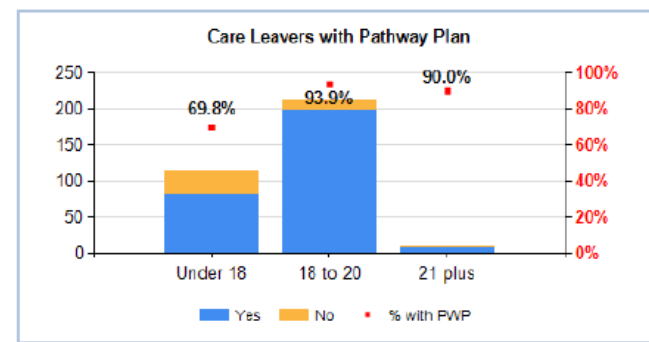
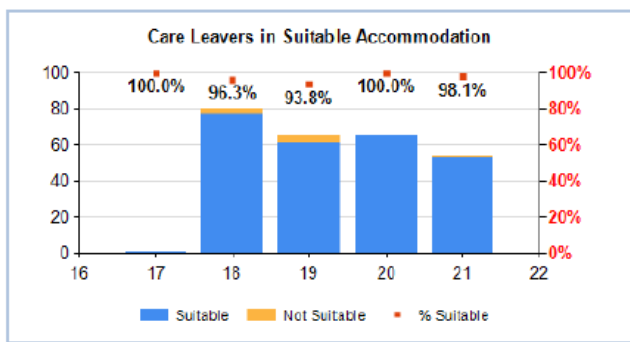
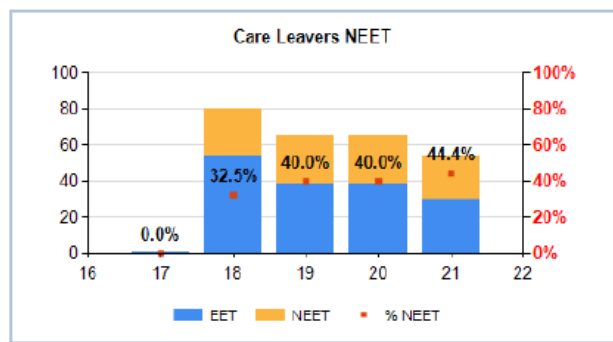
YTD	42.1% (131/311)
Last 12 months	42.1% (131/311)

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Care Leavers

Care Leavers in touch (All Ages) Current: 98.5% (261/265)	Care Leavers NEET (All Ages) Current: 38.5% (102/265)	Care Leavers Suitably Accommodated (All Ages) Current: 97.0% (257/265)
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Care Leavers Under a 'Staying Put' Arrangement	38
Currently Staying Put	



The overall % of Care Leavers with current Pathway Plans currently stands at **85.5% (289/338)**



SOMERSET CORPORATE PARENTING STRATEGY


April 2019 to March 2022



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Foreword

Dear Colleagues,

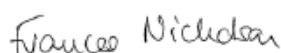
I am delighted to have been asked to write the foreword to our new Corporate Parenting Strategy. This strategy takes account of what our children looked after, and our care leavers have been telling us about their experiences of being in our care, as well as linking with the key priorities of the Somerset Plan for Children, Young People and Families 2019 - 2022 and our Sufficiency Statement.

We have a strong and energetic child in care and care leavers council that works hard to tell us what needs to change and to offer ideas about how best to make the changes. This strategy sets out how we intend to move forward together, prioritising our ambition for all our children looked after and care leavers so that they are all supported to reach for their dreams and to achieve their individual potential.

Our common purpose is to involve children looked after and care leavers in all the decisions that affect their lives, by asking what they want and need, listening to what they tell us, and taking action. This is part of our pledge to all our children looked after and care leavers and forms the underlying principle of this strategy.

The strategy sets out how Somerset intends to fulfil its corporate parenting responsibilities in a way that puts children and young people at the centre of improvements in the planning, delivery and evaluation of our services. It forms the framework in which Somerset staff, elected members and relevant partners will work.

I look forward to supporting the independent chair of our Corporate Parenting Board in leading member support to the delivery of this strategy.



Frances Nicholson
Lead Member for Children and Families



Cllr Frances Nicholson
Cabinet member, Children
and Families



Julian Wooster
Director of Children's
Services



Jill Johnson OBE
Chair of the Somerset
Corporate Parenting Board



Introduction

When a child comes into care, they become “looked after” and Somerset County Council (SCC) becomes their Corporate Parent. This means that everyone who works for SCC, in any capacity, its elected members and its partners have a special and important responsibility in fulfilling the corporate parent role, underpinned by The Seven Principles of Corporate Parenting.

A child or young person is looked after if they are subject to a Care Order or are being looked after under a voluntary agreement, subject to the Children Act 1989. The local authority has a statutory duty to those aged 0 to 18 years, and up to 25 years as care leavers.

Somerset County Council is committed to being an effective and trustworthy corporate parent for any child or young person who is in our care irrespective of their age, gender, sexuality, ethnicity, faith or ability. The values underpinning this strategy are contained in Somerset County Council’s Corporate Parenting Pledge and in the Local Offer for Care Leavers’ and the national Care Leavers’ Charter, and their principles are embedded throughout this document.

Every good parent knows that children require a safe and nurturing environment in which to grow and thrive. Parents protect and support their children in coping with the dangers and risks of everyday life. Parents are ambitious for their children and strive to support them to reach their potential. Parents celebrate and share in their children’s achievements, however large or small. A child who is cared for by the Council has the right to expect everything from a corporate parent that they would expect from a good parent in the community.

This means the Council will:

- ✓ Preface all our thinking, planning, actions and decisions with: “If this were my child I would...”
- ✓ Know our children, their needs, talents and aspirations and promote their interests
- ✓ Recognise, support and respect their identity in all aspects
- ✓ Support children’s physical health and emotional wellbeing and resilience
- ✓ Ensure children and young people are consulted about their own lives and plans
- ✓ Listen to their views and ensure they influence practice, service developments and policy
- ✓ Hold high aspirations for our children’s future and expect the best for and from them
- ✓ Ensure children take full advantage of the education offered to them, i.e. attend regularly and achieve their educational potential
- ✓ Promote and support high academic and vocational achievement by working with our schools and carers to ensure that the needs of our children are understood and met
- ✓ Take an interest in their successes and problems and show our pride in their achievements, and celebrate them

- ✓ Support transition to adult life, and promote a young person's economic prospects and prepare them to become responsible citizens
- ✓ Learn from outcomes of complaints from children and young people.

For corporate parenting to be effective it needs commitment from all elected members, and council employees in a council-wide approach. The whole council needs to be involved, as well as our partners, i.e. Health, Police, other councils and the voluntary sector, all acting as good parents, committing resources and working together to improve the lives of all children and young people in our care and care leavers. It is about prioritising children and young people's needs, listening to what they want and supporting them to make the most of their lives and opportunities.





Aims and objectives of the strategy

The overall aim of this strategy is to further embed good practice through a whole council approach to corporate parenting and a strong and effective approach to partnership working, thus continue to improve the achievement, life chances and opportunities for all our children looked after and care leavers.

We have a Corporate Parenting Strategy in order to help support children who come into care, as the majority of them need extra support in their lives because they have experienced a lot of disruption and hurt. Their experience may make it harder for them to do as well as they could, for example in their education, looking after their health and in making good relationships. This strategy looks at the areas of work that are needed to support young people and care leavers over the next three years. The Corporate Parenting Plan delivers on five key areas. The key areas are:

Voice of the Child – as set out in the “Listening and Informing” section of our Pledge for all children looked after – the Somerset Children’s Trust Participation Strategy enables the voice of children looked after and care leavers to be heard in a more structured way and develop mechanisms to feed back to young people on action taken because of what they have told us.

Foster Care Development – one of the recommendations from the Sufficiency Statement¹ is to make sure we have enough skilled foster care placements for children looked after, in particular more homes for children in the 11+ age range, and for sibling groups to be able to live together. We also expect that young people leaving care will be encouraged to stay put in their foster home beyond the age of 18.

Care Leavers – from the age of 18 young people who are not in a foster home where they want to remain, will be supported to access good quality and affordable accommodation, and all care leavers successfully take up/remain in further education, apprenticeship/traineeship or employment.

Education – we will ensure that children looked after have the best opportunities to fulfil their potential, and that we have high aspirations for their futures, with the right support being offered, at the right time.

Health of children looked after and Care Leavers – we will ensure that children looked after and care leavers have access to good health and wellbeing services, and are enabled to become responsible for their own health and wellbeing. They will know their health history, in particular when leaving care.

¹ The sufficiency guidance requires local authorities “to take steps to secure so far as its reasonably practicable, sufficient accommodation within the authority area which meets the needs of children that the local authority is looking after and whose circumstances are such that it would be consistent with their welfare for them to be provided with accommodation in the local authority’s area.”

Corporate parenting operates at strategic, operational and individual levels. It has three key elements:

1. A statutory duty, detailed in the Children Act 1989 and the Children and Young Persons Act 2008 and the Children and Social Work Act 2017, on all parts of a local authority to co-operate in promoting the welfare of children and young people looked after and care leavers; underpinned by the Seven Principles of Corporate Parenting², and a duty on other partners and agencies to co-operate in fulfilling that duty
2. Co-ordinating the activities of the many different professionals and carers who are involved in a child or young person's life and taking a strategic, child centred approach to the delivery of services
3. Shifting the emphasis from "corporate" to "parenting", making sure our moral and statutory responsibilities towards children looked after and care leavers are being fulfilled.

**'Act in the best interests,
and promote the physical
and mental health and
wellbeing, of children and
young people'**

Seven Principles of
Corporate Parenting



² See Appendix 3 for the Seven Principles of Corporate Parenting



Drivers from Somerset Key Strategic Plans

The Somerset Plan for Children, Young People and Families 2019 - 2022 has set the overall priorities for the Council and its partners to fulfil our duties and promote good outcomes for all our children and young people. Along with the Sufficiency Statement the Corporate Parenting Strategy sets out how agencies in Somerset meet the needs of children looked after and care leavers including commitment to the Somerset's Corporate Parenting Pledge, the Local Offer for Care Leavers, and the national Charter for Care Leavers.

The strategy builds on the recommendations from the recent external inspections including the Ofsted inspection November 2017.

This strategy also provides the link between all our corporate and cross-service plans and strategies relating to children and young people many of which have specific targets and key priorities to meet the needs of children and families.

Key Priorities from the Plan for Children, Young People and Families 2019 - 2022 – the overarching plan for improving the outcomes for children in Somerset

- Supported Families - strengthening families and building resilient communities
- Healthy Lives - families making the right choices to support happy healthy lifestyles
- Great Education - high aspirations, opportunities and achievement for all
- Positive Activities - getting the most out of life through play, leisure, cultural and sporting opportunities

Key Priorities in the Sufficiency Statement ³

The key areas of work for the Corporate Parenting Plan 2019–2022, developed from the Strategy, are based on the priorities set in the Somerset Sufficiency Statement 2018–2020. These cover the Voice of the Child, Foster Care Development, Care Leavers' accommodation and support for Education Attainment, Training, Employment, and Health and Wellbeing for Children in Care and Care Leavers.

Corporate Parenting Board Plan - 2019-2022

A number of sub-groups will take lead responsibility for the delivery of the strategy and action plans in each of the key areas. The Corporate Parenting Board will oversee their activities.

Each sub-group will have a nominated lead officer, and lead member, who will engage with the work of the sub-group and support the lead officer in achieving the outcomes of the sub-group. There will be a standing Corporate Parent Board agenda item for a report on progress and actions from each sub-group at each Board meeting.

There are overarching Terms of Reference for each sub-group, these are responsive to current and emerging guidance, and also ensure roles and responsibilities across

³ The Sufficiency Statement 2018–2020 was approved by the Corporate Parenting Board in 2018

professions and agencies are clarified. Each ensures appropriate membership and co-opts members as and when necessary. Each ensures that lessons learnt locally and nationally, in particular from Ofsted inspections, and good practice are embedded into its work.

'Take into account the views, wishes and feelings of children and young people'

Seven Principles of Corporate Parenting



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The Somerset context – Children Looked After and Care Leavers

National and Local Context

In the last three years the number of children looked after in Somerset has been consistently between 480 and 520 with approximately 650 care leavers between the ages of 17 and 24 years old. The local and national trend has shown a steady increase in the number of children becoming looked after.

Outcomes for Children Looked After

The majority of children looked after start from a position of increased vulnerability and disadvantage that needs additional support to overcome. The educational attainment of Somerset's children looked after against the performance of all pupils in Somerset's schools, shows they fall consistently behind their peers. Poor attainment, in addition to other barriers, makes it more difficult for our children looked after to move successfully into further education, training and work.

The proportion of care leavers in Somerset aged 17-19 years who are in Education, Training or Employment (ETE), is well below that of the general population of Somerset's 17-19 year olds. Currently 65% of care leavers are in Education, Training or Employment, as against 83% of their peers (17-19 years). Despite the gap between the Somerset general population and care leavers remaining wide, Somerset care leavers in ETE has shown an improvement of 17% over three years, whilst their peers have fallen by 7%. Somerset's performance is currently above that of its statistical neighbours and equal to the national average.



Lack of opportunities for care leavers to successfully gain employment can also be exacerbated by inappropriate accommodation which is either in a location where job opportunities are scarce or does not have the support needed for care leavers to develop their life skills or sustain their tenancy. Currently 96% of Somerset's care leavers aged 17-21 years are in suitable accommodation. This is 12% above the England average.

Just as children looked after often have a difficult start in life; they also tend to have higher physical, psychological and emotional ill health than their peers. About 60% of those looked after in England have been reported to have emotional and mental health problems, which is four times the rate for children generally. 42% of Somerset's children looked after assessed under a Strengths and Difficulties Questionnaire (SDQ) were found to have an emotional and wellbeing score that poses concern (2017/18). Many children looked after have experienced early trauma including conditions such as foetal alcohol syndrome and attachment disorders, which can lead to behaviour problems and conduct disorders. Children looked after in

Somerset now have access to an Emotional Health and Wellbeing team. This team deploys a pathway to Tier 1-3 emotional and mental health resources. Additionally, resources such as the Mental Health Toolkit, Kooth and the SHARE Project are also available.

Despite the continuing fall in teenage pregnancy rates in England and Wales which have halved since 1998, vulnerable young women in care are three times more likely to become teenage mothers than peers who have not experienced state care. Factors which are common to teenage pregnancy include having poor educational attainment, not being in education, training or employment, risk-taking behaviours, self-harming, and early sexual activity which may be the result of child sexual exploitation.

'Promote high aspirations, and seek to secure the best outcomes, for children and young people'

Seven Principles of Corporate Parenting



The role and responsibilities of county and district councillors, council departments, and other partners

All services that support children looked after are corporate parents, and we are all accountable to the children and young people who are looked after in Somerset. We must all strive for children in our care to succeed in the same way that any parent would strive for their own child/ren. This can mean providing advice and guidance to a young person who is starting to live independently, supporting carers, ensuring that children's mental health is safeguarded, helping a young person find a job, or listening to their hopes and dreams, problems and insecurities. There is a wide range of people and organisations who need to work together.

All Councillors should be aware of their corporate parenting responsibilities and must:

- ✓ Have a clear understanding and awareness of the issues for children looked after and care leavers in the authority area and those placed out of area
- ✓ Champion the interests of children looked after and care leavers in all they do
- ✓ Ask questions about outcomes for children looked after and care leavers
- ✓ Communicate with children looked after and care leavers so that they can have a say in how decisions are made about the services that affect them, and so that they can influence those decisions. This may include some councillors engaging with the looked after council and the leaving care council
- ✓ Lead on securing work based training opportunities, including apprenticeships for care leavers within the Council and its partners and contractors to improve their future prospects
- ✓ Be equally mindful and responsive in their role of corporate parent to children placed out of county
- ✓ Question whether the Council, as corporate parent, is keeping the promise it has made in the Corporate Parenting Pledge, and the Care Leavers' Charter
- ✓ Demand evidence of positive outcomes for Somerset children looked after
- ✓ Ask how all elements of council business have an impact for children looked after
- ✓ Make connections and links between council plans, strategies and decision-making for children looked after
- ✓ Consistently ask *"Would this be good enough for my own child?"*



Somerset County Councillors

All County Councillors are in the unique position of being able to promote opportunities for children looked after and care leavers through their political power and influence and; through their connections to the community, schools, health services, youth justice, local businesses, employers and voluntary organisations. The Somerset County Council Cabinet Member for Children and Families has the lead political role in ensuring that children looked after by the local authority have their interests protected, their opportunities maximised, their educational achievement enhanced, their voices heard and have services shaped to meet their needs. Other councillors who are members of the Corporate Parenting Board have a specific role in ensuring that corporate parenting responsibilities towards children looked after and care leavers are being fulfilled.⁴

District Councillors' specific responsibilities – (Somerset West and Taunton Council, Sedgemoor, South Somerset, and Mendip District Councils)

- ✓ Help support the development of work experience opportunities for young people looked after and care leavers within their respective organisations across Somerset, and with key partner agencies
- ✓ Help support the development of apprenticeships and employment opportunities, having a buddying system, so individual support can be given to young people
- ✓ Have a system in place to support and prioritise care leavers for housing/move-on housing in all areas
- ✓ Support working care leavers to be Council Tax exempt
- ✓ Provide priority access to leisure facilities to children looked after and care leavers up to the age of 25 years old
- ✓ Promote fostering for Somerset at a local level
- ✓ Be champions for children looked after and care leavers at every opportunity.

5/5

District Councils have commenced or are commencing Council Tax Exemption (2018)

All Council Services

All councillors and council officers share corporate parenting responsibilities and cannot abdicate this responsibility.

Somerset's most important collective contribution to corporate parenting is how we as the "family firm" in all council departments, can deliver better graduate schemes, employment, apprenticeship, traineeship, and work experience opportunities for children looked after and most importantly care leavers up to the age of 25 years old. These opportunities are promoted by the Virtual School Employment Advisor and designed to:

- ✓ Offer care leaver graduates opportunities to work in a graduate scheme
- ✓ Help young people meet their potential and achieve their ambitions, hopes and aspirations
- ✓ Help them become confident individuals

⁴ See Appendix 1 for specific responsibilities of councillors who are Corporate Parenting Board Members.

- ✓ Give them a taste of the world of work
- ✓ Broaden their horizons from little or no experience of employment options
- ✓ Help them become economically and socially contributing citizens.

Children's Services

Corporate parenting principles will form part of the staff induction programme. The quality of relationships that young people have with their carers and the professionals closest to them is crucial to their success whilst in, and leaving, care. Young people looked after have told us again and again about their need for good relationships that provide love, stability and continuity in the home and in learning, their need to be listened to and involved in decision making, and most of all their need to be parented like other children. This is the basis of our strategy. A good corporate parent encompasses our Pledge to children looked after, and the Local Offer for Care Leavers and the national Leaving Care Charter for our care leavers, and supports the gap between being parented by birth parents to being in the care of, or leaving the care of, the local authority.



Virtual School

The Somerset Virtual School for children looked after is responsible for providing leadership, strategic direction, good inclusion and partnership working with schools to secure successful educational outcomes for all children and young people looked after. It maintains an overview of all children looked after to ensure they can sustain a school place and has in place support designed to meet their individual needs. The relationship between being looked after and poor educational outcomes is explained, in part, by the trauma of pre-care experiences, such as physical or sexual abuse and neglect. In addition, many children looked after have had, gaps in their education, which can sometimes be a continuing

significant factor whilst they are looked after. Children looked after are more likely to be excluded from education than their peers. The assumption that being looked after leads to poor outcomes is incorrect. Educational targets are often set too low, or are not sufficiently challenging, or the support required for a child who is not attaining educationally is not provided. Aspirational education targets would better reflect our ambition for children looked after, accompanied by appropriate and targeted support, having proper regard to the use of

‘Prepare children and young people for adulthood and independent living’

Seven Principles of Corporate Parenting

the pupil premium, for each and every child and young person in our care.

Schools, Colleges and other Education Providers

Have a range of responsibilities including ensuring that every child looked after has a Personal Education Plan (PEP) and is supported to achieve. Maintaining children looked after and care leavers in school and endeavoring to avoid exclusions is an important part of achieving this. All schools should have a designated teacher with special responsibility for children looked after. School governors have statutory responsibilities which include monitoring the progress made by children looked after. Schools must engage with the Virtual School and respect the role of the Corporate Parent.



Health Service Providers

Have important responsibilities for improving the health, both physical and psychological, of all children looked after. Health assessments must be undertaken and Specialist nurses for children looked after must ensure that Personal Health Plans (Health Passports) are developed with the child or young person and that they are fully implemented.

Housing Providers

Have an essential role to play in working with Somerset County Council to provide enough good quality accommodation for care leavers who are ready to live more independently and provide a range of move-on accommodation for care leavers

wanting to move from more supported accommodation. Housing Providers must ensure that young people are supported to find employment that does not conflict with their ability to meet rent payments.

Community Organisations

There is a wide range of community organisations throughout Somerset, who provide important services and support for children looked after and care leavers, including advice and guidance, mentoring, supported housing, and drug and alcohol services. These services are vital to the task of preventing care leavers from needing the intervention of statutory services.

‘Children and young people will be safe, and have stability in their home lives, relationships and education or work’

Seven Principles of
Corporate Parenting

Leadership and the Corporate Parenting Board

This Strategy has been adopted by Full Council. The Somerset County Council Cabinet Member for Children and Families has the lead political role in ensuring this strategy is taken forward and the Director for Children's Services provides the strategic service leadership. The Corporate Parenting Board will be responsible for the delivery of the identified key objectives and the Board's annual plan.

The Somerset Corporate Parenting Board will lead and support all corporate parenting activity of Somerset County Council and its partner organisations, some of whom will be Board members⁵. The Board will reflect its key role of representing the wider corporate parenting responsibilities of all elected members and officers. The Board has formal accountabilities to the County Council and it also has important relationships with the Health Service, District Councils and Police as well as partnerships such as the Children's Trust and the Somerset Safeguarding Children Board (SSCB).

The Corporate Parenting Board will act as a leadership, advisory and consultative body to the Council and its partners and will provide challenge to ensure that Corporate Parenting duties are carried out effectively and consistently. It will ensure that the outcomes and life chances of children looked after and care leavers are maximised, so they are in line with their peers, and will act as the champion for these children and young people. It is the role of the Corporate Parenting Board, to monitor the delivery of the Corporate Parenting Strategy and Somerset's Corporate Parenting Pledge and Local Offer for care leavers.



The Board will hold the Council and its partners to account if there are gaps in service provision to children looked after, or in the performance of their corporate parenting responsibilities. The Board will have access to good qualitative and quantitative management information in order to monitor performance effectively against outcomes, and track delivery of the Pledge commitments. Individual Board members must attend appropriate training to be prepared for their task. In 2017/18 43 out of 55 elected members have undertaken Corporate Parenting Board training.

43

**Elected Members
have undertaken
Corporate Parenting
Training (2017)**

The views of Somerset in Care Council (SICC) and Somerset Leaving Care Council (SLCC) will be made available to the Board through the Voice of the Child Participation Officer. This elected Board member has a specific role to engage with young people, through SICC and SLCC's monthly meetings, in addition to seeking out other opportunities to reach out to all children looked after.


⁵ See Appendix 1 for Corporate Parenting Board Terms of Reference

Measures of success – How do we know if our services to Children Looked After are Good?

The Board will seek to ensure that current and future priorities and decisions and deployment of resources relating to Children Looked After reflecting **their** needs and concerns.

Data will be provided to support and evidence progress on the priorities of the Corporate Parenting Board. On reading the data provided to the Board, the first question the Board must answer, is, would this be good enough for my child? Elected members are ultimately accountable for the quality of the service, so is the data telling them what they need to know? The Corporate Parenting Board has a three-year plan with priority areas. SiCC and SLCC annually evaluate improvement through their 'We Said, You Did' report to the Board.

A Quality Assurance and performance management framework for the Board is used in its reporting and governance. Data will be provided so that individual elected members can see the outcomes for children looked after living and attending schools in their division. It is anticipated that councillors will be able to build relationships with key partners and groups who deliver services, and to hear feedback from children living in their own division on the issues important to them.



'Help children and young people gain access to, and make the best use of, services provided by the local authority and its relevant partners'

Seven Principles of
Corporate Parenting

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Monitoring and evaluation

This strategy will be monitored and evaluated by the successful delivery of the corporate parenting plan through:

- ✓ Listening to children and young people who are looked after
- ✓ The effective use of local data to identify areas for improvement and the extent to which national and local indicators around children looked after are being met
- ✓ The Corporate Parenting Board receiving reports from across service areas and from partners as required
- ✓ Seeking external evaluation of Somerset's effectiveness in delivering this strategy.
 - ✓ This is essential to ensure that agencies in Somerset deliver continuous improvement. Peer review and challenge will also be sought
- ✓ Feedback from partners, agencies, parents, carers and children and young people about services
- ✓ Continued revision of actions in the plan in the light of monitoring and evaluation to ensure effective delivery of the strategy.

'Encourage children and young people to express their views, wishes and feelings'

Seven Principles of Corporate Parenting



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Appendix 1: Corporate Parenting Board Terms of Reference

Overall aim - To improve the life chances of Somerset's children looked after through the development of a joint approach to the delivery of services. Somerset County Council and its partner agencies together aim to continuously improve the outcomes of children looked after to bring them in line with their peers.

Objectives

1. To listen to the voices of children and young people in our care, and those leaving care, either directly from them as individuals or through their respective councils, SiCC and SLCC, or indirectly (through national/local inspection and surveys, parents/carers, independent reviewing officers, advocates and others) and to use what we learn to improve services and outcomes
2. To take the lead for the children and young people in our care and leaving care, raising awareness and priorities across all agencies, making sure all agencies' responsibilities toward children looked after are being met
3. To promote the role of all elected members as "corporate parents" and to ensure that appropriate mechanisms are put in place by SCC to enable all members to fulfil their statutory responsibilities in this area
4. To review the Corporate Parenting Strategy annually to ensure that it is current and effective and to recommend any changes to the Cabinet for decision and to Full Council to be endorsed
5. The Corporate Parenting Board members, will offer leadership and, via its work plan for children looked after and care leavers, will keep the focus on strategic priorities, that include:
 - a. Health care needs, including physical and emotional health and wellbeing
 - b. Safeguarding, including placement stability, quality of care placements and appropriate supported accommodation
 - c. Educational attendance, attainment, and aspirations
 - d. Positive activities, including leisure, volunteering, sporting and social activities, and prevention of offending
 - e. Employment and training (including work experience and employment opportunities provided through SCC and partner agencies and contractors), housing and support
 - f. Successful transitions to adult life
6. To ensure that SCC and its partners support the Somerset looked after council (SiCC) and deliver against the commitments made in the Pledge to children looked after and the Charter for care leavers
7. To ensure progress is regularly and actively monitored and reviewed.

How will these objectives be delivered? - The Board will work to an agreed plan, which will be based on the key priorities to be delivered, as set out in the Children and Young People's Plan 2019–2022, the Sufficiency Statement 2018–2020 the Corporate Parenting Pledge, and Charter for Care Leavers.



Board members will also regularly meet and hear from children looked after and care leavers, including those in foster care, residential care and independent accommodation, by undertaking visits to schools, attending celebratory events for the achievements of children looked after, and by attending events organised by the children looked after champion. Individual members will feed back on opportunities they have identified for support for employment, apprenticeships, traineeships and work experience.

The Board will:

- receive regular reports from Independent Reviewing Officers to provide an insight into life for children looked after in Somerset
- consider regular reports that set out performance against key agreed outcome indicators to monitor progress over time, and compare Somerset's performance with top quartile authorities and recommend actions for improvement
- regularly monitor and receive reports in respect of SCC and partners' progress against external regulator recommendations; and
- establish links with other key groups responsible for representing children looked after (e.g. Foster Carers Consultative Group).

Status - The Board is a leadership and advisory body with no formal decision-making powers but will seek to influence decision makers to drive improvement across the Council and its partners. Consequently, it will make recommendations where necessary to Cabinet to impact and influence SCC decisions and policies.

Formal Board meetings will not be open to the public or press because of the sensitive nature of the business and will not be subject to the Access to Information Rules set out in the Council's constitution. When reporting to the Full Council, Cabinet, or elsewhere, the expectation is that those reports will be public unless there are good reasons to recommend the exclusion of the public and press to consider confidential information.


All members of the Board shall respect and maintain the confidentiality of the Board's business.

The Corporate Parenting Board will maintain a close working relationship with the Council's Scrutiny for Policies, Children and Families Committee to ensure they do not duplicate each other's work.

Accountability - The Board will be accountable to **Full Council**, via an annual report, in recognition of Council's budget setting responsibilities, the role of all elected members as corporate parents, and to enable Council to maintain an overview of the Strategy and the delivery of the Board's Annual Plan.

Reporting - The Board will report on its activities to:

- **Somerset Children's Trust**, which brings together all the relevant agencies to agree how to identify and meet the needs of children and young people in Somerset. The Trust



is responsible for coordinating agencies so that together they fulfill their statutory duties and more effectively meet the needs of children.

- **Somerset in Care Council** via the children in care champion who is a full Board member
- **Somerset Leaving Care Council** via the children in care champion who is a full Board member
- **Cabinet**, reporting as and when necessary, as the key decision-making body for County Council services
- **Scrutiny** Committees, as and when requested, in relation to reviewing the effectiveness of the Board and the Strategies the Board is responsible for.

Voting Arrangements - Formal meetings of the Board will operate by consensus of those present rather than through any formal voting mechanism in recognition of the wide membership and the roles of the Board to advise and challenge.

Membership - The emphasis for Board members is leadership, and so the Boards core appointed elected membership will include any member who, as one way of exercising their role as corporate parent, has the passion and commitment to volunteer as a core Board member. Members will be nominated by their political group leader and notified to the Assistant Director Commissioning and Performance, as the Lead Officer. There will be no limit on numbers of Members although the Chair's discretion will ensure the Board operates effectively.

Core Board Members

- County Council Elected Members
- Children in Care Champion (appointed by the Board)
- Lead Cabinet Member for Children & Families
- Director of Children's Services
- Foster Carer Association
- District Council Elected Member – representative/s – nominee(s)
- Clinical Commissioning Group executive member
- Representation from Somerset in Care Council (SiCC) and Somerset Leaving Care Council (SLCC)

Lead Contributors

- Deputy Director Children and Families
- Virtual School Head
- Assistant Director Inclusion and Education Outcomes
- Assistant Director Commissioning & Performance
- Assistant Director Quality and Safeguarding
- Strategic Manager Commissioning and Performance
- Police representatives
- Council "Voice of the Child" Officer
- All other County Councillors
- Providers of Council or NHS commissioned services.



Co-opted Members - Co-opted members to be invited as and when the agenda requires i.e. Housing, specific voluntary groups etc.

Chairing Arrangements - The Chair will be an Elected Member or an Independent Chair on the Board and will be chosen by the Core Board on an annual basis at the first formal meeting of the Board following the Full Council annual meeting in May.

Officer Lead - Assistant Director Commissioning & Performance

Frequency of meetings - The Board meets every two months with additional sub-group meetings held as required to fulfil the Board's annual plan. The chair of the Leaving Care Council will attend as a full member, and representatives for the Children in Care Council will be invited to suitable meetings. The Board and its sub-group meetings may take a range of different formats, including visits to different locations and informal meetings with children and young people, and those who support them. Sub-groups will report formally to the Board every two months.

Corporate Parenting Board Plan - Will be reviewed at every Board meeting, for updates and progress on the sub-groups.

Preparation for the Board - Chair to meet with the Lead Officer a minimum of two weeks before each formal meeting to agree the agenda and papers. Agendas and papers for formal Board meetings will be sent to the members of the Board at least six working days prior to the meeting.

Support to formal meetings of the Board - This is provided by the Commissioning Team, Children's Services.



Appendix 2: The Statutory and Legislative Framework

The Children Act 1989 is the primary legislation setting out local authority responsibilities to children in need, including children looked after. Section 22 imposes a legal duty on local authorities to safeguard and promote the welfare of each child they look after. The Children (Leaving Care) Act 2000 extended the responsibility of the local authority to young people leaving care, requiring them to plan the young person's transition to adulthood and provide ongoing advice and assistance until at least the age of 21, with a duty to keep in touch until a young person is 25, and in higher education.

The Children Act 1989 Guidance and Regulations Volume 2: Care Planning, Placement and Case Review Regulations and Guidance clarify the expectations of care planning and review for children looked after and strengthen the role of the Independent Reviewing Officer (IRO) to challenge when identified needs are not being met. The manager of the IRO service is required to prepare an annual report that must be made available to corporate parents.


The Children Act 1989 Guidance and Regulations Volume 3: Planning Transitions to Adulthood for Care Leavers gives details of how care leavers should be provided with comprehensive and holistic personal support so that they are able to achieve their full potential as they make their transition to adulthood. It includes the need for care leavers to be living in suitable and safe accommodation and to receive appropriate, consistent and timely support to continue in education or training and to find employment.

Children and Social Work Act 2017 establishes a set of seven principles aimed at bringing the focus back to the looked after child. It reminds the local authority (LA) what it means to be a "corporate parent". It also advises local authorities that they must publish a Local offer for Care Leavers. The main purpose of the legislation is to:

- Improve decision making and support for looked after and previously looked after children in England and Wales.
- Improve joint work at the local level to safeguard children and enable better learning at the local and national levels to improve practice in child protection.
- Promote the safeguarding of children by providing for relationships and sex education in schools.
- Enable the establishment of a new regulatory regime specifically for the social work profession in England.

The Adoption and Children Act 2002 introduced Special Guardianship Orders as an additional legal order to Adoption to secure permanence for children. The Act also required IROs to ensure children looked after have plans for permanence.

Local authorities have been entitled to expect other agencies, e.g. Housing and Health to assist them in discharging their functions since the implementation of the Children Act 1989 (Section 27). The Children Act 2004 introduced a legal duty on named agencies both to co-operate with the local authority (Section 10) and to ensure that they take account of the need



to safeguard and promote the welfare of children in fulfilling their own functions (Section 11). It also made provision for local authority areas to set up Children's Trusts, bringing together relevant agencies, and to develop a Children and Young People's Plan, through which it can be evidenced that partners are fulfilling their responsibilities. These are now not mandatory however the 'duty to cooperate' (Section 10, Children Act 2004) remains with the requirement to improve the well-being of children in Somerset in relation to: (a) physical and mental health, and emotional well-being; (b) protection from harm and neglect; (c) education, training and recreation; (d) the contribution made by them to society; and (e) social and economic well-being.

The Local Government and Public Involvement in Health Act 2007 placed a duty on upper-tier Local Authorities and Local Clinical Commissioning Groups (CCG) to undertake a joint strategic needs assessment (JSNA) of their local population.

The Children and Young Persons Act 2008 requires local authorities to take steps to secure sufficient suitable accommodation for children looked after within their area that meets their needs. It also strengthens the care planning process and the role of the IRO in monitoring the care plan. Children's health and education plans are essential components of the care plan.


The Health and Social Care Act 2012 transferred responsibility for commissioning local health services, apart from primary care, to Clinical Commissioning Groups. Primary care and specialist services are commissioned by the NHS Commissioning Board, who are also responsible for holding the CCG to account. The Act also established Health and Wellbeing Boards, led by the Director of Public Health within the local authority, to improve the health and wellbeing of the local population and reduce health inequalities.

The Legal Aid, Sentencing and Punishment of Offenders Act 2012 has introduced a single remand order for children and young people under the age of 18 who are refused bail, which will mean that they become the responsibility of the local authority and will be regarded as a young person in the care of the local authority for the duration of the remand, and may mean that they are entitled to leaving care service, depending upon the length of time they remain looked after.

Promoting the Educational Achievement of children looked after: Statutory Guidance for Local Authorities clarified the duty to actively support the education of children looked after. Measures include the priority that must be given to children looked after in terms of school admission, restriction on the use of school exclusion and the introduction of the Pupil Premium to purchase tailored support.

Virtual Head Teacher for Children Looked After

The Children & Families Act 2014 required every Local Authority to have a 'virtual school head' to champion the education of children in the authority's care, as if they all attended the same school. The person appointed to this role has three key areas of responsibility and is accountable for:

- 
- Making sure that there is a system in place to track and monitor the attainment and progress of children looked after
 - Ensuring that all children looked after have a robust and effective personal education plan (PEP), and access to one to one support, including personal tuition where appropriate (using the Pupil Premium)
 - Championing the educational needs of children looked after across the authority including those placed out of authority.

Under the Children and Social Work Act 2017 the Department for Education published statutory guidance for Local Authorities to promote the education of Looked After Children and previously Looked After Children (2018).

Statutory Guidance: Securing Sufficient Accommodation for children looked after requires local authorities to develop a plan to secure sufficient accommodation for children looked after within their local authority area that meets their needs. They can only do this if they work in partnership with other agencies as the requirement is not just about accommodation and placements but also securing a “diverse range of universal, targeted and specialist services working together to meet children’s needs” and applies not only to looked after children but also those on the edge of care and at risk of custody. The Somerset Sufficiency Statement 2018–2020 has recommendations that are incorporated into the Corporate Parenting Strategy and the Corporate Parenting Board Plan.

Statutory Guidance on the Roles and Responsibilities of the Director of Children’s Services and the Lead Member for Children’s Services. This covers both the social care and education services of the local authority. These individuals should provide strong leadership and ensure that there is a clear line of accountability for children’s wellbeing. They have particular responsibility for vulnerable groups of children, including those for whom they are corporate parents. The Lead Member should provide political leadership whilst the Director of Children’s Services should provide professional leadership.


The Equality Act 2010 places an additional responsibility on public organisations to consider the needs of protected characteristics (age, disability, sex, ethnicity, religion and belief, gender reassignment, pregnancy and maternity, plus locally determined protected characteristics) and the effect of changes on them. This legislation also asks public organisations to support communities to get along better and understand each other. Both requirements are valid for adults and children. This work is captured in the Somerset Children and Young People’s Plan 2019–2022.

The Inspection Framework

Ofsted’s framework and evaluation schedule for the inspection of services for children in need of help and protection, children looked after and care leavers was published in November 2017 and came into force in January 2018.

The Ofsted single inspection regime consists of:

- Short inspections: Authorities judged to be ‘good’ or better will be inspected for a one-week short inspection every three years

- 
- Standard inspections: Authorities judged to be 'requires improvement to be good' will be inspected for two weeks every three years
 - Monitoring visits: Authorities rated 'inadequate' will be visited quarterly. Those rated 'inadequate' across all or most areas will repeat a full single inspection, while local authorities with only some areas 'inadequate' may be subject to a 'post-monitoring single inspection', which is a shorter inspection under the single inspection framework
 - Focused visits: Authorities rated above 'inadequate' will receive at least one focused visit between their short or standard inspections.

The Somerset Children and Young People's Plan sets out the key priorities for achieving a good service for all children in Somerset, and partners are integral to that plan. These key priorities are also reflected in the Corporate Parenting Strategy, and the Corporate Parenting Board's Work Plan.



Appendix 3: The Seven Principles of Corporate Parenting

In order to thrive, children and young people have certain key needs that good parents generally meet. The corporate parenting principles set out seven principles that local authorities must have regard to when exercising their functions in relation to looked after children and young people, as follows:

1. to act in the best interests, and promote the physical and mental health and wellbeing, of those children and young people
2. to encourage those children and young people to express their views, wishes and feelings
3. to take into account the views, wishes and feelings of those children and young people
4. to help those children and young people gain access to, and make the best use of, services provided by the local authority and its relevant partners
5. to promote high aspirations, and seek to secure the best outcomes, for those children and young people
6. for those children and young people to be safe, and for stability in their home lives, relationships and education or work; and
7. to prepare those children and young people for adulthood and independent living.

The corporate parenting principles do not exist in a vacuum. They should shape the mind-set and culture of every part of a local authority in how it carries out all of its functions in relation to looked-after children and care leavers.

The corporate parenting principles are not about applying a formulaic approach to how services are delivered in relation to looked-after children and care leavers. Rather they describe the behaviours and attitudes expected of councils when they are acting as any good parent would do by supporting, encouraging and guiding their children to lead healthy, rounded and fulfilled lives. The principles intend to ensure that all councils have high ambitions for the children in their care. In doing so, the application of the principles must respond to the individual needs, vulnerabilities or disadvantages of looked after children and care leavers. This will assist in securing that such children and young people are not placed at significant disadvantage when compared with the support a nonlooked after child or young person may receive from their family.

Appendix 4: The Pledge



THE PLEDGE

Is the councils promise to you!



RESPECT

We will respect you.
We will treat you as an individual.
We will not highlight you as being a child in care.
We will not use black bags to move your belongings.
We will make sure you have the same opportunities as other young people your age.
We will listen to you and your views;

- On your plans,
- Where you live,
- Any worries you have, including complaints.



YOUR LIFE



We will involve you in the decisions that affect you:

- Where you live
- Who you live with
- Any plans we have for you

We will work hard to give you a choice of the best and safest places for you to live.

We will make sure that if you have to move, other things in your life do not too:

- Seeing the people who are important you
- Your school
- Your hobbies

We will celebrate with you,

- Birthday
- Successes
- Achievements
- Any other dates that are important to you, including your school prom

SUPPORT

We will give you the support you need to be the best you can be.

We will support during your time in care to develop your skills so that you are prepared for your adult life.

We will help you to understand your story, through life story work. We won't leave bits out but will tell you about them at an age when you can understand and are ready.





?US?


We will make sure you know who your workers are and give you their contact card.

- Your social worker and their manager
- Your Independent Reviewing Officer (IRO) and their manager

We will make sure that any meetings do not interrupt other things which are important to you and are in a place where you feel comfortable

We will provide you with all the information that you might need;

- Your rights
- Being in care
- Leaving Care
- How to complain
- How you can get involved



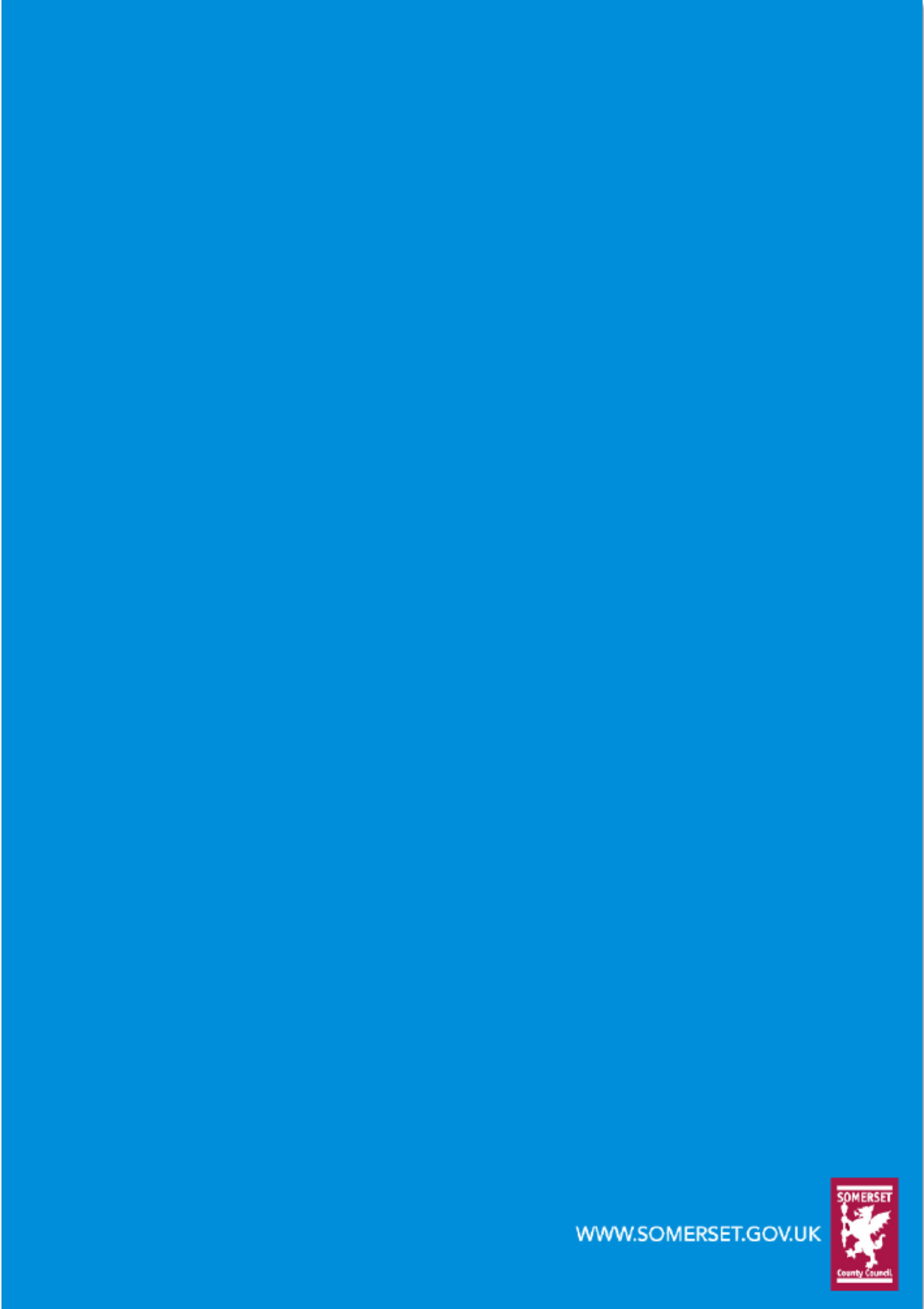
NETWORK

We will support you to see the people who are important to you, if it is safe to do so.

We will support you to make new friends.

We will support and encourage you to take part in activities that interest you





WWW.SOMERSET.GOV.UK



Appendix F – Corporate Parenting Board Terms of Reference 2019 - 2022

Overall aim - To improve the life chances of Somerset’s children looked after through the development of a joint approach to the delivery of services. Somerset County Council and its partner agencies together aim to continuously improve the outcomes of children looked after to bring them in line with their peers.

Objectives

1. To listen to the voices of children and young people in our care, and those leaving care, either directly from them as individuals or through their respective councils, SiCC and SLCC, or indirectly (through national/local inspection and surveys, parents/carers, independent reviewing officers, advocates and others) and to use what we learn to improve services and outcomes
2. To take the lead for the children and young people in our care and leaving care, raising awareness and priorities across all agencies, making sure all agencies’ responsibilities toward children looked after are being met
3. To promote the role of all elected members as “corporate parents” and to ensure that appropriate mechanisms are put in place by SCC to enable all members to fulfil their statutory responsibilities in this area
4. To review the Corporate Parenting Strategy annually to ensure that it is current and effective and to recommend any changes to the Cabinet for decision and to Full Council to be endorsed
5. The Corporate Parenting Board members will offer leadership and, via its work plan for children looked after and care leavers, will keep the focus on strategic priorities, that include:
 - a. Health care needs, including physical and emotional health and wellbeing
 - b. Safeguarding, including placement stability, quality of care placements and appropriate supported accommodation
 - c. Educational attendance, attainment, and aspirations
 - d. Positive activities, including leisure, volunteering, sporting and social activities, and prevention of offending
 - e. Employment and training (including work experience and employment opportunities provided through SCC and partner agencies and contractors), housing and support
 - f. Successful transitions to adult life
6. To ensure that SCC and its partners support the Somerset looked after council (SiCC) and deliver against the commitments made in the Pledge to children looked after and the Charter for care leavers
7. To ensure progress is regularly and actively monitored and reviewed.

How will these objectives be delivered? - The Board will work to an agreed plan, which will be based on the key priorities to be delivered, as set out in the Children and Young People’s Plan 2019–2022, the Sufficiency Statement 2018–2020 the Corporate Parenting Pledge, and Charter for Care Leavers.

Board members will also regularly meet and hear from children looked after and care leavers, including those in foster care, residential care and independent accommodation, by undertaking visits to schools, attending celebratory events for the

achievements of children looked after, and by attending events organised by the children looked after champion. Individual members will feed back on opportunities they have identified for support for employment, apprenticeships, traineeships and work experience.

The Board will:

- receive regular reports from Independent Reviewing Officers to provide an insight into life for children looked after in Somerset
- consider regular reports that set out performance against key agreed outcome indicators to monitor progress over time, and compare Somerset's performance with top quartile authorities and recommend actions for improvement
- regularly monitor and receive reports in respect of SCC and partners' progress against external regulator recommendations; and
- establish links with other key groups responsible for representing children looked after (e.g. Foster Carers Consultative Group).

Status - The Board is a leadership and advisory body with no formal decision-making powers but will seek to influence decision makers to drive improvement across the Council and its partners. Consequently, it will make recommendations where necessary to Cabinet to impact and influence SCC decisions and policies.

Formal Board meetings will not be open to the public or press because of the sensitive nature of the business and will not be subject to the Access to Information Rules set out in the Council's constitution. When reporting to the Full Council, Cabinet, or elsewhere, the expectation is that those reports will be public unless there are good reasons to recommend the exclusion of the public and press to consider confidential information.

All members of the Board shall respect and maintain the confidentiality of the Board's business.

The Corporate Parenting Board will maintain a close working relationship with the Council's Scrutiny for Policies, Children and Families Committee to ensure they do not duplicate each other's work.

Accountability - The Board will be accountable to **Full Council**, via an annual report, in recognition of Council's budget setting responsibilities, the role of all elected members as corporate parents, and to enable Council to maintain an overview of the Strategy and the delivery of the Board's Annual Plan.

Reporting - The Board will report on its activities to:

- **Somerset Children's Trust**, which brings together all the relevant agencies to agree how to identify and meet the needs of children and young people in Somerset. The Trust is responsible for coordinating agencies so that together they fulfill their statutory duties and more effectively meet the needs of children.
- **Somerset in Care Council** via the children in care champion who is a full Board member
- **Somerset Leaving Care Council** via the children in care champion who is a full Board member
- **Cabinet**, reporting as and when necessary, as the key decision-making body for County Council services

- **Scrutiny** Committees, as and when requested, in relation to reviewing the effectiveness of the Board and the Strategies the Board is responsible for.

Voting Arrangements - Formal meetings of the Board will operate by consensus of those present rather than through any formal voting mechanism in recognition of the wide membership and the roles of the Board to advise and challenge.

Membership - The emphasis for Board members is leadership, and so the Boards core appointed elected membership will include any member who, as one way of exercising their role as corporate parent, has the passion and commitment to volunteer as a core Board member. Members will be nominated by their political group leader and notified to the Assistant Director Commissioning and Performance, as the Lead Officer. There will be no limit on numbers of Members although the Chair's discretion will ensure the Board operates effectively.

Core Board Members

- County Council Elected Members
- Children in Care Champion (appointed by the Board)
- Lead Cabinet Member for Children & Families
- Director of Children's Services
- Foster Carer Association
- District Council Elected Member – representative/s – nominee(s)
- Clinical Commissioning Group executive member
- Representation from Somerset in Care Council (SiCC) and Somerset Leaving Care Council (SLCC)

Lead Contributors

- Deputy Director Children and Families
- Virtual School Head
- Assistant Director Inclusion and Education Outcomes
- Assistant Director Commissioning & Performance
- Assistant Director Quality and Safeguarding
- Strategic Manager Commissioning and Performance
- Police representatives
- Council "Voice of the Child" Officer
- All other County Councillors
- Providers of Council or NHS commissioned services.

Co-opted Members - Co-opted members to be invited as and when the agenda requires i.e. Housing, specific voluntary groups etc.

Chairing Arrangements - The Chair will be an Elected Member or an Independent Chair on the Board and will be chosen by the Core Board on an annual basis at the first formal meeting of the Board following the Full Council annual meeting in May.

Officer Lead - Assistant Director Commissioning & Performance

Frequency of meetings - The Board meets every two months with additional sub-group meetings held as required to fulfil the Board's annual plan. The chair of the Leaving Care Council will attend as a full member, and representatives for the Children

in Care Council will be invited to suitable meetings. The Board and its sub-group meetings may take a range of different formats, including visits to different locations and informal meetings with children and young people, and those who support them. Sub-groups will report formally to the Board every two months.

Corporate Parenting Board Plan - Will be reviewed at every Board meeting, for updates and progress on the sub-groups.

Preparation for the Board - Chair to meet with the Lead Officer a minimum of two weeks before each formal meeting to agree the agenda and papers. Agendas and papers for formal Board meetings will be sent to the members of the Board at least six working days prior to the meeting.

Support to formal meetings of the Board - This is provided by the Commissioning Team, Children's Services.

Glossary of Terms

BBO	Building Better Opportunities
CAMHS	Child and Adolescent Mental Health Services
CCG	Clinical Commissioning Group
CIN	Children in Need
CL	Care leavers
CLA	Children Looked After
CSC	Children's Social Care
CV	Curriculum Vitae
CYPP	Children and Young People's Plan
DCS	Director of Children Services
DfE	Department for Education
DT	Designated Teachers
IRO	Independent Reporting officer
MoMo	Mind of My Own
NEET	Not in Education, Employment or Training
NHS	National Health Service
P2i	Pathway to Independence
PEP	Personal Education Plan
RAG rated	Red, Amber, Green, Blue (Business As Usual - BAU) rated
SCC	Somerset County Council
SCPB / CPB	Somerset Corporate Parenting Board
SCT	Somerset Children's Trust
SDQs	Strength and Difficulties Questionnaire
SEND	Special Educational Needs /Disability
SiCC	Somerset in Care Council
SLCC	Somerset Leaving Care Council
Sompar	Somerset Partnership
SW	Social Worker
TOR	Terms of Reference
UASC	Unaccompanied Asylum-Seeking Children
VS	Virtual School
VSH	Virtual School Head

Review of the Council's Scrutiny Function

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

Local Member(s) and Division: N/A

Lead Officers: Scott Wooldridge – Strategic Manager Governance and Monitoring Officer and Jamie Jackson – Service Manager – Governance and Scrutiny Officer

Contact Details: swouldridge@somerset.gov.uk or jjackson@somerset.gov.uk / 01823 357628

1. Summary / Background

- 1.1. The Peer Challenge in 2018 identified, as one of the key recommendations, that 'Somerset County Council should review its scrutiny arrangements as part of making it more effective'. In support of the Council's organisational transformation, the Council commissioned the nationally renowned Centre for Public Scrutiny to carry out an independent review of the scrutiny function at Somerset County Council (SCC) between March and May 2019. Their findings and recommendations can be seen in Appendix A. The report recognises that we have a good platform from which scrutiny can successfully develop.
- 1.2. It is important to recognise that Somerset is not alone on its journey to improve its scrutiny function. The Government published new Statutory Guidance on Overview and Scrutiny in May 2019 in order to support councils with their improvement work. It should be highlighted that the Centre for Public Scrutiny (CfPS) assisted the Government with the new guidance.
- 1.3. A key question throughout the review has been "what makes good scrutiny". The following are seen as a guide for good scrutiny :
 1. Provides critical friend challenge to executive policy and decision makers
 - Constructive, robust and purposeful challenge
 - Non-aggressive to create optimum conditions for investigative evidence based approach.
 2. Enables the voice and concerns of the public
 - Meetings conducted in public
 - Good communication, consultation and feedback.
 3. Carried out by independent minded councillors
 - Councillors actively engage in the scrutiny function to drive improvement
 - Areas are reviewed in an a-political atmosphere.
 4. Drives improvement and better outcomes
 - Promotes community well-being and improves the quality of life
 - Strategic review of corporate policies, plans, performance and budgets.

- 1.4.** This report is being brought forward following consultation with elected members and with the support of all three Scrutiny Committees, the Cabinet and Constitution & Standards Committee.

2. Recommendations

2.1. The Council is recommended :

- 1. To agree to implement a programme of cultural transformation and improvements to its scrutiny arrangements by March 2021, including the provision of additional resources in the Democratic Services Team and members training budgets to deliver the enhanced scrutiny arrangements;**
- 2. To agree 10 of the 11 recommendations within the Centre for Public Scrutiny's 'Supporting governance, scrutiny and member support in Somerset County Council' report as detailed on pages 9 and 10 of Appendix A and for these to be implemented by March 2021. In line with Scrutiny Committees' recommendations, the Council is asked to endorse an alteration to Recommendation 6 within the CfPS report and recommend that the number of agenda items is limited to an absolute maximum of 4, rather than the 2 recommended in the CfPS report;**
- 3. To request that it receives a progress report on the improvements to its scrutiny arrangements at its meeting in November 2020;**
- 4. To authorise the Monitoring Officer to undertake any necessary technical amendments to the Council's Constitution to support the implementation of the proposed improvements to the Council's scrutiny arrangements; and**
- 5. To request that the Monitoring Officer undertakes further work regarding the proposals for co-opted members (with non-voting rights) to be potentially included within the membership of the Scrutiny Committee Policies and Place and the Scrutiny Committee for Adults and Health with the aim of reporting these proposals to the Council's Annual General Meeting.**

3. Reasons for recommendations

- 3.1** Effective scrutiny helps secure the efficient delivery of public services and drives improvements within the Council and, if done well, amongst other public service providers too. Whilst the scrutiny function has matured in Somerset over the years, it still faces challenges and opportunities to improve.
- 3.2** As part of organisational transformation and taking forward peer challenge recommendations, the Council has undertaken a thorough review of its scrutiny function. This review has considered best practice from other councils (including Devon County Council) and the latest Government statutory guidance published in May 2019 which has informed our recommendations for the council to endorse a programme of cultural transformation and improvements for its scrutiny function over the next 14 months. Our review has also involved working with the Centre for Public Scrutiny (CfPS). Their final review report (attached as Appendix A) provides the Council with an opportunity to consider a series of recommendations and suggest any further developments they consider appropriate.
- 3.3** The recommendations in this report therefore combine both the recommendations that can be taken forward in the short term from the CfPS report along with recognising that the necessary cultural improvements for elected members and officers to develop and embed better scrutiny as part of a longer term programme of work up to be taken forward during 2020/21.
- 3.4** The proposed amendment to one of the 11 recommendations from CfPS was unanimously endorsed by all three Scrutiny Committees in November as this more accurately reflects the current position of the Authority and the size of the workload. It should be highlighted that the proposed maximum of four agenda items would include Scrutiny's ongoing review and assurance of the council's improved financial position.

4. Other options considered

- 4.1.** There were no other options considered. The recommendations are being brought forward as a part of the Council's annual review of its democratic arrangements and following consideration of the new statutory Scrutiny Guidance and the Centre for Public Scrutiny review.

5. Links to County Vision, Business Plan and Medium-Term Financial Strategy

- 5.1.** Effective scrutiny plays a key role in the efficient delivery of public services and drives improvements within the Council, this underpins the Council headline vision ensuring 'improving lives' is prioritised. The work of the Council's Scrutiny Committees covers the breadth and depth of the Council's business plan, encompassing the four key aims – better infrastructure, safer communities, fairer opportunities and healthier lives, therefore improvements in the Council's scrutiny function will directly impact on the delivery of the plan.

6. Consultations and co-production

- 6.1.** Page 11 of the Centre for Public Scrutiny's final report details the Members and officers who were met with on an individual basis.
- 6.2.** All Members were invited to take part in an online Scrutiny survey. Over 40% of Members completed the survey, the results of which form part of the Centre for Public Scrutiny's final report.
- 6.3.** 20 County Councillors attended the Scrutiny review Member workshop in September.

7. Financial and Risk Implications

- 7.1.** While there are no direct budget implications within the CfPS recommendations, the review of other councils and the new statutory guidance identifies the need for more scrutiny training and development for members and officers, the possibility of conducting scrutiny in different ways, including increased use of visits and travel around the County. These recommendations will result in a moderate increase of expenditure relating to Member expenses and training budget requirements compared to 2019/20 levels. However this should be considered alongside a reduction in officer demand, especially at a senior level, to prepare reports, briefings and member and officer attendance as a result of a reduced number of formal Committee meetings from 2020.
- 7.2.** The cultural transformation required, improved work planning and policy advice support will require dedicated officer resources in addition to what the council provides currently through the Democratic Services Team. The Strategic Manager-Governance and Democratic Services has reviewed other comparable councils and together with the CfPS recommendations has identified, as a minimum, the need for an additional scrutiny support officer within the Democratic Services team. This additional officer support together with additional training resources for members and officers are an integral part of the recommendations as they will be essential to support successful implementation by March 2021.

8. Legal and HR Implications

- 8.1.** There are no legal implications. The Council undertakes an annual review of its democratic arrangements and its Constitution to ensure they remain fit for purpose for the organisation and meet its legal duties.
- 8.2.** Implementation of the Centre for Public Scrutiny recommendations would require additional dedicated scrutiny support officer and member training support capacity in the Democratic Services Team.

9. Other Implications

9.1. Equalities Implications

There are no equalities implications.

9.2. Community Safety Implications

There are no community safety implications.

9.3. Sustainability Implications

There are no sustainability implications.

9.4. Health and Safety Implications

There are no health and safety implications.

9.5. Health and Wellbeing Implications

There are no health and wellbeing implications.

9.6. Social Value

Not applicable.

10. Scrutiny comments / recommendations:

10.1. During November, all three Scrutiny Committees have been consulted on the proposals and have endorsed the recommendations. No additional recommendations have been suggested by these Committees. As part of the debates the following points and topics were discussed:

- There is clear agreement that the Committees are keen to be involved early in policy development and wholly support the proposal to move away from the current solely meeting based structure of scrutiny and make relevant visits to frontline services and staff. However there was discussion regarding the scaling back of formal Committees to a 5/5 ratio of formal and informal and perhaps a ratio of 7 formal and 3 informal during a year would work better initially.
- The Committees expressed an interest in securing co-opted Members with relevant expertise, including those with health, carers and environmental backgrounds.
- All 3 Committees strongly endorsed the 'no information' items rule for agenda items and for these to be circulated and considered electronically.
- There was also strong support for Committee meetings to have a slightly later start time in order that the Committee can receive a briefing for an hour prior to the meeting from relevant officers on the areas to be

discussed or for the time to be used as a training session, similar to the Select Committee style format.

11. Background

- 11.1.** The Council's scrutiny structure currently comprises three committees. The Council is also the host authority for the Police and Crime Panel, a joint scrutiny committee comprising Councillors representing the various councils in the Avon & Somerset police area and several Independent Members. The Council also hosts further partnership scrutiny panels in relation to the Joint Waste Scrutiny Panel and the Somerset Rivers Authority Joint Scrutiny Panel.
- 11.2.** While Scrutiny has matured in Somerset over the last decade and there is lots of activity, it still faces challenges and opportunities to improve. Areas to improve include officer driven agendas, Scrutiny Committees being used as a 'tick box' for agreeing new policy and not adequately providing the Committees the early opportunity to add value, improved partnership scrutiny, limited wider member engagement in scrutiny work, overcrowded agendas, the need to improve opportunities for joined up scrutiny activity across the committees, better forward work planning and an increased focus on commissioning activity.
- 11.3.** As noted above, The Peer Challenge in 2018 identified, as one of the key recommendations, that 'Somerset County Council should review its scrutiny arrangements as part of making it more effective, ensuring all councillors are equipped to play an active role and contribute to the policy making and key decisions affecting the future of Somerset's residents and the council, and that its governance arrangements are reflective of this.'
- 11.4.** The Communities and Local Government Select Committee undertook an inquiry into the effectiveness of scrutiny in local government in 2017. The select committee's report identified a number of areas for improvement. This work has led to the development of the new statutory Scrutiny Guidance which was published in May 2019. That guidance recognises that authorities have democratic mandates and are best-placed to know which scrutiny arrangements are most appropriate for their own individual circumstances.
- 11.5.** As part of the organisational transformation work it was recognised there was a need to improve the Council's scrutiny arrangements. The Council commissioned the nationally renowned Centre for Public Scrutiny to carry out an independent review of the scrutiny function at SCC between March and May 2019. This involved attending all 3 Scrutiny Committees (Place, Adults and Health and Children and Families) during April and conducting a Member survey, before producing an initial draft report in late May. This was subsequently reviewed with the Leader, Deputy Leader and Scrutiny Chairs and Vice Chairs in June.

11.6. Following receipt of the draft Scrutiny Review report the Leader and the 3 Scrutiny Chairs agreed that the next step should involve an all member workshop to discuss the report, the recommendations within and consider these alongside the recent issued national guidance and the council's transformation work. The workshop was held in September, where members received an introductory briefing on the recently published statutory Scrutiny guidance for councils (Appendix B), an appraisal of the scrutiny arrangements and scrutiny resources at Devon County Council, provide a valuable opportunity for members to discuss the ideas and opportunities to make scrutiny more effective. The workshop also provided the opportunity for members to discuss the Centre for Public Scrutiny's report and other ideas that members had for improving scrutiny prior to the report formally considered at all 3 Scrutiny Committees in November, as well as Cabinet, ahead of the recommendations being presented to Full Council in January 2020. The workshop was facilitated by Ian Parry, from the Centre for Public Scrutiny who wrote the CFPS's report.

11.7. The report of the Centre for Public Scrutiny, attached as Appendix A, gives a comprehensive analysis of the current arrangements and contains 11 specific recommendations for how scrutiny might be improved at the Council. Several of these recommendations can be defined as logistical or practical changes and therefore are relatively easy and straightforward to implement. Other recommendations are more cultural and these will take longer to embed and will require a change of approach throughout the Council and new ways of working by Members and officers.

The easier to implement changes include reducing the number of formal committee meetings in order to provide each scrutiny committee with the opportunity to focus its available resources on areas such as the development of commissioning plans, undertaking more partnership scrutiny, review opportunities for services improvements and doing more scrutiny outside of formal committee meetings e.g. carrying out visits to frontline services and greater use of task and finish groups. Improvements to work planning (including quarterly joint work planning meetings across the committees), more focused agenda setting, improved meeting layouts, as well as a strict adherence to no 'for information' report as part of any formal agenda, would be relatively straightforward to implement during the course of 2020.

11.8. The cultural work as part of organisational transformation that has been identified will require a more gradual introduction, as members assume more ownership with the work programme and actively suggest and pursue items they wish to be considered, as well as Cabinet and officers making greater use of utilising Scrutiny as a sounding board early in policy and commissioning development and consider their recommendations when shaping decisions and focusing on outcomes. This gradual introduction will take time and the intention is to have embedded all of the recommendations in time for the new council from May 2021. A project plan for implementing the CfPS recommendations and cultural improvements is being developed and will be

agreed in consultation with the Chairs of the Scrutiny Committees ahead of the 2020 financial year. That plan will be shared with all elected members.

- 11.9.** An overarching aim has to be that our Scrutiny committees should be non-political and feel able to constructively challenge the 'issues' and outcomes. There is an important role for the chair, vice-chair and support officers in ensuring that there is an outcome for items considered at scrutiny committees. The question should always be 'Why is this coming to scrutiny and what is its purpose?'. Topics that do not require scrutiny can be covered by member information sheets, briefings or incorporated within the Member Development Programme.
- 11.10.** Key to driving the cultural change and improvements will be the improved support, additional resources and training for members and officers. This is not restricted to just the committee members as the scrutiny function is open to all members to engage and participate. One of the foundations for these improvements will be ensuring that members have a good understanding and awareness of both the statutory guidance for councils which helps set out what makes effective scrutiny together with the CfPS findings and recommendations. Training and development for members is essential for the improvements to be sustained. This needs to include taking further opportunities over the next 14 months to look at best practice from other councils, together with keeping under review and learning from the changes that are recommended to our scrutiny function.

12. Background Papers

- 12.1.** Appendix A - Supporting governance, scrutiny and member support in Somerset County Council – Centre for Public Scrutiny - May 2019.
- 12.2.** Appendix B - Statutory Guidance on Overview and Scrutiny in Local and Combined Authorities – Ministry of Housing, Communities and Local Government – May 2019.



Supporting governance, scrutiny and member support in Somerset County Council

Final Report

May 2019

Contents:

Executive Summary:

- **Introduction**
- **Scope and methodology**
- **Summary of findings**
- **Recommendations**

Appendix A – Member survey summary

Appendix B – Evidence gathering summary

Supporting scrutiny, governance and member guidance

Introduction

Scrutiny plays an essential role in policy shaping, holding the executive to account and reviewing issues of importance to local communities. For it to do this effectively the scrutiny function and members need to develop a shared understanding on the role, purpose and objectives of overview and scrutiny. Scrutiny has to be a whole council responsibility and not left to a few members in scheduled meetings. It needs to be strong on prioritisation, develop strategic work programming and engage in evidence-based objective enquiry. It must have measurable impact on policy shaping, decision making, value and the quality of council services.

Somerset County Council is keen to drive the council's ambitious plans for its local economy, healthy communities and infrastructure projects. It also wishes to ensure that scrutiny arrangements are effective and support the council's goals, through constructive challenge and visible accountability.

Following a recommendation in SCC's external corporate peer review the Council engaged the Centre for Public Scrutiny to provide a comprehensive review of scrutiny and member support arrangements and to provide proposals and recommendations on where it could improve and develop the effectiveness of scrutiny.

The review also takes into account the recently published government [MHCLG] guidance on Overview and Scrutiny in Local Authorities [May 2019]. CfPS were closely involved in this guidance and were therefore able to include it in the review prior to its official publication.

CfPS is the leading national body promoting and supporting excellence in governance and scrutiny. Its work has a strong track record of influencing policy and practice nationally and locally. CfPS is respected and trusted across the public sector to provide independent and impartial advice.

CfPS is an independent national charity founded by the Local Government Association [LGA], Local Government Information Unit [LGIU] and Chartered Institute of Public Finance Accountants [CIPFA]. Its governance board is chaired by Lord Bob Kerslake.

Review process

This review considered the following:

Review of the arrangements to support members, governance and scrutiny.

1. Scope

1. Members, meetings and agendas:

Are there barriers to member engagement, is there a shared understanding of scrutiny's mission? How are meetings structured, chaired, supported and attended? What is achieved? Are agendas focused? Are they balanced or cluttered, indulgent or objective?

2. Structure and work programming:

Are the scrutiny committees able to offer effective scrutiny across the council? Are committee work plans aligned or are there gaps, overlaps and is the workload spread as evenly as possible? Are work plans strategic and focused on achieving positive outcomes? Are they affiliated to the corporate plan and its delivery? Are they prioritised and able to show a value contribution?

3. Support and resources:

How effectively are members supported in their community roles and how does this provide adequate insight into public concerns and issues that supports the work of scrutiny. How well do officers (not just scrutiny officers) support the work of scrutiny? How embedded is scrutiny in policy development, budget and MTFS planning?

4. Relationships, behaviours and culture:

Are relationships between executive and scrutiny mature and based on trust? Is there good, robust challenge. Are there points of unnecessary conflict or tension? Can executive and scrutiny openly share. What are officer and scrutiny relationships like? Is scrutiny getting the best out of both executive members and officers?

5. Member skills and development opportunities

Is there a reasonable spread of interest, experience and ability across committees? What are the specific gaps in skills, knowledge and experience? How can members support themselves and each other?

6. Contribution, performance and value-adding:

What difference is scrutiny making, how does it contribute to council improvement, council performance, service delivery and improved outcomes for Somerset.

7. Improvement programme:

How can scrutiny achieve more? What needs to change culturally and structurally to make it happen. What part can stakeholders, scrutiny members, chairs, cabinet members, Leader and CEO team play in effecting and supporting change and improvement?

8. Working with and scrutiny of partners:

This review did not include within its scope scrutiny of partner organisations. However, this is an increasingly crucial area for scrutiny activity. Partnerships are wide and varied including health and care strategic integration arrangements, health providers, public protection services and many other public and private sector providers. This review reinforces the importance for effective scrutiny in these areas.

2. Methodology

Desk study of meetings, agendas, constitution and other relevant reports and documents

Desk study of documentation and material produced by other councils (to be selected to allow for comparison of different elements of Somerset's business and governance model)

On-site meetings with officers and members to gather evidence and information on the strengths and weaknesses of the current arrangements

Short interviews (in person or by phone) with scrutiny chairs and vice chairs, Leader and DL, Cabinet Members, and opposition spokespeople, previous chairs, and committee members.

Member on-line survey to capture the views of all council members.

Observations of the scrutiny process including meeting management, involvement and conduct. The review observed meetings of the three main scrutiny committees.

3. Workshop

CfPS will present its findings and recommendations to a workshop for members and officers.

Summary of findings

1. Overall assessment:

1.1 Overall the council has demonstrated an ongoing commitment to scrutiny in terms of the creation and focus of committees, the level of activity undertaken, and time and resource dedicated across the organisation.

1.2 There is a clear realisation and commitment from members and officers that scrutiny could be more effective and productive. The majority of those interviewed welcomed the opportunity to make changes and improvements.

1.3 There is good support from the democratic services team which is recognised by scrutiny members and from the council's political and officer leadership to support change to enable improvement to happen.

1.4 From its current base there is a good platform from which scrutiny can successfully develop.

1.5 There have been 24 responses to the on-line member survey on scrutiny (41%). A full analysis of responses will be included in the draft report.

2. Findings assessments:

2.1 We found a consistent view that scrutiny is not adding value in the way it currently operates. This is negatively impacting on the 'return' the organisation gets from its investment in scrutiny. Officer support and engagement is effective and the commitment from chairs and vice-chairs overall is good.

2.2 A consistent clear understanding of the purpose, role and responsibilities of scrutiny is lacking across the organisation. There is also a weak appreciation of how scrutiny adds value as part of a whole council function.

2.3 The principle of democratic accountability is not being adequately applied. Political decision-makers are not sufficiently held to account and are frequently absent from scrutiny meetings when items on their portfolio are discussed. A key function of scrutiny is holding to account. However, scrutiny meetings do not appear to be organised to allow transparent challenge and accountability to take place. Officers instead are often providing a briefing and Q&A sessions for scrutiny.

2.4 More pre-scrutiny of forward plans and decisions would engage scrutiny in real shaping and value-based activity. There is scope for more of this to be included.

2.5 We acknowledge that there appears to be a lot of scrutiny activity happening – 3 committees, each meeting 10 times a year, usually with full agendas. These need significant financial investment of resource from the council both in officer and member time. But it is difficult to quantify its positive contribution to the council's decision-making, strategic goals and priorities. We also recognised that the scrutiny function continued with significant activity in 2018/19 - a time when the Council faced financial challenges and essential transformational work.

2.6 The scrutiny work programme is fairly static and often repetitive, wide-ranging and can lack focus or alignment with the council's strategic plans or key high impact or high value issues. Few people were able to evidence examples where scrutiny had led to a specific beneficial outcome, influenced or improved council outputs.

2.7 Scrutiny itself is predominantly committee-based, there was talk of positive engagement in task and finish groups, but the vast majority of scrutiny takes place in meetings. Here there are too many examples of officer information sharing and members clarifying rather than specific issues being explored and recommendations made.

2.8 Scrutiny could benefit from additional officer capacity to advise and support. This should not be used to allow more activity, but to support and advise scrutiny on objective setting, work programming, increasing productivity, supporting task and finish work, policy support and improving outcomes. There is some member concern that there is a lack of capacity in the Democratic Services Team. New government guidelines draw attention generally within councils to resourcing weaknesses.

2.9 Overall there is a lack of basic scrutiny standards applied in relation to the structure and layout of meetings; who asks questions, how officers and members are questioned, and actions/ recommendations are agreed. From a visitor or public perspective, it is also difficult to work out who is sitting round the table. As an alternative there could be set seating positions for scrutiny members, cabinet members and their support officers, scrutiny and governance officers and identification made clearer.

3.0 For some, there is a view that scrutiny has lost of its independence and become too politically influenced in the way that it operates.

3.1 An acceptance of officer presentations, an inability to dig deeper and investigate led to descriptions of the scrutiny experience as being 'an easy ride', and frustrations that obvious areas of concerns are not picked up or reacted to or followed up.

3.2 It is suggested that scrutiny is lagging behind, as Somerset continues at pace to transform how it operates. There is a risk that a significant gap in the organisation's governance/oversight framework expands and becomes a significant organisational weakness

3.3 Scrutiny of partner organisations has begun to develop in recent years and although we were unable to observe this, there is a growing appetite across the 3 committees to engage key partner organisations such as health, public safety, transportation providers and others. It is clearly in the interests of the council to improve outcomes for Somerset's communities to develop and extend this external scrutiny further.

3.4 There is a challenge that member substitutes at meetings make it more difficult to create a team environment and approach to agreeing lines of inquiry etc. Potentially it may help to remove this rule and expect consistent attendance.

3.5 Query the value of public questions at the scrutiny committee, both from a public perspective and contribution to scrutiny. As a principle this approach is good practice but in practice it was difficult to see how this approach resulted in a positive experience for the public (compared to other ways to engage) and contributed to effective scrutiny of specific topics.

3.6 There is currently a limited used of independent co-opted members by scrutiny. By using co-opted members scrutiny could gain significant additional skills, insight and capacity particularly in specialised areas. The latest Statutory Guidance on Overview and Scrutiny indicates the potential to increase representation beyond Children & Families to improve the skills and experience available to the committee. The use of independent technical advisers as co-opted members on specific areas of scrutiny and partnership scrutiny work could be an exciting and bold way to add more capacity.

Member survey highlights

There were 24 responses to the on-line survey making the sample large enough to be reasonably representative.

A majority of councillors (65%) agreed that scrutiny was either effective or very effective, which was not supported in the interviews and evidence gathered by the CfPS review

Appendix A . Report on the survey results

Recommendations

1. Scrutiny members, Cabinet and SLT conduct an exercise to clarify the role and purpose for scrutiny. We would recommend that the MHCLG Guidance on Culture is used as a set of principles to consider in this exercise. The guidance covers:
 - Recognising scrutiny's legal and democratic legitimacy
 - Identifying a clear role and focus
 - Regular engagement between scrutiny and executive [cabinet]
 - Managing potential disagreements
 - Providing necessary support
 - Ensuring impartial advice from officers
 - Communicating scrutiny's role within the council
 - Embedding scrutiny with the whole council
 - Ensuring that scrutiny has an independent mindset
 - Consider the use of independent co-opted members to add independent expertise and insight
2. Move towards a more agile and potentially productive scrutiny structure. This could be achieved by reducing the number of meetings. Additional capacity and scope could be achieved through task and finish groups. These T&F working groups, however, should be tightly managed to ensure their scope timescale and value contributions are clear. They should be limited in number to ensure that their demand upon resources and officer support capacity is measured and commensurate with the return on the investment of time and resource involved.
3. Cabinet members need to be more visibly accountable to scrutiny. All scrutiny meetings should include the relevant Cabinet Member or Leader as the main focus/witness of scrutiny. Cabinet members are accountable for their portfolios and should be prepared to attend, present and answer policy-related questions. Officers should be present as technical advisors. This will provide transparent, clear visible accountability of political decision-makers.
4. Political group influence through pre-meetings or advice to chairs can cause scrutiny to lose its impartial role and independent mindset which is crucial for effective and objective scrutiny. We recommend that scrutiny operates totally in public and any political pre-meetings avoided.

-
5. Review approach to work planning, agenda setting, meeting preparation. Scrutiny work programmes should avoid repetitive reporting, 'for-information' items or general presentations and reports to which scrutiny can add only minimal value.
 6. Scrutiny meetings should try to aim for a maximum of two agenda items per meeting and design meetings to have clear lines of enquiry and objectives. This would provide scrutiny to engage more thoroughly and productively.
 7. Scrutiny should develop a clear methodology in the creation of work programmes to ensure that it segments and prioritises and aligns with the council's plans and goals. This should be member-led and in consultation with cabinet.
 8. The layout of the meeting room should make it clear through allocated seating and name plates the roles of participants and attendees. It is particularly important to be able to differentiate who is being scrutinised and who is scrutinising. And to make a clear distinction between politicians and officers or witnesses.
 9. The involvement of the public should be reviewed. This could include a public question-time at each meeting, seeking public and wider community input into work programmes and consideration of broadcasting meetings through visual or audio means. There are a number of councils that have developed broadcasting techniques to make public access available.
 10. Many members expressed a gap in their knowledge and skills relating to scrutiny and would value training and development. Our assessment suggests that general training of the essential principles and practice of scrutiny, questioning techniques and work programme planning were of particular value.
 11. To lead change and improvement some tailored coaching/mentoring for individual chairs would be beneficial.

Acknowledgments and thank you

1. The Centre for Public Scrutiny (CfPS) was commissioned by Somerset County Council to advise and support an internal review on the effectiveness and impact of their current approach to overview and scrutiny.
2. The review was conducted on-site on in April 2019, with subsequent further desk research.
3. We would like to thank those elected scrutiny Members, Executive Members, and Officers who took part in interviews, survey and observations for their time, insights and honesty.

Appendix A – Survey Results

See attachment

Appendix B – Evidence gathering

Somerset County Council – Scrutiny Review – April 2019

Appendix B

Engagement schedule

Interviews Schedule
Jamie Jackson Deputy Strategic Manager Democratic Services
Sheila Collins, Director of Finance and 151 Officer
Scott Wooldridge – Monitoring Officer
Cllr Jane Lock, Leader of the Opposition and Children and Families Scrutiny Committee Member
Cllr Frances Nicholson, Cabinet Member for Children and Families
Pat Flaherty, Chief Executive
Stephen Chandler, Director of Adult Social Services, Lead Commissioner Adults and Health
Cllr Liz Leyshon, Deputy Leader of the Opposition and Place Scrutiny Committee Member
Cllr Hazel Prior-Sankey, Chair of Adults and Health Scrutiny Committee
Leigh Redman, Leader of the Labour Group and Chair of Children and Families Scrutiny
Cllr John Hunt, Independent Group Leader and Member of Place Scrutiny Committee
Paula Hewitt, Lead Director for Economic and Community Infrastructure & Director of Commissioning
Michele Cusack, Operations Director for Economic and Community Infrastructure
Julian Wooster, Director of Adult Social Services, Lead Commissioner Adults and Health

Scrutiny Committee Observations
Scrutiny for Policies and Place Committee
Scrutiny for Policies Adults and Health Committee
Scrutiny for Policies Children and Wellbeing Committee

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Ministry of Housing,
Communities &
Local Government

Statutory Guidance on Overview and Scrutiny in Local and Combined Authorities



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Ministerial Foreword

The role that overview and scrutiny can play in holding an authority's decision-makers to account makes it fundamentally important to the successful functioning of local democracy. Effective scrutiny helps secure the efficient delivery of public services and drives improvements within the authority itself. Conversely, poor scrutiny can be indicative of wider governance, leadership and service failure.

It is vital that councils and combined authorities know the purpose of scrutiny, what effective scrutiny looks like, how to conduct it and the benefits it can bring. This guidance aims to increase understanding in all four areas.

In writing this guidance, my department has taken close note of the House of Commons Select Committee report of December 2017, as well as the written and oral evidence supplied to that Committee. We have also consulted individuals and organisations with practical involvement in conducting, researching and supporting scrutiny.

It is clear from speaking to these practitioners that local and combined authorities with effective overview and scrutiny arrangements in place share certain key traits, the most important being a strong organisational culture. Authorities who welcome challenge and recognise the value scrutiny can bring reap the benefits. But this depends on strong commitment from the top - from senior members as well as senior officials.

Crucially, this guidance recognises that authorities have democratic mandates and are ultimately accountable to their electorates, and that authorities themselves are best-placed to know which scrutiny arrangements are most appropriate for their own individual circumstances.

I would, however, strongly urge all councils to cast a critical eye over their existing arrangements and, above all, ensure they embed a culture that allows overview and scrutiny to flourish.



A handwritten signature in blue ink, appearing to read 'Rishi Sunak'.

Rishi Sunak MP
Minister for Local Government

About this Guidance

Who the guidance is for

This document is aimed at local authorities and combined authorities in England to help them carry out their overview and scrutiny functions effectively. In particular, it provides advice for senior leaders, members of overview and scrutiny committees, and support officers.

Aim of the guidance

This guidance seeks to ensure local authorities and combined authorities are aware of the purpose of overview and scrutiny, what effective scrutiny looks like, how to conduct it effectively and the benefits it can bring.

As such, it includes a number of policies and practices authorities should adopt or should consider adopting when deciding how to carry out their overview and scrutiny functions.

The guidance recognises that authorities approach scrutiny in different ways and have different processes and procedures in place, and that what might work well for one authority might not work well in another.

The hypothetical scenarios contained in the annexes to this guidance have been included for illustrative purposes, and are intended to provoke thought and discussion rather than serve as a 'best' way to approach the relevant issues.

While the guidance sets out some of the key legal requirements, it does not seek to replicate legislation.

Status of the guidance

This is statutory guidance from the Ministry of Housing, Communities and Local Government. Local authorities and combined authorities must have regard to it when exercising their functions. The phrase 'must have regard', when used in this context, does not mean that the sections of statutory guidance have to be followed in every detail, but that they should be followed unless there is a good reason not to in a particular case.

Not every authority is required to appoint a scrutiny committee. This guidance applies to those authorities who have such a committee in place, whether they are required to or not.

This guidance has been issued under section 9Q of the Local Government Act 2000 and under paragraph 2(9) of Schedule 5A to the Local Democracy, Economic Development and Construction Act 2009, which requires authorities to have regard to this guidance. In addition, authorities may have regard to other material they might choose to consider, including that issued by the Centre for Public Scrutiny, when exercising their overview and scrutiny functions.

Terminology

Unless 'overview' is specifically mentioned, the term 'scrutiny' refers to both overview and scrutiny.¹

Where the term 'authority' is used, it refers to both local authorities and combined authorities.

Where the term 'scrutiny committee' is used, it refers to an overview and scrutiny committee and any of its sub-committees. As the legislation refers throughout to powers conferred on scrutiny committees, that is the wording used in this guidance. However, the guidance should be seen as applying equally to work undertaken in informal task and finish groups, commissioned by formal committees.

Where the term 'executive' is used, it refers to executive members.

For combined authorities, references to the 'executive' or 'cabinet' should be interpreted as relating to the mayor (where applicable) and all the authority members.

For authorities operating committee rather than executive arrangements, references to the executive or Cabinet should be interpreted as relating to councillors in leadership positions.

Expiry or review date

This guidance will be kept under review and updated as necessary.

¹ A distinction is often drawn between 'overview' which focuses on the development of policy, and 'scrutiny' which looks at decisions that have been made or are about to be made to ensure they are fit for purpose.

1. Introduction and Context

1. Overview and scrutiny committees were introduced in 2000 as part of new executive governance arrangements to ensure that members of an authority who were not part of the executive could hold the executive to account for the decisions and actions that affect their communities.
2. Overview and scrutiny committees have statutory powers² to scrutinise decisions the executive is planning to take, those it plans to implement, and those that have already been taken/implemented. Recommendations following scrutiny enable improvements to be made to policies and how they are implemented. Overview and scrutiny committees can also play a valuable role in developing policy.

Effective overview and scrutiny should:

- Provide constructive 'critical friend' challenge;
- Amplify the voices and concerns of the public;
- Be led by independent people who take responsibility for their role; and
- Drive improvement in public services.

3. The requirement for local authorities in England to establish overview and scrutiny committees is set out in sections 9F to 9FI of the Local Government Act 2000 as amended by the Localism Act 2011.
4. The Localism Act 2011 amended the Local Government Act 2000 to allow councils to revert to a non-executive form of governance - the 'committee system'. Councils who adopt the committee system are not required to have overview and scrutiny but may do so if they wish. The legislation has been strengthened and updated since 2000, most recently to reflect new governance arrangements with combined authorities. Requirements for combined authorities are set out in Schedule 5A to the Local Democracy, Economic Development and Construction Act 2009.
5. Current overview and scrutiny legislation recognises that authorities are democratically-elected bodies who are best-placed to determine which overview and scrutiny arrangements best suit their own individual needs, and so gives them a great degree of flexibility to decide which arrangements to adopt.
6. In producing this guidance, the Government fully recognises both authorities' democratic mandate and that the nature of local government has changed in recent years, with, for example, the creation of combined authorities, and councils increasingly delivering key services in partnership with other organisations or outsourcing them entirely.

² Section 9F of the Local Government Act 2000; paragraph 1 of Schedule 5A to the Local Democracy, Economic Development and Construction Act 2009.

2. Culture

7. The prevailing organisational culture, behaviours and attitudes of an authority will largely determine whether its scrutiny function succeeds or fails.
8. While everyone in an authority can play a role in creating an environment conducive to effective scrutiny, it is important that this is led and owned by members, given their role in setting and maintaining the culture of an authority.
9. Creating a strong organisational culture supports scrutiny work that can add real value by, for example, improving policy-making and the efficient delivery of public services. In contrast, low levels of support for and engagement with the scrutiny function often lead to poor quality and ill-focused work that serves to reinforce the perception that it is of little worth or relevance.
10. Members and senior officers should note that the performance of the scrutiny function is not just of interest to the authority itself. Its effectiveness, or lack thereof, is often considered by external bodies such as regulators and inspectors, and highlighted in public reports, including best value inspection reports. Failures in scrutiny can therefore help to create a negative public image of the work of an authority as a whole.

How to establish a strong organisational culture

11. Authorities can establish a strong organisational culture by:

- a) **Recognising scrutiny's legal and democratic legitimacy** – all members and officers should recognise and appreciate the importance and legitimacy the scrutiny function is afforded by the law. It was created to act as a check and balance on the executive and is a statutory requirement for all authorities operating executive arrangements and for combined authorities.

Councillors have a unique legitimacy derived from their being democratically elected. The insights that they can bring by having this close connection to local people are part of what gives scrutiny its value.

- b) **Identifying a clear role and focus** – authorities should take steps to ensure scrutiny has a clear role and focus within the organisation, i.e. a niche within which it can clearly demonstrate it adds value. Therefore, prioritisation is necessary to ensure the scrutiny function concentrates on delivering work that is of genuine value and relevance to the work of the wider authority – this is one of the most challenging parts of scrutiny, and a critical element to get right if it is to be recognised as a strategic function of the authority (see chapter 6).

Authorities should ensure a clear division of responsibilities between the scrutiny function and the audit function. While it is appropriate for scrutiny to pay due regard to the authority's financial position, this will need to happen in the context of the formal audit role. The authority's section 151 officer should advise scrutiny on how to manage this dynamic.

While scrutiny has no role in the investigation or oversight of the authority's whistleblowing arrangements, the findings of independent whistleblowing investigations might be of interest to scrutiny committees as they consider their wider implications. Members should always follow the authority's constitution and associated Monitoring Officer directions on the matter. Further guidance on whistleblowing can be found at:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/415175/bis-15-200-whistleblowing-guidance-for-employers-and-code-of-practice.pdf.

- c) **Ensuring early and regular engagement between the executive and scrutiny** – authorities should ensure early and regular discussion takes place between scrutiny and the executive, especially regarding the latter's future work programme. Authorities should, though, be mindful of their distinct roles:

In particular:

- The executive should not try to exercise control over the work of the scrutiny committee. This could be direct, e.g. by purporting to 'order' scrutiny to look at, or not look at, certain issues, or indirect, e.g. through the use of the whip or as a tool of political patronage, and the committee itself should remember its statutory purpose when carrying out its work. All members and officers should consider the role the scrutiny committee plays to be that of a 'critical friend' not a de facto 'opposition'. Scrutiny chairs have a particular role to play in establishing the profile and nature of their committee (see chapter 4); and
- The chair of the scrutiny committee should determine the nature and extent of an executive member's participation in a scrutiny committee meeting, and in any informal scrutiny task group meeting.

- d) **Managing disagreement** – effective scrutiny involves looking at issues that can be politically contentious. It is therefore inevitable that, at times, an executive will disagree with the findings or recommendations of a scrutiny committee.

It is the job of both the executive and scrutiny to work together to reduce the risk of this happening, and authorities should take steps to predict, identify and act on disagreement.

One way in which this can be done is via an 'executive-scrutiny protocol' (see annex 1) which can help define the relationship between the two and mitigate any differences of opinion before they manifest themselves in unhelpful and unproductive ways. The benefit of this approach is that it provides a framework for disagreement and debate, and a way to manage it when it happens. Often,

the value of such a protocol lies in the dialogue that underpins its preparation. It is important that these protocols are reviewed on a regular basis.

Scrutiny committees do have the power to 'call in' decisions, i.e. ask the executive to reconsider them before they are implemented, but should not view it as a substitute for early involvement in the decision-making process or as a party-political tool.

- e) **Providing the necessary support** – while the level of resource allocated to scrutiny is for each authority to decide for itself, when determining resources an authority should consider the purpose of scrutiny as set out in legislation and the specific role and remit of the authority's own scrutiny committee(s), and the scrutiny function as a whole.

Support should also be given by members and senior officers to scrutiny committees and their support staff to access information held by the authority and facilitate discussions with representatives of external bodies (see chapter 5).

- f) **Ensuring impartial advice from officers** – authorities, particularly senior officers, should ensure all officers are free to provide impartial advice to scrutiny committees. This is fundamental to effective scrutiny. Of particular importance is the role played by 'statutory officers' – the monitoring officer, the section 151 officer and the head of paid service, and where relevant the statutory scrutiny officer. These individuals have a particular role in ensuring that timely, relevant and high-quality advice is provided to scrutiny.
- g) **Communicating scrutiny's role and purpose to the wider authority** – the scrutiny function can often lack support and recognition within an authority because there is a lack of awareness among both members and officers about the specific role it plays, which individuals are involved and its relevance to the authority's wider work. Authorities should, therefore, take steps to ensure all members and officers are made aware of the role the scrutiny committee plays in the organisation, its value and the outcomes it can deliver, the powers it has, its membership and, if appropriate, the identity of those providing officer support.
- h) **Maintaining the interest of full Council in the work of the scrutiny committee** – part of communicating scrutiny's role and purpose to the wider authority should happen through the formal, public role of full Council – particularly given that scrutiny will undertake valuable work to highlight challenging issues that an authority will be facing and subjects that will be a focus of full Council's work. Authorities should therefore take steps to ensure full Council is informed of the work the scrutiny committee is doing.

One way in which this can be done is by reports and recommendations being submitted to full Council rather than solely to the executive. Scrutiny should decide when it would be appropriate to submit reports for wider debate in this way, taking into account the relevance of reports to full Council business, as well as full Council's capacity to consider and respond in a timely manner. Such

reports would supplement the annual report to full Council on scrutiny's activities and raise awareness of ongoing work.

In order to maintain awareness of scrutiny at the Combined Authority and provoke dialogue and discussion of its impact, the business of scrutiny should be reported to the Combined Authority board or to the chairs of the relevant scrutiny committees of constituent and non-constituent authorities, or both. At those chairs' discretion, particular Combined Authority scrutiny outcomes, and what they might mean for each individual area, could be either discussed by scrutiny in committee or referred to full Council of the constituent authorities.

- i) **Communicating scrutiny's role to the public** – authorities should ensure scrutiny has a profile in the wider community. Consideration should be given to how and when to engage the authority's communications officers, and any other relevant channels, to understand how to get that message across. This will usually require engagement early on in the work programming process (see chapter 6).
- j) **Ensuring scrutiny members are supported in having an independent mindset** – formal committee meetings provide a vital opportunity for scrutiny members to question the executive and officers.

Inevitably, some committee members will come from the same political party as a member they are scrutinising and might well have a long-standing personal, or familial, relationship with them (see paragraph 25).

Scrutiny members should bear in mind, however, that adopting an independent mind-set is fundamental to carrying out their work effectively. In practice, this is likely to require scrutiny chairs working proactively to identify any potentially contentious issues and plan how to manage them.

Directly-elected mayoral systems

12. A strong organisational culture that supports scrutiny work is particularly important in authorities with a directly-elected mayor to ensure there are the checks and balances to maintain a robust democratic system. Mayoral systems offer the opportunity for greater public accountability and stronger governance, but there have also been incidents that highlight the importance of creating and maintaining a culture that puts scrutiny at the heart of its operations.
13. Authorities with a directly-elected mayor should ensure that scrutiny committees are well-resourced, are able to recruit high-calibre members and that their scrutiny functions pay particular attention to issues surrounding:
 - rights of access to documents by the press, public and councillors;
 - transparent and fully recorded decision-making processes, especially avoiding decisions by 'unofficial' committees or working groups;
 - delegated decisions by the Mayor;
 - whistleblowing protections for both staff and councillors; and
 - powers of Full Council, where applicable, to question and review.

14. Authorities with a directly-elected mayor should note that mayors are required by law to attend overview and scrutiny committee sessions when asked to do so (see paragraph 44).

3. Resourcing

15. The resource an authority allocates to the scrutiny function plays a pivotal role in determining how successful that function is and therefore the value it can add to the work of the authority.
16. Ultimately it is up to each authority to decide on the resource it provides, but every authority should recognise that creating and sustaining an effective scrutiny function requires them to allocate resources to it.
17. Authorities should also recognise that support for scrutiny committees, task groups and other activities is not solely about budgets and provision of officer time, although these are clearly extremely important elements. Effective support is also about the ways in which the wider authority engages with those who carry out the scrutiny function (both members and officers).

When deciding on the level of resource to allocate to the scrutiny function, the factors an authority should consider include:

- Scrutiny's legal powers and responsibilities;
- The particular role and remit scrutiny will play in the authority;
- The training requirements of scrutiny members and support officers, particularly the support needed to ask effective questions of the executive and other key partners, and make effective recommendations;
- The need for ad hoc external support where expertise does not exist in the council;
- Effectively-resourced scrutiny has been shown to add value to the work of authorities, improving their ability to meet the needs of local people; and
- Effectively-resourced scrutiny can help policy formulation and so minimise the need for call-in of executive decisions.

Statutory scrutiny officers

18. Combined authorities, upper and single tier authorities are required to designate a statutory scrutiny officer,³ someone whose role is to:
 - promote the role of the authority's scrutiny committee;
 - provide support to the scrutiny committee and its members; and
 - provide support and guidance to members and officers relating to the functions of the scrutiny committee.

³ Section 9FB of the Local Government Act 2000; article 9 of the Combined Authorities (Overview and Scrutiny Committees, Access to Information and Audit Committees) Order 2017

19. Authorities not required by law to appoint such an officer should consider whether doing so would be appropriate for their specific local needs.

Officer resource models

20. Authorities are free to decide for themselves which wider officer support model best suits their individual circumstances, though generally they adopt one or a mix of the following:

- Committee – officers are drawn from specific policy or service areas;
- Integrated – officers are drawn from the corporate centre and also service the executive; and
- Specialist – officers are dedicated to scrutiny.

21. Each model has its merits – the committee model provides service-specific expertise; the integrated model facilitates closer and earlier scrutiny involvement in policy formation and alignment of corporate work programmes; and the specialist model is structurally independent from those areas it scrutinises.

22. Authorities should ensure that, whatever model they employ, officers tasked with providing scrutiny support are able to provide impartial advice. This might require consideration of the need to build safeguards into the way that support is provided. The nature of these safeguards will differ according to the specific role scrutiny plays in the organisation.

4. Selecting Committee Members

23. Selecting the right members to serve on scrutiny committees is essential if those committees are to function effectively. Where a committee is made up of members who have the necessary skills and commitment, it is far more likely to be taken seriously by the wider authority.
24. While there are proportionality requirements that must be met,⁴ the selection of the chair and other committee members is for each authority to decide for itself. Guidance for combined authorities on this issue has been produced by the Centre for Public Scrutiny⁵.

Members invariably have different skill-sets. What an authority must consider when forming a committee is that, as a group, it possesses the requisite expertise, commitment and ability to act impartially to fulfil its functions.

25. Authorities are reminded that members of the executive cannot be members of a scrutiny committee.⁶ Authorities should take care to ensure that, as a minimum, members holding less formal executive positions, e.g. as Cabinet assistants, do not sit on scrutinising committees looking at portfolios to which those roles relate. Authorities should articulate in their constitutions how conflicts of interest, including familial links (see also paragraph 31), between executive and scrutiny responsibilities should be managed, including where members stand down from the executive and move to a scrutiny role, and vice-versa.
26. Members or substitute members of a combined authority must not be members of its overview and scrutiny committee.⁷ This includes the Mayor in Mayoral Combined Authorities. It is advised that Deputy Mayors for Policing and Crime are also not members of the combined authority's overview and scrutiny committee.

Selecting individual committee members

27. When selecting individual members to serve on scrutiny committees, an authority should consider a member's experience, expertise, interests, ability to act impartially, ability to work as part of a group, and capacity to serve.

⁴ See, for example, regulation 11 of the Local Authorities (Committee System) (England) Regulations 2012 (S.I. 2012/1020) and article 4 of the Combined Authorities (Overview and Scrutiny Committees, Access to Information and Audit Committees) Order 2017 (S.I. 2017/68).

⁵ See pages 15-18 of 'Overview and scrutiny in combined authorities: a plain English guide': <https://www.cfps.org.uk/wp-content/uploads/Overview-and-scrutiny-in-combined-authorities-a-plain-english-guide.pdf>

⁶ Section 9FA(3) of the Local Government Act 2000.

⁷ 2(3) of Schedule 5A to the Local Democracy, Economic Development and Construction Act 2009

28. Authorities should not take into account a member's perceived level of support for or opposition to a particular political party (notwithstanding the wider legal requirement for proportionality referred to in paragraph 24).

Selecting a chair

29. The Chair plays a leadership role on a scrutiny committee as they are largely responsible for establishing its profile, influence and ways of working.

30. The attributes authorities should and should not take into account when selecting individual committee members (see paragraphs 27 and 28) also apply to the selection of the Chair, but the Chair should also possess the ability to lead and build a sense of teamwork and consensus among committee members.

Chairs should pay special attention to the need to guard the committee's independence. Importantly, however, they should take care to avoid the committee being, and being viewed as, a de facto opposition to the executive.

31. Given their pre-eminent role on the scrutiny committee, it is strongly recommended that the Chair not preside over scrutiny of their relatives⁸. Combined authorities should note the legal requirements that apply to them where the Chair is an independent person⁹.

32. The method for selecting a Chair is for each authority to decide for itself, however every authority should consider taking a vote by secret ballot. Combined Authorities should be aware of the legal requirements regarding the party affiliation of their scrutiny committee Chair¹⁰.

Training for committee members

33. Authorities should ensure committee members are offered induction when they take up their role and ongoing training so they can carry out their responsibilities effectively. Authorities should pay attention to the need to ensure committee members are aware of their legal powers, and how to prepare for and ask relevant questions at scrutiny sessions.

34. When deciding on training requirements for committee members, authorities should consider taking advantage of opportunities offered by external providers in the sector.

Co-option and technical advice

35. While members and their support officers will often have significant local insight and an understanding of local people and their needs, the provision of outside expertise can be invaluable.

⁸ A definition of 'relative' can be found at section 28(10) of the Localism Act 2011.

⁹ See article 5(2) of the Combined Authorities (Overview and Scrutiny Committees, Access to Information and Audit Committees) Order 2017 (S.I. 2017/68).

¹⁰ Article 5(6) of the Combined Authorities (Overview and Scrutiny Committees, Access to Information and Audit Committees) Order 2017.

36. There are two principal ways to procure this:

- Co-option – formal co-option is provided for in legislation¹¹. Authorities must establish a co-option scheme to determine how individuals will be co-opted onto committees; and
- Technical advisers – depending on the subject matter, independent local experts might exist who can provide advice and assistance in evaluating evidence (see annex 2).

¹¹ Section 9FA(4) Local Government Act 2000

5. Power to Access Information

37. A scrutiny committee needs access to relevant information the authority holds, and to receive it in good time, if it is to do its job effectively.
38. This need is recognised in law, with members of scrutiny committees enjoying powers to access information¹². In particular, regulations give enhanced powers to a scrutiny member to access exempt or confidential information. This is in addition to existing rights for councillors to have access to information to perform their duties, including common law rights to request information and rights to request information under the Freedom of Information Act 2000 and the Environmental Information Regulations 2004.
39. When considering what information scrutiny needs in order to carry out its work, scrutiny members and the executive should consider scrutiny's role and the legal rights that committees and their individual members have, as well as their need to receive timely and accurate information to carry out their duties effectively.
40. Scrutiny members should have access to a regularly available source of key information about the management of the authority – particularly on performance, management and risk. Where this information exists, and scrutiny members are given support to understand it, the potential for what officers might consider unfocused and unproductive requests is reduced as members will be able to frame their requests from a more informed position.
41. Officers should speak to scrutiny members to ensure they understand the reasons why information is needed, thereby making the authority better able to provide information that is relevant and timely, as well as ensuring that the authority complies with legal requirements.

While each request for information should be judged on its individual merits, authorities should adopt a default position of sharing the information they hold, on request, with scrutiny committee members.

42. The law recognises that there might be instances where it is legitimate for an authority to withhold information and places a requirement on the executive to provide the scrutiny committee with a written statement setting out its reasons for that decision¹³. However, members of the executive and senior officers should take particular care to avoid refusing requests, or limiting the information they provide, for reasons of party political or reputational expediency.

¹² Regulation 17 - Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012; article 10 Combined Authorities (Overview and Scrutiny Committees, Access to Information and Audit Committees) Order 2017.

¹³ Regulation 17(4) – Local Government (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012; article 10(4) Combined Authorities (Overview and Scrutiny Committees, Access to Information and Audit Committees) Order 2017.

Before an authority takes a decision not to share information it holds, it should give serious consideration to whether that information could be shared in closed session.

43. Regulations already stipulate a timeframe for executives to comply with requests from a scrutiny member¹⁴. When agreeing to such requests, authorities should:

- consider whether seeking clarification from the information requester could help better target the request; and
- Ensure the information is supplied in a format appropriate to the recipient's needs.

44. Committees should be aware of their legal power to require members of the executive and officers to attend before them to answer questions¹⁵. It is the duty of members and officers to comply with such requests.¹⁶

Seeking information from external organisations

45. Scrutiny members should also consider the need to supplement any authority-held information they receive with information and intelligence that might be available from other sources, and should note in particular their statutory powers to access information from certain external organisations.

46. When asking an external organisation to provide documentation or appear before it, and where that organisation is not legally obliged to do either (see annex 3), scrutiny committees should consider the following:

- a) **The need to explain the purpose of scrutiny** – the organisation being approached might have little or no awareness of the committee's work, or of an authority's scrutiny function more generally, and so might be reluctant to comply with any request;
- b) **The benefits of an informal approach** – individuals from external organisations can have fixed perceptions of what an evidence session entails and may be unwilling to subject themselves to detailed public scrutiny if they believe it could reflect badly on them or their employer. Making an informal approach can help reassure an organisation of the aims of the committee, the type of information being sought and the manner in which the evidence session would be conducted;

¹⁴ Regulation 17(2) – Local Government (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012; article 10(2) Combined Authorities (Overview and Scrutiny Committees, Access to Information and Audit Committees) Order 2017.

¹⁵ Section 9FA(8) of the Local Government Act 2000; paragraph 2(6) of Schedule 5A to the Local Democracy, Economic Development and Construction Act 2009.

¹⁶ Section 9FA(9) of the Local Government Act 2000; paragraph 2(7) of Schedule 5A to the Local Democracy, Economic Development and Construction Act 2009.

- c) **How to encourage compliance with the request** – scrutiny committees will want to frame their approach on a case by case basis. For contentious issues, committees might want to emphasise the opportunity their request gives the organisation to ‘set the record straight’ in a public setting; and
- d) **Who to approach** – a committee might instinctively want to ask the Chief Executive or Managing Director of an organisation to appear at an evidence session, however it could be more beneficial to engage front-line staff when seeking operational-level detail rather than senior executives who might only be able to talk in more general terms. When making a request to a specific individual, the committee should consider the type of information it is seeking, the nature of the organisation in question and the authority’s pre-existing relationship with it.

Following ‘the Council Pound’

Scrutiny committees will often have a keen interest in ‘following the council pound’, i.e. scrutinising organisations that receive public funding to deliver goods and services.

Authorities should recognise the legitimacy of this interest and, where relevant, consider the need to provide assistance to scrutiny members and their support staff to obtain information from organisations the council has contracted to deliver services. In particular, when agreeing contracts with these bodies, authorities should consider whether it would be appropriate to include a *requirement* for them to supply information to or appear before scrutiny committees.

6. Planning Work

47. Effective scrutiny should have a defined impact on the ground, with the committee making recommendations that will make a tangible difference to the work of the authority. To have this kind of impact, scrutiny committees need to plan their work programme, i.e. draw up a long-term agenda and consider making it flexible enough to accommodate any urgent, short-term issues that might arise during the year.
48. Authorities with multiple scrutiny committees sometimes have a separate work programme for each committee. Where this happens, consideration should be given to how to co-ordinate the various committees' work to make best use of the total resources available.

Being clear about scrutiny's role

49. Scrutiny works best when it has a clear role and function. This provides focus and direction. While scrutiny has the power to look at anything which affects 'the area, or the area's inhabitants', authorities will often find it difficult to support a scrutiny function that carries out generalised oversight across the wide range of issues experienced by local people, particularly in the context of partnership working. Prioritisation is necessary, which means that there might be things that, despite being important, scrutiny will not be able to look at.
50. Different overall roles could include having a focus on risk, the authority's finances, or on the way the authority works with its partners.
51. Applying this focus does not mean that certain subjects are 'off limits'. It is more about looking at topics and deciding whether their relative importance justifies the positive impact scrutiny's further involvement could bring.
52. When thinking about scrutiny's focus, members should be supported by key senior officers. The statutory scrutiny officer, if an authority has one, will need to take a leading role in supporting members to clarify the role and function of scrutiny, and championing that role once agreed.

Who to speak to

53. Evidence will need to be gathered to inform the work programming process. This will ensure that it looks at the right topics, in the right way and at the right time. Gathering evidence requires conversations with:
 - *The public* – it is likely that formal 'consultation' with the public on the scrutiny work programme will be ineffective. Asking individual scrutiny members to have conversations with individuals and groups in their own local areas can work better. Insights gained from the public through individual pieces of scrutiny work can be fed back into the work programming process. Listening to and participating in conversations in places where local people come together, including in online forums, can help authorities engage people on their own terms and yield more positive results.

Authorities should consider how their communications officers can help scrutiny engage with the public, and how wider internal expertise and local knowledge from both members and officers might make a contribution.

- *The authority's partners* – relationships with other partners should not be limited to evidence-gathering to support individual reviews or agenda items. A range of partners are likely to have insights that will prove useful:
 - Public sector partners (like the NHS and community safety partners, over which scrutiny has specific legal powers);
 - Voluntary sector partners;
 - Contractors and commissioning partners (including partners in joint ventures and authority-owned companies);
 - In parished areas, town, community and parish councils;
 - Neighbouring principal councils (both in two-tier and unitary areas);
 - Cross-authority bodies and organisations, such as Local Enterprise Partnerships¹⁷; and
 - Others with a stake and interest in the local area – large local employers, for example.

- *The executive* – a principal partner in discussions on the work programme should be the executive (and senior officers). The executive should not direct scrutiny's work (see chapter 2), but conversations will help scrutiny members better understand how their work can be designed to align with the best opportunities to influence the authority's wider work.

Information sources

54. Scrutiny will need access to relevant information to inform its work programme. The type of information will depend on the specific role and function scrutiny plays within the authority, but might include:

- Performance information from across the authority and its partners;
- Finance and risk information from across the authority and its partners;
- Corporate complaints information, and aggregated information from political groups about the subject matter of members' surgeries;
- Business cases and options appraisals (and other planning information) for forthcoming major decisions. This information will be of particular use for pre-decision scrutiny; and
- Reports and recommendations issued by relevant ombudsmen, especially the Local Government and Social Care Ombudsman.

¹⁷ Authorities should ensure they have appropriate arrangements in place to ensure the effective democratic scrutiny of Local Enterprise Partnerships' investment decisions.

As committees can meet in closed session, commercial confidentiality should not preclude the sharing of information. Authorities should note, however, that the default for meetings should be that they are held in public (see 2014 guidance on '*Open and accountable local government*':

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/343182/140812_Openness_Guide.pdf).

55. Scrutiny members should consider keeping this information under regular review. It is likely to be easier to do this outside committee, rather than bringing such information to committee 'to note', or to provide an update, as a matter of course.

Shortlisting topics

Approaches to shortlisting topics should reflect scrutiny's overall role in the authority. This will require the development of bespoke, local solutions, however when considering whether an item should be included in the work programme, the kind of questions a scrutiny committee should consider might include:

- Do we understand the benefits scrutiny would bring to this issue?
- How could we best carry out work on this subject?
- What would be the best outcome of this work?
- How would this work engage with the activity of the executive and other decision-makers, including partners?

56. Some authorities use scoring systems to evaluate and rank work programme proposals. If these are used to provoke discussion and debate, based on evidence, about what priorities should be, they can be a useful tool. Others take a looser approach. Whichever method is adopted, a committee should be able to justify how and why a decision has been taken to include certain issues and not others.

57. Scrutiny members should accept that shortlisting can be difficult; scrutiny committees have finite resources and deciding how these are best allocated is tough. They should understand that, if work programming is robust and effective, there might well be issues that they want to look at that nonetheless are not selected.

Carrying out work

58. Selected topics can be scrutinised in several ways, including:

- a) **As a single item on a committee agenda** – this often presents a limited opportunity for effective scrutiny, but may be appropriate for some issues or where the committee wants to maintain a formal watching brief over a given issue;
- b) **At a single meeting** – which could be a committee meeting or something less formal. This can provide an opportunity to have a single public meeting about a

given subject, or to have a meeting at which evidence is taken from a number of witnesses;

- c) **At a task and finish review of two or three meetings** – short, sharp scrutiny reviews are likely to be most effective even for complex topics. Properly focused, they ensure members can swiftly reach conclusions and make recommendations, perhaps over the course of a couple of months or less;
- d) **Via a longer-term task and finish review** – the ‘traditional’ task and finish model – with perhaps six or seven meetings spread over a number of months – is still appropriate when scrutiny needs to dig into a complex topic in significant detail. However, the resource implications of such work, and its length, can make it unattractive for all but the most complex matters; and
- e) **By establishing a ‘standing panel’** – this falls short of establishing a whole new committee but may reflect a necessity to keep a watching brief over a critical local issue, especially where members feel they need to convene regularly to carry out that oversight. Again, the resource implications of this approach means that it will be rarely used.

7. Evidence Sessions

59. Evidence sessions are a key way in which scrutiny committees inform their work. They might happen at formal committee, in less formal ‘task and finish’ groups or at standalone sessions.

Good preparation is a vital part of conducting effective evidence sessions. Members should have a clear idea of what the committee hopes to get out of each session and appreciate that success will depend on their ability to work together on the day.

How to plan

60. Effective planning does not necessarily involve a large number of pre-meetings, the development of complex scopes or the drafting of questioning plans. It is more often about setting overall objectives and then considering what type of questions (and the way in which they are asked) can best elicit the information the committee is seeking. This applies as much to individual agenda items as it does for longer evidence sessions – there should always be consideration in advance of what scrutiny is trying to get out of a particular evidence session.

Chairs play a vital role in leading discussions on objective-setting and ensuring all members are aware of the specific role each will play during the evidence session.

61. As far as possible there should be consensus among scrutiny members about the objective of an evidence session before it starts. It is important to recognise that members have different perspectives on certain issues, and so might not share the objectives for a session that are ultimately adopted. Where this happens, the Chair will need to be aware of this divergence of views and bear it in mind when planning the evidence session.
62. Effective planning should mean that at the end of a session it is relatively straightforward for the chair to draw together themes and highlight the key findings. It is unlikely that the committee will be able to develop and agree recommendations immediately, but, unless the session is part of a wider inquiry, enough evidence should have been gathered to allow the chair to set a clear direction.
63. After an evidence session, the committee might wish to hold a short ‘wash-up’ meeting to review whether their objectives were met and lessons could be learned for future sessions.

Developing recommendations

64. The development and agreement of recommendations is often an iterative process. It will usually be appropriate for this to be done only by members, assisted by co-optees where relevant. When deciding on recommendations, however, members should have due regard to advice received from officers, particularly the Monitoring Officer.

65. The drafting of reports is usually, but not always, carried out by officers, directed by members.

66. Authorities draft reports and recommendations in a number of ways, but there are normally three stages:

- i. the development of a 'heads of report' – a document setting out general findings that members can then discuss as they consider the overall structure and focus of the report and its recommendations;
- ii. the development of those findings, which will set out some areas on which recommendations might be made; and
- iii. the drafting of the full report.

67. Recommendations should be evidence-based and SMART, i.e. specific, measurable, achievable, relevant and timed. Where appropriate, committees may wish to consider sharing them in draft with interested parties.

68. Committees should bear in mind that often six to eight recommendations are sufficient to enable the authority to focus its response, although there may be specific circumstances in which more might be appropriate.

Sharing draft recommendations with executive members should not provide an opportunity for them to revise or block recommendations before they are made. It should, however, provide an opportunity for errors to be identified and corrected, and for a more general sense-check.

Annex 1: Illustrative Scenario – Creating an Executive-Scrutiny Protocol

An executive-scrutiny protocol can deal with the practical expectations of scrutiny committee members and the executive, as well as the cultural dynamics.

Workshops with scrutiny members, senior officers and Cabinet can be helpful to inform the drafting of a protocol. An external facilitator can help bring an independent perspective.

Councils should consider how to adopt a protocol, e.g. formal agreement at scrutiny committee and Cabinet, then formal integration into the Council's constitution at the next Annual General Meeting.

The protocol, as agreed, may contain sections on:

- The way scrutiny will go about developing its work programme (including the ways in which senior officers and Cabinet members will be kept informed);
- The way in which senior officers and Cabinet will keep scrutiny informed of the outlines of major decisions as they are developed, to allow for discussion of scrutiny's potential involvement in policy development. This involves the building in of safeguards to mitigate risks around the sharing of sensitive information with scrutiny members;
- A strengthening and expansion of existing parts of the code of conduct that relate to behaviour in formal meetings, and in informal meetings;
- Specification of the nature and form of responses that scrutiny can expect when it makes recommendations to the executive, when it makes requests to the executive for information, and when it makes requests that Cabinet members or senior officers attend meetings; and
- Confirmation of the role of the statutory scrutiny officer, and Monitoring Officer, in overseeing compliance with the protocol, and ensuring that it is used to support the wider aim of supporting and promoting a culture of scrutiny, with matters relating to the protocol's success being reported to full Council through the scrutiny Annual Report.

Annex 2: Illustrative Scenario – Engaging Independent Technical Advisers

This example demonstrates how one Council's executive and scrutiny committee worked together to scope a role and then appoint an independent adviser on transforming social care commissioning. Their considerations and process may be helpful and applicable in other similar scenarios.

Major care contracts were coming to an end and the Council took the opportunity to review whether to continue with its existing strategic commissioning framework, or take a different approach – potentially insourcing certain elements.

The relevant Director was concerned about the Council's reliance on a very small number of large providers. The Director therefore approached the Scrutiny and Governance Manager to talk through the potential role scrutiny could play as the Council considered these changes.

The Scrutiny Chair wanted to look at this issue in some depth, but recognised its complexity could make it difficult for her committee to engage – she was concerned it would not be able to do the issue justice. The Director offered support from his own officer team, but the Chair considered this approach to be beset by risks around the independence of the process.

She talked to the Director about securing independent advice. He was worried that an independent adviser could come with preconceived ideas and would not understand the Council's context and objectives. The Scrutiny Chair was concerned that independent advice could end up leading to scrutiny members being passive, relying on an adviser to do their thinking for them. They agreed that some form of independent assistance would be valuable, but that how it was provided and managed should be carefully thought out.

With the assistance of the Governance and Scrutiny Manager, the Scrutiny Chair approached local universities and Further Education institutions to identify an appropriate individual. The approach was clear – it set out the precise role expected of the adviser, and explained the scrutiny process itself. Because members wanted to focus on the risks of market failure, and felt more confident on substantive social care matters, the approach was directed at those with a specialism in economics and business administration. The Council's search was proactive – the assistance of the service department was drawn on to make direct approaches to particular individuals who could carry out this role.

It was agreed to make a small budget available to act as a 'per diem' to support an adviser; academics were approached in the first instance as the Council felt able to make a case that an educational institution would provide this support for free as part of its commitment to Corporate Social Responsibility.

Three individuals were identified from the Council's proactive search. The Chair and Vice-Chair of the committee had an informal discussion with each – not so much to establish their skills and expertise (which had already been assessed) but to give a sense about

their 'fit' with scrutiny's objectives and their political nous in understanding the environment in which they would operate, and to satisfy themselves that they will apply themselves even-handedly to the task. The Director sat in on this process but played no part in who was ultimately selected.

The independent advice provided by the selected individual gave the Scrutiny Committee a more comprehensive understanding of the issue and meant it was able to offer informed advice on the merits of putting in place a new strategic commissioning framework.

Annex 3: Illustrative Scenario – Approaching an External Organisation to Appear before a Committee

This example shows how one council ensured a productive scrutiny meeting, involving a private company and the public. Lessons may be drawn and apply to other similar scenarios.

Concerns had been expressed by user groups, and the public at large, about the reliability of the local bus service. The Scrutiny Chair wanted to question the bus company in a public evidence session but knew that she had no power to compel it to attend. Previous attempts to engage it had been unsuccessful; the company was not hostile, but said it had its own ways of engaging the public.

The Monitoring Officer approached the company's regional PR manager, but he expressed concern that the session would end in a 'bunfight'. He also explained the company had put their improvement plan in the public domain, and felt a big council meeting would exacerbate tensions.

Other councillors had strong views about the company – one thought the committee should tell the company it would be empty-chaired if it refused to attend. The Scrutiny Chair was sympathetic to this, but thought such an approach would not lead to any improvements.

The Scrutiny Chair was keen to make progress, but it was difficult to find the right person to speak to at the company, so she asked council officers and local transport advocacy groups for advice. Speaking to those people also gave her a better sense of what scrutiny's role might be.

When she finally spoke to the company's network manager, she explained the situation and suggested they work together to consider how the meeting could be productive for the Council, the company and local people. In particular, this provided her with an opportunity to explain scrutiny and its role. The network manager remained sceptical but was reassured that they could work together to ensure that the meeting would not be an 'ambush'. He agreed in principle to attend and also provide information to support the Committee's work beforehand.

Discussions continued in the four weeks leading up to the Committee meeting. The Scrutiny Chair was conscious that while she had to work with the company to ensure that the meeting was constructive – and secure their attendance – it could not be a whitewash, and other members and the public would demand a hard edge to the discussions.

The scrutiny committee agreed that the meeting would provide a space for the company to provide context to the problems local people are experiencing, but that this would be preceded by a space on the agenda for the Chair, Vice-chair, and representatives from two local transport advocacy groups to set out their concerns. The company were sent in

advance a summary of the general areas on which members were likely to ask questions, to ensure that those questions could be addressed at the meeting.

Finally, provision was made for public questions and debate. Those attending the meeting were invited to discuss with each other the principal issues they wanted the meeting to cover. A short, facilitated discussion in the room led by the Chair highlighted the key issues, and the Chair then put those points to the company representatives.

At the end of the meeting, the public asked questions of the bus company representative in a 20-minute plenary item.

The meeting was fractious, but the planning carried out to prepare for this – by channelling issues through discussion and using the Chair to mediate the questioning – made things easier. Some attendees were initially frustrated by this structure, but the company representative was more open and less defensive than might otherwise have been the case.

The meeting also motivated the company to revise its communications plan to become more responsive to this kind of challenge, part of which involved a commitment to feed back to the scrutiny committee on the recommendations it made on the night.

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Somerset County Council

– 22 January 2020

Report of the Monitoring Officer – Appointments to Committees

Cabinet Member: N/A

Division and Local Member: N/A

Lead Officer and author: Scott Wooldridge - Monitoring Officer and Strategic Manager-
Governance and Democratic Services

Contact Details: 01823 357628

1. Summary

- 1.1** This report sets out proposed changes to appointments to committees, internal / external bodies and panels as a result of changes to political groups.

2. Recommendations

2.1 It is recommended that the Council:

- 1. agrees to increase the composition of the Officer Appeals Committee from six to nine elected members (see 3.2.7 below)**
- 2. agrees to increase the composition of the Constitution & Standards Committee from five to six elected members (see 3.2.7 below)**
- 3. approves the revised committee appointments set out in this report and the Appointments Schedule at Appendix 1 (to follow) – see section 3.2**

3. Background

3.1. Revised appointments to committees, internal/external bodies and panels

- 3.1.1** Appointments are reviewed and agreed at the Council's Annual General Meeting in May each year and immediately following county council elections. In addition, changes to appointments can arise as a result of changes to the form and function of committees and / or the membership or creation of political groups.

3.2 Appointments Schedule: see Appendix 1 to follow

- 3.2.1** Following the 2017 elections, the Council in May 2017 appointed committees and made all related appointments in accordance with the requirements of the Local Government and Housing Act 1989. Revisions to these appointments have been agreed subsequently as part of the Annual General Meetings in

2018 and 2019, along with revisions at other Council meetings where there have been multiple changes requiring approval.

The last report on committee appointments was considered at the Council meeting in July 2019 where appointments were agreed for the Heart of the South West LEP Joint Scrutiny Committee.

3.2.2 The 1989 Act sets out the principles to be used in agreeing the size of and allocation of places to committees (and sub-committees) of the Council and also requires this process to be repeated annually at the Council's AGM. The principles must be followed so far as is reasonably practicable.

3.2.3 The following principles from the 1989 Act, together with a commentary where appropriate, must be applied to the allocation of seats on committees.

1. All the seats should not be allocated to the same political group.
2. A majority group is required to have a majority on all committees unless the Council agrees otherwise. *The proposal in the table in 3.2.4 below satisfies this principle. Local arrangements apply to the Constitution and Standards Committee membership where all political groups are represented and the Scrutiny Committee for Children & Families where the membership includes 5 co-opted members with a vote on education matters only.*
3. Subject to principles (1) and (2), the total number of seats on all the committees of the Council allocated to each political group should reflect the number of seats held by that group on the Council. *The table below reflects this calculation.*
4. Subject to principles (1), (2) and (3), the number of seats on each committee of the Council allocated to each political group should reflect the number of seats held by that group on the Council. *This calculation is also reflected in the table below.*

3.2.4 The position at the Annual General Meeting in May 2019 in terms of entitlement to places was:

Seats held on the Council	33	14	3	2	2	1	55
Committee	Con	Lib Dem	Lab	Ind	Green	Ind Mem	Total
Regulation	5	2	1				8
P&P (Place)	5	2	1				8
P&P (Adults & H)	5	2	1				8
P&P (Child's S)	5	2	1				8
HR Policy	4	2					6
Audit	5	2	1				8
Officer App	4	2					6

Pensions	3	1					4
Fire Authority	5	2	1				8
Exmoor NPA	3	1					4
Con & Standards	1	1	1	1	1		5
Individual cttee totals	45	19	7	1	1	0	73
Overall calculation - total places	45.13	18.58	3.98	2.65	2.65	1.33	73

Notes

- The overall calculation takes priority over individual committee allocations
- As stated above, the Conservative Group must have a majority on each committee unless a 'local arrangement' is agreed. They chose to exercise this right in all cases other than the Constitution & Standards Committee
- On the larger committees (8 members) 1 seat was left on each to be filled either by a representative from the smaller political groups with the first choice being given to the Labour Group as the larger of these
- The Independent and Green group was not entitled to any places on individual committees but had a place on the Constitution and Standards Committee as of right under a proposed 'local arrangement'.

3.2.5 Some of the political groups have previously decided to allocate some of their entitled places to another political group to bring the allocation of seats closer in line with the overall allocation in the table above. By way of example in May 2019 :

- Conservative group allocated a place on Officer Appeals Committee to Cllr Dean Ruddle
- Labour group allocated their place on Regulation Committee to the Green group
- Labour group allocated their place on the Scrutiny Committee for Policies and Place to the Independent group
- Labour group allocated their place on Audit Committee to the Independent group
- Liberal Democrat group allocated one of their places on Scrutiny Committee for Children and Families to the Green group.

3.2.6 Since the Council's meeting in May 2019 there have been further changes to the composition and number of the political groups:

Political Group	May 2019	Current	Difference
Conservative	33	33	0
Liberal Democrat	14	13	-1
Labour	3	3	0
Independent	2	2	0
Green	2	2	0
Somerset	N/A	2	+2

Independent Group			
Individual member	1	0	-1
Totals	55	55	

These changes to the membership of some of the political groups require the Council to make changes to the allocation of seats held by the Council in accordance with the principles set out in 3.2.3 above.

3.2.7 In addition to changes in political group membership it is recommended that the overall number of committee places is increased from 73 to 77. The proposed increases relate to:

- the Officer Appeals Committee membership to be increased from 6 to 9 elected members in order to meet business needs.
- A guiding principle for the Constitution & Standards Committee has been a representative from each of the political groups and as a result of the creation of a new political group it is recommended that the membership is increased to incorporate a representative from the new group.

3.2.8 As a result of the matters shown in 3.2.6 and 3.2.7 a revised calculation of committee places and outside bodies has been undertaken and this is set out below (changes shown in red) :

Seats held on the Council	33	13	3	2	2	2	55
Committee	Con	Lib Dem	Lab	Ind	Green	Som Ind *	Total
Regulation	5	2	1				8
P&P (Place)	5	2	1				8
P&P (Adults & H)	5	2	1				8
P&P (Child's S)	5	2	1				8
HR Policy	4	1	1				6
Audit	5	2	1				8
Officer App	5	2	2				9
Pensions	3	1					4
Fire Authority	5	2	1				8
Exmoor NPA	3	1					4
Con & Standards	1	1	1	1	1	1	6
Individual cttee totals	46	18	10	1	1	1	77
Overall calculation - total places	46.20	18.28	4.20	2.80	2.80	2.80	77

3.2.9 Explanation of the table in 3.2.8 above and summary of current appointments:

- There are now proposed to be **77** committee places in total to be

allocated. These do not divide neatly across the 6 political groups within the overall calculation hence the inclusion of decimal points. This is the second most important calculation after ensuring that the Conservative Group has a majority on each committee where it wants it.

- The Labour group is over-provided for in terms of places on individual committees and need to consider giving up places of their choice under a 'local arrangement' to the Independent group, Green Party and Somerset Independent group to achieve a closer match with the overall calculation (see 3.2.8 above).

Specific actions for each of the groups are:

- **Conservative Group:** to nominate an additional member to the Officer Appeals Committee.
- **Lib Dem Group:** whether the group still wish to allocate one of their places on Scrutiny Committee Children and Families to the Green group.
- **Labour Group:** As the largest of the smaller groups, this Group is entitled to 1 seat on each of the 4, 6, 8 and 9 member committees. However the group is overprovided for in terms of seats on individual committees and therefore needs to give up seats to the Independent Group, Green Group and the new Somerset Independent Group in order to ensure their allocated places are as close as possible to the overall calculation.
- **Independent Group:** To negotiate with the Labour, Green and new Somerset Independent Group on the allocation of two additional committee places (excluding Constitution & Standards Committee).
- **Green Group:** To negotiate with the Labour, Independent and new Somerset Independent Group on the allocation of two additional committee places (excluding Constitution & Standards Committee). To discuss with the Liberal Democrat group whether they still wish to allocate one of their places on Scrutiny Children and Families to the Green group which would aid continuity of membership.
- **Somerset Independent Group:** To negotiate with the Labour, Green and Independent Group on the allocation of two additional committee places (excluding Constitution & Standards Committee).

3.2.10 All political group leaders have been advised of the revised calculations and their proposed nominations and changes to committee places will be set out in a revised Appointments Schedule (Appendix A) which is expected to be published ahead of the Council meeting for approval.

3.2.11 No changes are proposed within this report to the terms of reference of Committees of the Council as agreed by Council and set out within the Constitution.

4. Implications

4.1 Legal & Risk: This report complies with all legal requirements. The only risk to the

Council would result from the Council failing to fulfil its legal obligations as set out in the report through any decisions taken or not taken at this meeting.

4.2 The Council's Constitution sets out the legal framework within which the Council takes decisions and fulfils its functions and responsibilities. It needs to be kept up to date and legally compliant. All of the proposed amendments to the Constitution are in accord with the legislative requirements which give considerable scope for the Council to agree its own constitutional arrangements.

4.2 Financial, equalities, sustainability and community safety implications: There are no direct equalities implications arising from any of the proposals in this report. There are also no direct financial, sustainability or community safety implications.

5. Background papers

5.1 Council's Constitution dated May 2019

Somerset County Council

County Council

– 22 January 2020

Report of the Chief Executive – Appointment of the Section 151 Officer, Director of Adult Social Services and Monitoring Officer

Lead Officer and author: Patrick Flaherty, Chief Executive

Contact Details: 01823 357628

1. Summary

1.1 This report sets out recommendations to the County Council to appoint officers to the following statutory officer roles:

- Jason Vaughan (Director of Finance from 1 March 2020) to the statutory role of Section 151 Officer with delegated powers (from 1 March 2020);
- Mel Lock (Director of Adult Social Services) to the statutory role of Director of Adult Social Services with delegated powers; and
- Scott Wooldridge (Strategic Manager-Governance & Democratic Services) to the statutory role of Monitoring Officer with delegated powers.

All of the above appointments are politically restricted statutory posts under Section 2 of the Local Government and Housing Act 1989 (as amended) and must be appointed by the County Council rather than the Cabinet.

The Chief Finance Officer (locally known as the S151 officer) and Monitoring Officer appointments arise out of sections 4 to 6 of the Local government and Housing Act 1989. The appointments are personal to the officers and once appointed by Council they have personal responsibilities to the Council as a whole. Their prime responsibility individually and jointly is to ensure the good governance of the council. Normally the Chief Finance Officer and the Monitoring Officer are held by the Council's most senior financial and governance officers.

2. Recommendations

2.1 Appointment of Chief Finance Officer (Section 151 Officer)

To appoint and empower Jason Vaughan (Director of Finance from 1 March 2020) to the statutory role of Chief Finance Officer (Section 151 Officer) with all the legislative and constitutional delegated powers for this role with effect from 1 March 2020 (see section 3.1 below).

2.2 Appointment of Director of Adult Social Services

To appoint and empower Mel Lock (Director of Adults & Health Services) to the statutory role of Director of Adult Social Services with all the legislative and constitutional delegated powers for this role with immediate effect (see

section 3.2 below).

2.3 Appointment of Monitoring Officer

To appoint and empower Scott Wooldridge (Strategic Manager-Governance & Democratic Services) to the statutory role of Monitoring Officer with all the legislative and constitutional delegated powers for this role with immediate effect (see section 3.3 of this report).

3. Background

3.1. Appointment of Chief Finance Officer (Section 151 Officer)

3.1.1 The current arrangement for an interim Director of Finance post and its responsibility for the section 151 role has been a key part of the Senior Leadership team and instrumental in helping to create a financially sustainable council.

Whilst the S151 officer may deputise his duties to another officer, it may not, however, be to the monitoring officer who is not allowed by legislation to hold the S151 officer role.

3.1.2 A process to fill the Director of Finance role on an interim basis was completed in May 2018 (Peter Lewis) and March 2019 (Sheila Collins). These appointments gave the following advantages:

- Providing Somerset County Council with significant financial and business expertise gained at other organisations; and
- A view as to the strength and capability of the current Finance function and where our skills and capacity might need to be enhanced.

3.1.3 The role and functions of the Chief Finance Officer (S151 Officer) are directly informed by a comprehensive framework of statutory duties and responsibilities.

In summary, the Chief Finance Officer:

- is a role prescribed by law and local authorities must assign Section 151 duties to one officer who must be a qualified member of a recognised accountancy body;
- must ensure compliance with all statutory requirements for accounting and internal audit (including supporting records and all systems of internal checks and control);
- manage the financial affairs of the authority in all its dealings and transactions and in so doing secure the proper stewardship of Council (and Members) responsibilities;
- must report under S114 powers to the Cabinet, the District Auditor and all Members of an authority if there is, or is likely to be any item of unlawful expenditure or an unbalanced budget;
- to certify the Annual Statement of Accounts;

- owes a personal duty of care to local tax payers in managing Council resources on their behalf. In discharging this responsibility, the S151 Officer must balance the needs and interests of both current and future taxpayers.

The statutory powers and functions of this role are defined by legislation, the Council's Constitution and Schemes of Delegation. Further details can be found on the council's website or from the Monitoring Officer.

The Chief Finance Officer reports directly to the Chief Executive.

- 3.1.4** The recruitment campaign for a permanent Director of Finance started in September 2019, concluding with an Appointments Committee meeting on 27th November 2019. The Committee unanimously recommended to the Chief Executive the appointment of Jason Vaughan as the Director of Finance (from 1 March 2020 to replace the current Interim Director of Finance).

Following that decision, it is now recommended that the County Council appoints and empowers Jason Vaughan with the statutory functions of the Chief Finance Officer (S151 officer) role on behalf of the Council with effect from 1 March 2020.

3.2 Appointment of Director of Adult Social Services

- 3.2.1 The Council appointed and empowered Mel Lock to the statutory role of Director of Adult Social Services (DASS) whilst she was undertaking the role of Acting Director of Adult & Health from July 2019.
- 3.2.2 The Director of Adults' & Health post is a key part of the Senior Leadership team and instrumental in helping to create a financially sustainable council and the Improving Lives programme. The post includes the functions that are required of the statutory chief officer post for Adult Social Services pursuant to the Local Authority Social Services Act 1970.
- 3.2.3 The DASS has responsibilities for professional leadership and operational delivery of adult social services, including for people when they are most disadvantaged and vulnerable, and their families and carers. This will be undertaken within the local care and health (and the wider council, criminal justice and community and economic) system. As such, this post should be at first tier officer level.

The following legislation shapes the role of the DASS:

- The Care Act 2014
- The Mental Capacity Act (2005) and Deprivation of Liberty Safeguards
- The Mental Health Act 2007
- The Human Rights Act 1998

- The Domestic Violence, Crime and Victims Act 2004 and subsequent legislation relating to Domestic Violence Protection Notices and Orders, the criminal offence of Coercive and Controlling Behaviour, Modern Slavery and Forced Marriages.

Statutory guidance advises that the DASS post should report directly to the Chief Executive and be comparable in seniority to the Director of Children's Services.

- 3.2.3 The recruitment process to appoint a permanent DASS was undertaken throughout September and October, leading to an Appointments Committee meeting on 14 November 2019. The Appointments Committee unanimously agreed to recommend to the Chief Executive the proposed appointment of Mel Lock as the Director of Adults & Health.
- 3.2.4 The Chief Executive took a decision on 20 November 2019 to appoint Mel Lock to the role of Director of Adults & Health. Following that decision, it is now recommended that the County Council appoints and empowers Mel Lock with the statutory functions of the Director of Adult Social Services role on behalf of the Council.

The statutory powers and functions of this role are defined by legislation, the Council's Constitution and Schemes of Delegation. Further details can be found on the council's website or from the Monitoring Officer.

3.3 Appointment of Monitoring Officer

- 3.3.1 In February 2018, the Council appointed Scott Wooldridge to the statutory role of the Monitoring Officer whilst he was undertaking the interim role of Strategic Manager-Governance until March 2020.

The Monitoring Officer may deputise his duties to another officer, it may not however be the head of paid service or the S151 officer as neither of these are allowed to hold the monitoring officer role.

- 3.3.2 The main functions of the Monitoring Officer are:
- To report to the Council and to the Cabinet in any case where they are of the opinion that any proposal or decision of the Council has given rise to or is likely to or would give rise to any illegality, maladministration or breach of statutory code under Sections 5 and 5A of the Local Government and Housing Act 1989 (LGHA 89);
 - To investigate any matter which the Monitoring Officer has reason to believe may constitute, or where they have an allegation that a matter may constitute, a reportable incident under Sections 5 and 5A of the LGHA 89;
 - To act as the principal adviser to the Council's Constitution & Standards Committee;
 - To maintain the register of Members' interests;
 - To maintain the register of Officers' interests;
 - To undertake, with others, investigations in accordance with the Council's Whistleblowing procedures;

In general terms, the Monitoring Officer's ability to discharge these duties and responsibilities will depend, to a large extent, on Members and Officers: -

- Complying with the law (including any relevant Codes of Conduct);
- Complying with any General Guidance issued, from time to time, by the Constitution & Standards Committee and/or the Monitoring Officer;
- Making lawful and proportionate decisions;
- Complying with the Council's Constitution and standing orders
- Generally, not taking action that would bring the Council, their offices or professions into disrepute; and
- Communicating effectively with the Monitoring Officer and seeking advice on any issues relating to constitutional or ethical matters

3.3.2 The recruitment process to appoint a permanent Strategic Manager-Governance & Democratic Services was undertaken during August and September 2019, leading to an Appointments Committee meeting on 25 September 2019. The Appointments Committee unanimously agreed to recommend to the Chief Executive the proposed appointment of Scott Wooldridge as the Strategic Manager-Governance & Democratic Services.

3.3.4 The Chief Executive took a decision on 27 September 2019 to appoint Scott Wooldridge to the role of Strategic Manager-Governance & Democratic Services. Following that decision, it is now recommended that the County Council appoints and empowers Scott Wooldridge with the statutory functions of the Monitoring Officer role on behalf of the Council.

4. Implications

4.1 Legal & Risk: This report complies with all legal requirements. The only risk to the Council would result from the Council failing to fulfil its legal obligations as set out in the report through any decisions taken or not taken at this meeting.

4.2 All of the proposed appointments are in accordance with legal requirements and the Council's Constitution.

4.2 Financial, equalities, sustainability and community safety implications: There are no direct equalities implications arising from any of the proposals in this report. There are also no direct financial, sustainability or community safety implications.

5. Background papers

5.1 Councils Constitution dated May 2019
Appointments Committee papers and minutes September 2019 and November 2019 published on the council's website

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REQUISITION MOTION - Local Government NJC PAY TO Somerset County Council.

A FULLY FUNDED, PROPER PAY RISE FOR COUNCIL (AND SCHOOL) WORKERS

• **Somerset County Council notes:-**

- Local government has endured central government funding cuts of nearly 50% since 2010.
- Between 2010 and 2020, councils will have lost 60p out of every £1 they have received from central government.
- The 2019 LGA survey of council finances found that 1 in 3 councils fear they will run out of funding to provide even their statutory, legal duties by 2022/23. This number rises to almost two thirds of councils by 2024/2025 or later.
- The LGA estimates councils will face a funding gap of £8 billion by 2025.
- Faced with these cuts from central government, the local government workforce has endured years of pay restraint with the majority of pay points losing 22 per cent of their value since 2009/10.
- At the same time as seeing their pay go down in real terms, workers experience ever increasing workloads and persistent job insecurity. Across the UK, an estimated 876,000 jobs have been lost in local government since June 2010 – a reduction of 30 per cent. Local government has arguably been hit by more severe job losses than any other part of the public sector.
- There has been a disproportionate impact on women, with women making up more than three quarters of the local government workforce.

• **Somerset County Council believes:-**

- Our workers are (public service) dedicated staff. They keep our communities clean, look after those in need and keep our towns and cities running.
- Without the professionalism and dedication of our staff, the council services our residents rely on would not be deliverable.
- Government funding has been cut to the extent that a proper pay rise could result in a reduction in local government services.
- The next government needs to take responsibility and fully fund increases in pay; it should not put the burden on local authorities whose funding been cut to the bone.

• **Somerset County Council resolves to:-**

- Support the pay claim submitted by **GMB, UNISON and Unite** on behalf of council and school workers for a £10 per hour minimum wage and a 10 per cent uplift across all other pay points in 2020/21.
- Call on the Local Government Association to make urgent representations to the next government to fund the NJC pay claim.
- Write to the new Chancellor and Secretary of State to call for a pay increase for local government workers to be fully funded with new & on-going money from central government.
- Meet with local NJC union representatives to convey support for the pay claim.
- Encourage all local government workers to join a union.

Proposed by Cllr Leigh Redman

Seconded by TBC.

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Somerset County Council

County Council

– 22 January 2019

Report of the Leader and Cabinet – Items for Information

Cabinet Member: Cllr David Fothergill – Leader of the Council

Division and Local Member: All

Lead Officer: Scott Wooldridge - Strategic Manager – Governance & Democratic Services and Monitoring Officer

Author: Mike Bryant – Team Leader Democratic Services

Contact Details: 01823 357628

1. Summary

- 1.1. This report covers key decisions taken by the Leader, Cabinet Members and officers between 9 July 2019 and 10 January 2019, together with the items of business discussed at the Cabinet meetings on 14 August 2019, 25 September 2019, 13 November 2019 and 18 December 2019. The Leader and Cabinet Members may also wish to raise other issues at the County Council meeting.

2. Details of decisions

- 2.1. Agenda and papers for the Cabinet meetings held on 14 August 2019, 25 September 2019, 13 November 2019 and 18 December 2019 are published within the Cabinet webpages on the Council's website. Individual Leader, Cabinet Member and Officer key decision records and related reports are also published within the Cabinet webpages on the Council's website.

LEADER OF COUNCIL (Customers and Communities) – Cllr David Fothergill		
Item	Date of Meeting	Summary of Decision
Review of the Council's Scrutiny Functions	18 December 2019	<p>SUMMARY OF DECISION: The Peer Challenge in 2018 identified, as one of the key recommendations, that 'Somerset County Council should review its scrutiny arrangements as part of making it more effective'. In support of the Council's organisational transformation, the Council commissioned the nationally renowned Centre for Public Scrutiny to carry out an independent review of the scrutiny function at SCC between March and May 2019.</p> <p>This decision saw the Cabinet recommend to full Council to implement a programme of cultural transformation and improvements to its scrutiny arrangements by March 2021, along with the approval of a number of further recommendations regarding the Centre for Public Scrutiny report.</p> <p>ALTERNATIVE OPTIONS CONSIDERED: As set out in the officer report.</p> <p>REASONS FOR DECISION: As set out in the officer report.</p>
Climate Emergency Framework	18 December 2019	<p>SUMMARY OF DECISION: This decision endorsed the draft Climate Emergency Framework document for consultation and the approach to its delivery through the workstreams. The framework document sets out high-level detail explaining the expected directions of travel required to address the various issues that have been identified. The decision further endorsed: the timeline for development of the full Climate Emergency Strategy; the proposed consultation activities; and noted the risks detailed in the report and framework document.</p> <p>ALTERNATIVE OPTIONS CONSIDERED: As set out in the officer report.</p> <p>REASONS FOR DECISION: As set out in the officer report.</p>
Corporate Performance Report	13 November 2019 by Cabinet	<p>SUMMARY OF DECISION: This report provided members with the high-level information they need to lead and manage the performance of the outcomes set out</p>

LEADER OF COUNCIL (Customers and Communities) – Cllr David Fothergill		
Item	Date of Meeting	Summary of Decision
– Quarter 2 2019/20		<p>in the Council's Vision and reflects the Council's ongoing progress towards the outcomes laid out in the Council's Business Plan.</p> <p>The Cabinet considered the proposed management actions already in place are adequate to improve performance to the desired level.</p> <p>ALTERNATIVE OPTIONS CONSIDERED: As set out in the officer report.</p> <p>REASONS FOR DECISION: As set out in the officer report.</p>
Heart of the South West Joint Committee – Governance Arrangements and Budgetary Position	13 November 2019	<p>SUMMARY OF DECISION: This paper provided an update on the Heart of the South West Joint Committee and the Council's role in supporting this key partnership committee.</p> <p>The report included: approving amendments to the Heart of the South West Joint Committee's list of functions; noting the updated budget position for 2019/20; and the provision of £21,000 as a contribution to the administration of the Committee in the 2020/21 financial year.</p> <p>ALTERNATIVE OPTIONS CONSIDERED: As set out in the officer report.</p> <p>REASONS FOR DECISION: As set out in the officer report.</p>
Corporate Performance Report – End of July (Q1+1 2019/20)	25 September 2019 by the Cabinet	<p>SUMMARY OF DECISION: This report provided members with the high-level information they need to lead and manage the performance of the outcomes set out in the Council's Vision and reflects the Council's ongoing progress towards the outcomes laid out in the Council's Business Plan.</p> <p>The Cabinet considered the proposed management actions already in place are adequate to improve performance to the desired level.</p>

LEADER OF COUNCIL (Customers and Communities) – Cllr David Fothergill

Item	Date of Meeting	Summary of Decision
		<p>ALTERNATIVE OPTIONS CONSIDERED: As set out in the officer report.</p> <p>REASONS FOR DECISION: As set out in the officer report.</p>

RESOURCES – Cllr Mandy Chilcott

Item	Date of Meeting	Summary of Decision
Month 7 Revenue Budget Monitoring	18 December 2019 by Cabinet	<p>SUMMARY OF DECISION: This report set out the month 7 forecast outturn position for 2019/20 for the net Revenue Budget of £327.967m. It highlighted variances to service budgets, as well as emerging issues, risks, areas of concern and proposed actions to resolve them.</p> <p>The report highlighted an overall projected balanced position for the Council, with the main adverse movements from month 6 being within Children’s and Adults Services partly offset by the favourable movements within Economic and Community Infrastructure Services, Corporate and Support Services.</p> <p>ALTERNATIVE OPTIONS CONSIDERED: As set out in the officer report.</p> <p>REASONS FOR DECISION: As set out in the officer report.</p>
Management of Risk Pathway documents: Strategy, Policy and Process	18 December 2019 by Cabinet	<p>SUMMARY OF DECISION: The Management of Risk Pathway documents consist of a suite of documents i.e. Strategy, Policy and Process. The Council’s current Management of Risk documents have been updated reflecting changes to the working practices of the Council.</p> <p>This decision endorsed the Management of Risk Pathway documents and recommend</p>

RESOURCES – *Cllr Mandy Chilcott*

Item	Date of Meeting	Summary of Decision
		approval and adoption as part of the Council's Governance arrangements. ALTERNATIVE OPTIONS CONSIDERED: As set out in the officer report. REASONS FOR DECISION: As set out in the officer report.

RESOURCES – Cllr Mandy Chilcott		
Item	Date of Meeting	Summary of Decision
Investment Strategy	18 December 2019 by Cabinet	<p>SUMMARY OF DECISION: This report outlined the three options available to the Council to make investments and generate a financial return to support the delivery of council priorities, including: the investment of surplus cash through Treasury Management activities, further investment in property assets that the council already owns and the purchasing of new property assets.</p> <p>The report forecast that a more diversified approach to investments could lead to additional income of over £1m over the next two years.</p> <p>ALTERNATIVE OPTIONS CONSIDERED: As set out in the officer report.</p> <p>REASONS FOR DECISION: As set out in the officer report.</p>
Medium Term Financial Plan (2020-2023) Strategy	18 December 2019 by Cabinet	<p>SUMMARY OF DECISION: This paper set out how the Council has developed a Medium-Term Financial Plan Strategy to include: Investing in transforming services to improve lives for residents; Investing in communities; Avoiding further service cuts, and rather; Protecting front-line services and strengthening prevention activities.</p> <p>The paper further recognised that more could be done if Government allocated more funding on a fairer basis according to rising needs, and therefore endorse further lobbying of Government.</p> <p>ALTERNATIVE OPTIONS CONSIDERED: As set out in the officer report.</p> <p>REASONS FOR DECISION: As set out in the officer report.</p>
Month 6 (Quarter 2) Revenue Budget Monitoring	13 November 2019 by Cabinet	<p>SUMMARY OF DECISION: This report set out the Quarter 2 (month 6) forecast outturn position for 2019/20 for the net Revenue Budget of £327.967m. It highlighted variances to service budgets, as well as emerging issues, risks, areas of concern and proposed actions to resolve them.</p>

RESOURCES – *Cllr Mandy Chilcott*

Item	Date of Meeting	Summary of Decision
		<p>The report showed an overall projected balanced position for the Council, with the main adverse movement from month 5 being within Children’s Services.</p> <p>ALTERNATIVE OPTIONS CONSIDERED: As set out in the officer report.</p> <p>REASONS FOR DECISION: As set out in the officer report.</p>

RESOURCES – Cllr Mandy Chilcott		
Item	Date of Meeting	Summary of Decision
Month 6 (Quarter 2) Capital Budget Monitoring	13 November 2019 by Cabinet	<p>SUMMARY OF DECISION: This report set out the Quarter 2 (Month 6) forecast outturn position for 2019/20 for the Capital Budget of £788.425m. It highlights variances to service budgets, as well as emerging issues, risks, areas of concern and proposed actions to resolve them.</p> <p>The report highlighted that at the half way point in the year, a favourable variance of £1.735m was currently being reported.</p> <p>ALTERNATIVE OPTIONS CONSIDERED: As set out in the officer report.</p> <p>REASONS FOR DECISION: As set out in the officer report.</p>
Treasury Management 2019/20 mid-year	13 November 2019 by Cabinet	<p>SUMMARY OF DECISION: This report gave a summarised account of Treasury Management activity and outturn for the first half of the year to ensure Somerset County Council (SCC) is embracing Best Practice in accordance with the Chartered Institute of Public Finance and Accountancy's (CIPFA) recommendations.</p> <p>The Cabinet were informed that during the six months, gross investment balances averaged £224.7m (£165.2m net of funds held for others), yielding 1.12% for the period including the CCLA Property Fund.</p> <p>ALTERNATIVE OPTIONS CONSIDERED: As set out in the officer report.</p> <p>REASONS FOR DECISION: As set out in the officer report.</p>
Use of Apprenticeship levy funds as match funding for ESF Full Application –	17 October 2019 by the HR & OD Director	<p>SUMMARY OF DECISION: This decision approved the use of £1,353,000 of the Council's Apprenticeship Levy, as match funding for a European Social Fund bid, led by Somerset County Council. The Apprenticeship Levy is a type of organisation tax, where organisations who have paybills over £3 million must pay the equivalent of 0.5% of their paybill into the Levy. This tax, however, is not collected by authorities but is</p>

RESOURCES – Cllr Mandy Chilcott		
Item	Date of Meeting	Summary of Decision
Somerset Skills in Employment Project		<p>instead held by the employer in a digital account and can only be used on apprenticeship training and assessment.</p> <p>ALTERNATIVE OPTIONS CONSIDERED: As set out in the officer report.</p> <p>REASONS FOR DECISION: As set out in the officer report.</p>
Month 4 Capital Budget Monitoring	25 September 2019 by Cabinet	<p>SUMMARY OF DECISION: This report outlined progress against the County Council Capital Programme position for the first quarter of the 2019/20 financial year. At this point, an under spend of £1.355m was forecast against the existing approvals of £788.885m.</p> <p>The decision further: approved a transfer of £0.175m of Corporate Contingency to allocate the grant funding for Brexit to a specific Brexit budget within Economy Community and Infrastructure; noted that £6.033m of the corporate contingency remains unallocated if the above recommendation is approved and this is expected to increase as management actions on service variances are confirmed; and noted the delivery of £16.990m savings by Month 4 and the forecast delivery of £21.485m by the year end of the total target of £21.547m.</p> <p>ALTERNATIVE OPTIONS CONSIDERED: As set out in the officer report.</p> <p>REASONS FOR DECISION: As set out in the officer report.</p>
Month 4 (Q1+1) Revenue Budget Monitoring	25 September 2019 by Cabinet	<p>SUMMARY OF DECISION: This report set out the Month 4 forecast outturn position for 2019/20 for the net Revenue Budget of £327.967m. It highlighted variances to service budgets, as well as emerging issues, risks, areas of concern and proposed actions to resolve them.</p> <p>The report highlighted an overall projected balanced position for the Council, with the</p>

RESOURCES – *Cllr Mandy Chilcott*

Item	Date of Meeting	Summary of Decision
		<p>main variances being within Children’s Services and Trading Units (Dillington House).</p> <p>ALTERNATIVE OPTIONS CONSIDERED: As set out in the officer report.</p> <p>REASONS FOR DECISION: As set out in the officer report.</p>

RESOURCES – Cllr Mandy Chilcott		
Item	Date of Meeting	Summary of Decision
2019/20 Revenue Budget Monitoring – Quarter 1 (Month 3) Report	14 August 2019 by Cabinet	<p>SUMMARY OF DECISION: This report set out the Quarter 1 (month 3) forecast outturn position for 2019/20 for the net Revenue Budget of £327.967m. It highlighted variances to service budgets, as well as emerging issues, risks, areas of concern and proposed actions to resolve them.</p> <p>The report presented an overall projected balanced position for the Council, with the main variances being within Children’s Services and Trading Units (Dillington House).</p> <p>ALTERNATIVE OPTIONS CONSIDERED: As set out in the officer report.</p> <p>REASONS FOR DECISION: As set out in the officer report.</p>

ECONOMIC DEVELOPMENT PLANNING AND COMMUNITY INFRASTRUCTURE – Cllr David Hall		
Item	Date of Meeting	Summary of Decision
To identify a sustainable long-term location for a library in Shepton Mallet	18 December 2019 by the Cabinet Member for Economic Development, Planning and Community Infrastructure	<p>SUMMARY OF DECISION: Somerset County Council's Cabinet took a number of decisions about the network of Libraries arising from the Libraries Redesign Programme on 5th November 2018. One of the decisions taken determined the need for a statutory libraries service to be provided from a library building within Shepton Mallet.</p> <p>This decision agreed to retain the library in the existing building and enter into a new lease agreement for the premises and to build on initial work with the Library Friends Group, Shepton Mallet Town Council and others to create a ‘community hub’ facility as part of the regeneration of the Market Place in Shepton Mallet. The</p>

ECONOMIC DEVELOPMENT PLANNING AND COMMUNITY INFRASTRUCTURE – Cllr David Hall

Item	Date of Meeting	Summary of Decision
		<p>report further included the acceptance of funding from the Town Council and a local benefactor to reduce the net cost of the library to budgeted level.</p> <p>ALTERNATIVE OPTIONS CONSIDERED: As set out in the officer report.</p> <p>REASONS FOR DECISION: As set out in the officer report.</p>

<i>ECONOMIC DEVELOPMENT PLANNING AND COMMUNITY INFRASTRUCTURE – Cllr David Hall</i>		
Item	Date of Meeting	Summary of Decision
Radiation (Emergency Preparedness and Public Information) Regulations 2019	15 November 2019 by the Cabinet Member for Economic Development, Planning and Community Infrastructure	<p>SUMMARY OF DECISION: This decision agreed that the Council would make no changes to the current arrangements within the Hinkley Point B Detailed Emergency Planning Zone, maintaining all current protective actions and public information for the population within 3.5km of the site.</p> <p>ALTERNATIVE OPTIONS CONSIDERED: As set out in the officer report.</p> <p>REASONS FOR DECISION: As set out in the officer report.</p>
To accept grant funding for the Bruton Enterprise Centre and sign the subsequent terms and conditions for funding agreements	10 July 2019 by the Cabinet Member for Economic Development, Planning and Community Infrastructure and the Interim Finance Director	<p>SUMMARY OF DECISION: This decision authorised the acceptance of ERDF funding (£712,886) and the signing the grant funding agreement for funding the design and build of Phase 1 of the Bruton Enterprise Centre (BEC). Phase 1 will deliver 355m2 of flexible office space. The centre will expand the Somerset Enterprise Centre Network and allow for its business support services to benefit the area</p> <p>ALTERNATIVE OPTIONS CONSIDERED: As set out in the officer report.</p> <p>REASONS FOR DECISION: As set out in the officer report.</p>

<i>ADULT SOCIAL CARE – Cllr David Huxtable</i>		
Item	Date of Meeting	Summary of Decision
Local Government and Social Care Ombudsman Report Outcome	14 August 2019 by the Cabinet	<p>SUMMARY OF DECISION: This report noted the findings and endorsed the actions taken by the Director of Adult Social Services as recommended by the Ombudsman.</p> <p>The report highlighted that the Council has agreed to write to apologise to the complainant and pay her £250 for the trouble it has put her to in pursuing her complaints, and to update her assessment so that it includes a clear decision on</p>

ADULT SOCIAL CARE – Cllr David Huxtable		
Item	Date of Meeting	Summary of Decision
		<p>eligibility. In addition, the Council has taken action to ensure all its assessments include clear decisions on eligibility by updating its guidance for officers.</p> <p>ALTERNATIVE OPTIONS CONSIDERED: As set out in the officer report.</p> <p>REASONS FOR DECISION: As set out in the officer report.</p>
Award of Contract for Care and Support Services to Shared Lives South West in Somerset	14 August 2019 by the Cabinet	<p>SUMMARY OF DECISION: Shared Lives is where an individual or family is paid a modest amount to include an older or disabled person in their family and community life. In many cases that person goes to live with a Shared Lives carer and their family.</p> <p>This paper set out the options, financial implications and recommendation for the service to be made external to the council and the support and improvement that this would give to the scheme.</p> <p>ALTERNATIVE OPTIONS CONSIDERED: As set out in the officer report.</p> <p>REASONS FOR DECISION: As set out in the officer report.</p>

PUBLIC HEALTH AND WELLBEING – Cllr Christine Lawrence		
Item	Date of Meeting	Summary of Decision
NHS Health Checks	18 December 2019 by the Cabinet Member for Public Health and	<p>SUMMARY OF DECISION: This decision gave approval to award the contract for the NHS Health Check service to Bidder A following a competitive tendering process. The new service to commence on 1st April 2020 for a minimum of one year, with the option to extend by two further 12-month periods (1+1+1)</p>

<i>PUBLIC HEALTH AND WELLBEING – Cllr Christine Lawrence</i>		
Item	Date of Meeting	Summary of Decision
	Wellbeing	<p>ALTERNATIVE OPTIONS CONSIDERED: As set out in the officer report.</p> <p>REASONS FOR DECISION: As set out in the officer report.</p>
Decision to award the Contract for the Somerset Integrated Domestic Abuse Service	16 September 2019 by the Cabinet Member for Public Health and Wellbeing	<p>SUMMARY OF DECISION: This report approved the award of the contract for the re-commissioning of the Somerset Integrated Domestic Abuse Service. This specialist service provides emergency accommodation and outreach support service to people affected by domestic abuse.</p> <p>A procurement process has been completed to commission the new service from 1st April 2020 to enable a continuous service to people experiencing domestic abuse in the county.</p> <p>ALTERNATIVE OPTIONS CONSIDERED: As set out in the officer report.</p> <p>REASONS FOR DECISION: As set out in the officer report.</p>
Joint Strategic Needs Assessment	25 September 2019 by Cabinet	<p>SUMMARY OF DECISION: The JSNA for 2019 focused on how to join data from different organisations to understand the complexity of individuals' needs, whilst adhering to the safeguards legally established in information governance.</p> <p>ALTERNATIVE OPTIONS CONSIDERED: As set out in the officer report.</p> <p>REASONS FOR DECISION: As set out in the officer report.</p>
Future if Targeted Sexual Prevention Services for Sexual Health	28 August 2019 by the Director of Public health	<p>SUMMARY OF DECISION: This decision proposed to improve how targeted prevention services are offered, in accordance with new evidence base to ensure resources are targeted at the highest need and to reduce demand on sexual health services. The proposals included within the decision included: a competitive procurement exercise</p>

<i>PUBLIC HEALTH AND WELLBEING – Cllr Christine Lawrence</i>		
Item	Date of Meeting	Summary of Decision
		<p>for a two year contract for an HIV prevention; brining the co-ordination and provision of the universal C-Card condom distribution scheme for young people back into Somerset County Council; and a variation of the Integrated Sexual Health Service contract with Somerset Partnership NHS Foundation Trust to incorporate certain targeted prevention services.</p> <p>ALTERNATIVE OPTIONS CONSIDERED: As set out in the officer report.</p> <p>REASONS FOR DECISION: As set out in the officer report.</p>

<i>CHILDREN AND FAMILIES – Cllr Frances Nicholson</i>		
Item	Date of Meeting	Summary of Decision
Revision to the number of early years places developers will be required to fund for children from new housing developments in Somerset	29th August 2019 by the Cabinet Member for Children and Families	<p>SUMMARY OF DECISION: Recent research showed that the yield of children from new housing developments in Somerset is higher than previously thought. This decision agreed that the number of Early Years places funded by developers for children from new housing developments increases from five (5No.) places per 100 new dwellings to nine (9No.) places per 100 new dwellings.</p> <p>ALTERNATIVE OPTIONS CONSIDERED: As set out in the officer report.</p> <p>REASONS FOR DECISION: As set out in the officer report.</p>

<i>EDUCATION AND COUNCIL TRANSFORMATION – Cllr Faye Purbrick</i>		
Item	Date of Meeting	Summary of Decision
Award of contract to	9 September 2019	SUMMARY OF DECISION: This decision gave approval to appoint Futures for Somerset

EDUCATION AND COUNCIL TRANSFORMATION – Cllr Faye Purbrick		
Item	Date of Meeting	Summary of Decision
deliver the Hydrotherapy Pool at Selworthy Schools (Hazelbrook site)		<p>to deliver the hydrotherapy pool at Hazelbrook, and further approved the purchase of furniture and IT as required.</p> <p>The delivery of the new hydrotherapy pool at Selworthy School (Hazelbrook Campus) will mean the school is fully able to meet the therapeutic needs of its most complex children. There is a shortage of hydrotherapy pool space in the local area and it is privately owned, meaning access is expensive.</p> <p>ALTERNATIVE OPTIONS CONSIDERED: As set out in the officer report.</p> <p>REASONS FOR DECISION: As set out in the officer report.</p>

HIGHWAYS AND TRANSPORT – Cllr John Woodman		
Item	Date of Meeting	Summary of Decision
Implementation of Street Works Permitting Scheme in Somerset	23 December 2019 by the Cabinet Member for Highways and Transport	<p>SUMMARY OF DECISION: This decision approved the implementation of a street works permitting scheme, and was taken following from a communication by the Secretary of State for Transport who expressed an expectation that Somerset County Council would implement such a scheme.</p> <p>The scheme includes coordinating essential works, supporting businesses, economic growth, getting people into work, getting children safely to school, improving air quality and protecting and enhancing our unique natural and built local environments.</p> <p>ALTERNATIVE OPTIONS CONSIDERED: As set out in the officer report.</p> <p>REASONS FOR DECISION: As set out in the officer report.</p>

HIGHWAYS AND TRANSPORT – Cllr John Woodman		
Item	Date of Meeting	Summary of Decision
Decision to extend the Term Maintenance Contract for Highways Lighting maintenance services	4 November 2019 by the Cabinet Member for Highways and Transport	<p>SUMMARY OF DECISION: This decision approved the extension of the contract with SSE Contracting Limited for street light maintenance services for 48 months. This decision will enable the LED lighting roll-out to continue and so has direct positive implications for the climate change emergency declaration.</p> <p>ALTERNATIVE OPTIONS CONSIDERED: As set out in the officer report.</p> <p>REASONS FOR DECISION: As set out in the officer report.</p>

CROSS CUTTING – All		
Item	Date of Meeting	Summary of Decision
Award of contract for the provision of Somerset County Council (SCC) Hybrid Mail	6 November 2019 by the Lead Director for ECI and Director of Commissioning	<p>SUMMARY OF DECISION: This decision approved the award a new contract for the provision of Postal Goods and/or Services (Hybrid Mail). The contract will continue to enable staff to send letters and attachments from their PCs from any office or remote location.</p> <p>ALTERNATIVE OPTIONS CONSIDERED: As set out in the officer report.</p> <p>REASONS FOR DECISION: As set out in the officer report.</p>
Increased Project Budgets – Bridgwater Special School, Somerton Primary School, Bridgwater College Academy	3 October 2019 by the Cabinet Member for Children and Families and the Cabinet Member for Education and Council Transformation	<p>SUMMARY OF DECISION: This decision sought approval to increase the budget allocations for the schemes Bridgwater Special School, Somerton Primary School and Bridgwater College Academy. Details of the increase values are included in the confidential Appendix A to the decision report.</p> <p>The initial feasibility studies undertaken indicated that these schemes could be delivered within the allocated budgets, however pre-contract cost estimates (following value engineering) identified that these values could not be achieved.</p>

CROSS CUTTING – All

Item	Date of Meeting	Summary of Decision
		<p>Details of the reasons for the increased costs are included in the decision report, and further details of the increased financial values are included in the confidential Appendix A to the decision report.</p> <p>ALTERNATIVE OPTIONS CONSIDERED: As set out in the officer report.</p> <p>REASONS FOR DECISION: As set out in the officer report.</p>

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Somerset County Council

County Council
– 22nd January 2020

Annual Report of the Cabinet Member for Economic Development, Planning and Community Infrastructure

Cabinet Member: Cllr D Hall - Cabinet Member for Economic Development, Planning and Community Infrastructure

Division and Local Member: N/A

Lead Officer: Paula Hewitt – Lead Director for Economic and Community Infrastructure & Director of Commissioning

Author: Paul Hickson - Strategic Commissioning Manager, Economy and Planning

Contact Details: 07977 400838

1. Summary

- 1.1.** I will use this report to set out progress and achievements from the last year in the services that fall under my Cabinet responsibilities for Economic Development, Planning and Community Infrastructure as well as looking forward to what the next year has in store.

This report focusses on the key highlights from this service area from the past year. Beyond this it is also important to recognise the importance of on-going service activity and the tremendous contributions our staff make to businesses and communities.

2. Economic Development, Planning and Community Infrastructure – the last 12 months

Economic Development

Economic prosperity and growth are key drivers of health and wellbeing within the county. Evidence indicates that people in work are generally healthier and less reliant on public services. In addition, businesses within the county make a valuable contribution in terms of business rates which will increasingly sustain this council and public services more widely. Somerset businesses also face significant challenges in raising their productivity, dealing with economic uncertainties and in retaining and developing workforce skills.

Heart of the South West Local Industrial Strategy (LIS)

Government announced in July 2018 that the Heart of the South West would be one of six areas nationally in the second wave for the development of LIS documents. Local Industrial Strategies are jointly owned by Government and local areas and Government is committed to working with the LEP and Heart of the South West local authority partners to develop this strategy which will align closely with the adopted Heart of the South West Productivity Strategy. SCC has worked closely with the LEP, civil servants and local authority partners to develop the LIS. A working draft was endorsed by the LEP Board on 23rd July 2019 following consideration by the Heart of the South West Joint Committee earlier that month. It was then submitted to Government on 14th August 2019 for feedback from various Government Departments. Final amendments were made based on Government feedback and it was re-submitted to Government in September 2019 for final consideration prior to joint publication by Government and the LEP. The latter has been postponed by Government due to general election and purdah considerations. Provisional plans have been made for Cabinet to be asked to endorse the final LIS document in February 2020.

The Somerset Local Economic Assessment (LEA)

SCC has a statutory duty to maintain a Local Economic Assessment for the county. The LEA provides an evidence base to shape policy and strategy, as well as project development and bids for funding. Previous LEAs (2011, 2013 & 2016) were standard document-type publications, however, as of 2019 the format has changed, with the extensive data and analyses undertaken in recent months now being hosted on a dedicated website called 'Somerset Trends'. This format makes use of new technology and software to present data in a more attractive and interactive way, allowing users to 'drill-down' and interrogate the data, whilst being kept as 'live' as possible, with regular (and in some case automatic) updates of local, regional and national statistical data. The final touches are being made to the website before being made live early in the New Year and thereafter publicised to partners and stakeholders.

Employment and Skills

The Heart of the South West Local Enterprise Partnership (LEP) Summer Business Bulletin reports that 2 of the 3 top business issues are related to people. The issues for Somerset are around a restricted labour pool, with low levels of unemployment and high levels of under-employment; attracting and retaining younger people; an ageing demographic and workforce, both of which are projected to accelerate over the next 20 years. Other issues relate to skills and training with concerns raised around finding and keeping skills locally; access to training and particularly

apprenticeships; lack of higher-level skills and poor careers, advice and guidance.

SCC working with the Somerset Employment and Skills Steering Group, are addressing some of these issues with plans afoot to extend activity. in future. Examples of some of the key activities include:

- In 2018, the Somerset Education Business Partnership (EBP) was established as a mechanism to improve connections between employers and education throughout the county. The team is hosted by the Somerset Chamber of Commerce & Industry to ensure it has a business facing presence. It held its first awards ceremony to celebrate those who have contributed most to the employment and skills agenda, in April 2019. The ceremony had 57 nominees and was a sell-out event. In its first year the EBP supported 93 businesses to contribute to careers interventions across 38 of our schools. The positive response from both businesses and schools has demonstrated the need for the service and the EBP is now working with partners to identify how the service can be sustained beyond its initial funding period

SCC's Economy and Planning team has led on the delivery of the Business Skills Workstream within the Opportunity Area programme in West Somerset, developing a comprehensive programme of interventions that encourages and supports individuals to attain skills; and working with business to encourage growth and skills investment in their workforce. Specific projects include Skill-Up West Somerset apprenticeship service; the creation of an employer forum for West Somerset businesses; the Studio Digital programme which engages young people to increase their confidence; and the Western Somerset careers fair. This is a DfE funded initiative to improve social mobility in poor performing areas. Funding will cease in 2020 and discussions are underway to ensure a positive legacy for the area.

The Skill Up (Somerset) Service has been established, following the pilot in West Somerset, to provide impartial advice and guidance to businesses and individuals on apprenticeship and skills development.

The Economy and Planning service, through the EBP, works closely with the HotSW Careers Hub Enterprise Advisor Network to support the national CEC (Careers & Enterprise Company) agenda. All Somerset Secondary and Special Schools are now part of the Careers Hub and/or Enterprise Advisor Network (EAN). Local employers are being recruited to be Enterprise

Advisors, ensuring that business can influence the strategic direction of careers delivery and help schools make meaningful employer links. In addition, SCC host a range of Careers Advisors groups and meetings. The groups are used to develop new initiatives (e.g. Study Up, STEM careers forums) and update on latest events and initiatives to support improved careers advice and guidance to young people.

Talent Academies are one of Somerset's key opportunities for young people to engage directly with employers – over 500 students are now involved in the Somerset Talent Academy programmes. These provide Year 10 & 11 students with 5 meaningful engagements and visits to local sector specific businesses. New Academy programmes include Hospitality, Construction Engineering (MEH trades at HPC), Digital, Nursing & Health (Musgrove Park). Employers involved include Numatic, Mulberry, Leonardo, Yeo Valley, Skanska, Taunton Fabrications.

Higher skills provision in Somerset was enhanced with the opening of the Somerset University Centre in Taunton, which provides additional capacity with the Yeovil University Centre, and other provision via our Further Education Colleges and Higher-Level Apprenticeships. To further enhance the higher skills offer, a new website, Study Up brings together the higher education opportunities available in Somerset into a one-stop information shop.

SCC has led on the development of two collaborative proposals and submitted applications to the European Social Fund which, if successful, will see around £4m invested in activity to reduce the risk of our young people becoming NEET (not in employment, education or training) and a programme of activity to encourage those already in work to upskill

Somerset Energy Innovation Centre (SEIC)

SCC is leading on the development of the SEIC campus of buildings in Bridgwater as a key part of our strategy to facilitate the development of a clean growth business cluster in Somerset and to maximise supply chain business opportunities linked to the construction of Hinkley Point C. Building 1 of SEIC comprises 3000 square metres of office space and is now fully occupied. Building 2, providing 2000 square metres of office and workshop space, has now been completed. Work commenced on the final building 3 in September and is on schedule for completion in Summer 2020. The 1,000 square-metre building 3 will include space to support the testing and demonstration of technologies on an industrial basis, with an expected initial focus on technologies relating to the mechanical, electrical and heating phase of the Hinkley Point C development. The campus of SEIC buildings has been funded by Somerset County Council, EDF Energy

Section 106 contributions and, in large part, grants secured from the European Regional Development Fund and the Local Enterprise Partnership's Growth Deal.

Aerospace/iAero (Yeovil) Centre

Aerospace and advanced engineering is of particular importance to Somerset's economy as we are at the centre of the UK's rotorcraft sector, linked to the presence of Leonardo Helicopters and significant parts of its supply chain in the county. SCC, working closely with industry and the Local Enterprise Partnership, is leading on development of the iAero Centre in Yeovil. The Centre, located on land owned by Leonardo Helicopters, will facilitate innovation and collaboration in the local aerospace supply chain, supporting its ongoing competitiveness in a global market. Construction of the iAero (Yeovil) Centre commenced in July and is on schedule for completion in Summer 2020.

It will provide 2,400 square metres of high-quality office, workshop and collaboration space and specialist business support services. The scheme is being funded by SCC and £6.9 million of grants secured from the European Regional Development Fund and the Local Enterprise Partnership's Growth Deal

Gravity Enterprise Zone, Bridgwater

Working with the LEP and Sedgemoor District Council we have secured from Government Enterprise Zone status for the Huntspill Energy Park near M5 junction 23. Enterprise Zone status will accelerate the delivery of this strategic employment site and provide additional incentives for business investment. The site will focus particularly on business activity aligned to clean energy and the wider clean growth agenda. The site was acquired in late 2017 by the Salamanca Group and has been branded as Gravity. In the past year site assembly has been completed and funding confirmed from Growth Deal 3 for the access road linking the site to the A39. Work commenced on the construction of this access road and will complete in late 2020. Funding is being arranged via the Somerset business rates retention pilot, alongside investment by the developer to establish a strategic masterplan for the site. A shadow board has been established for the Enterprise Zone and as Cabinet Lead for Economic Development I represent SCC on this body.

Supporting Businesses and the Local Economy

Our network of enterprise centres provides an infrastructure to support new-start and growing small businesses across rural Somerset. In addition to the five existing centres in the network SCC has made significant progress in the past year with plans for further developments. Funding has

been secured for new centres at Wells and Wiveliscombe via Growth Deal and ERDF sources and construction of both commenced in summer 2019. Both new centres will be open for business early in 2020. SCC has also secured planning permission for an enterprise centre to be developed on land in SCC's ownership at Bruton and is at an advanced stage in finalising ERDF investment in this scheme.

In December 2018 Somerset local authorities were successful in securing agreement from Government to operate a Business Rates Retention pilot in 2019/20. As part of this pilot an economic growth and prosperity fund has been established and in practice the pilot will provide funding to invest in a programme of activity overseen by the Somerset Growth Board and spanning 2019/20 and 2020/21. Activity to be funded through the pilot includes business start-up and growth support, work to strengthen local business networks and foster innovation, an inward investment programme and work to promote apprenticeships and skills development.

In April 2019 the Somerset Growth Board hosted a workshop for Somerset businesses and other stakeholders to explore the growth potential and likely economic implications of artificial intelligence. The event was well received.

A303/A358

We continued to work closely with Highways England (HE) as they develop vital improvements to the A303/A358/A30 corridor. These schemes if designed correctly, will bring huge economic benefits to the area. HE has progressed development of three sections of the improvement at Stonehenge (Amesbury to Berwick Down), Sparkford to Ilchester and M5 to Southfields.

The formal six-month public examination of the Stonehenge scheme, which is part of the Development Consent (DCO) planning process, ended on 2nd October 2019. Somerset County Council wrote to the Planning Inspectors in support of the scheme but did not comment on the detail of the proposed layout.

We participated in the DCO examination for the Sparkford to Ilchester scheme including making detailed representations, attending issue specific hearings and submitting a local impact report and statement of common ground. The examination closed on 12th June and the inspectors report has now been submitted to the Secretary of State with a decision anticipated in December. We gave clear support for the scheme in principle, with our representations focused on securing appropriate

mechanisms to enable the Council to agree detailed connections with the local road network and ensure any adverse impacts on the local community are dealt with effectively.

HE announced the preferred route for the A358 Taunton to Southfields scheme on 27th June 2019. HE responded positively to issues raised by the Council and communities through the scheme consultation processes. The preferred route is a modified version of the 'pink' consultation route which includes on-line widening of the eastern section of the existing road, a junction with the A378 at Thornfalcon, and a Henlade Bypass before linking in with Junction 25 of the M5 which will have further capacity improvements as part of the scheme. A community forum has now been convened and more detailed proposals for the proposed layout and local road connections are expected in the new year.

We continue to work with our Local Authority partners to keep the pressure on Government to deliver the three A303/A358 schemes that have currently been allocated funding and to ensure further funds are allocated for the remaining sections in the next Road Investment Strategy period from 2020.

Housing Infrastructure Fund (HIF)

The Council has worked closely with Somerset West and Taunton, and Sedgemoor District Councils to finalise a business case for £95.2m Housing Infrastructure Fund 'forward funding' to Homes England which could lead to investment in new roads, schools and flooding infrastructure to support delivery of 10,000 homes across Taunton and Bridgwater. We understand that Government officials have completed their assessment of our bid and we await a decision from the new Government.

Superfast Broadband - Connecting Devon and Somerset (CDS)

Broadband connectivity continues to be a priority for businesses and residents in Somerset. The Phase 1 contract delivered superfast broadband to 298,900 premises. Steps are being taken to introduce up to £6 million of clawback Gainshare for BT Openreach to deliver full fibre to a further 2000 premises across Devon and Somerset.

The phase 2 intervention area was divided into two areas: Exmoor and Dartmoor National Parks and the remainder of the Connecting Devon and Somerset area.

The National Parks deployment has been built by Airband Community Internet Ltd and has served around 5,000 hard to reach properties in Exmoor and Dartmoor with access to a 30 Mbps broadband service. The

formal technical and financial assurance required by the contract closure process is now being undertaken.

Airband continues to build, providing superfast coverage in Lot 4 (North Devon) and to date a total of 7,369 premises have been covered. CDS and Airband are exploring options to include some fibre delivery in the current contracts.

Five of the Phase 2 contracts were awarded to Gigaclear, a fibre provider. As previously reported Gigaclear encountered difficulty in its delivery and incurred significant delays with its broadband roll-out due to previous failings and the collapse of Carillion in early 2018. Gigaclear was placed on notice of default because of the delays. CDS allowed the company additional time to evaluate and cost alternative methods of network construction.

Despite painstaking work by all concerned it was not possible to agree a recovery plan that CDS and the Government's Building Digital UK agency could support with confidence. CDS announced its decision to terminate all five contracts on 12th September 2019.

CDS is working closely with BDUK on a new procurement process this autumn. The procurement process is expected to take approximately 12 months.

The only payment made to Gigaclear was in September 2018 for infrastructure which was completed and serving homes and businesses. No payments have been made for partially completed infrastructure

CDS has piloted a Community Challenge Fund and will be taking this further to support a further 6-8 community solutions enabling local communities to have a hands-on say in the new networks for their areas.

CDS is working in conjunction with the LEP to develop a Digital Strategy for the Heart of the South West. This will include connectivity and infrastructure as well as considering digital skills and innovation. This will help to guide the approach for extending coverage and investing further.

Hinkley Point C and Securing the Legacy

The importance of Hinkley Point C and its transformational potential makes it key to the delivery of many of the County Council's aspirations: HPC is a clean energy project offering benefits to the economy, communities and environment. This is set against the need to ensure mitigation of any negative impacts from the development. We continue to

work closely with EDF as we head towards peak construction.

SCC continues to work with the HPC workforce development teams at both strategic and operational level. SCC is well represented at workforce pipeline groups such as Hinkley Strategic Delivery Forum, Workforce Development Implementation Group and sub groups, making significant contributions to plans and delivery in Somerset.

After 3 years of construction work more than 4,300 people are now at work on-site building the new nuclear power station. The project met its first major milestone in June 2019: the completion of the 9000m³ 'Common Raft' concrete platform on which the reactor buildings for Unit 1 will sit. This was a real achievement and landmark moment for the project.

'Big Carl', the world's largest crane, is now built on site and will begin work very soon.

Hinkley Point C's 500m-long temporary jetty took its first delivery in September 2019 and is now fully operational. It will take delivery of at least 80% of bulk materials for on-site concrete production. Each delivery is the equivalent of around 300 HGV loads and the jetty is expected to handle the equivalent of 100,000 HGV loads over the course of the construction project.

In Bridgwater, the Sedgemoor Accommodation Campus for employees working on the construction site is now open. It provides accommodation for almost 1,000 workers. Together with the Hinkley Campus located adjacent to the main site, these facilities can now accommodate almost 1,500 workers. The campuses are operated by HOST who are providing hundreds of career opportunities for local people.

Over the last year a key focus for the County Council has been to deliver – either ourselves or in partnership - a range of measures to mitigate the impact of the development and anchor a legacy for the county.

Several new or improved cycling and walking infrastructure schemes have been delivered in Bridgwater and the surrounding area to provide accessible, safe connections for pedestrians and cyclists and to remove traffic from the roads:

- A scheme to improve cycle and footway provision between the Wylds Road junction, The Drove and A39 Bath Road in Bridgwater was completed in July.
- Several pedestrian safety schemes were delivered at the end of August on A38 Taunton Road focusing on three junctions; Wills

Road, Elmwood Avenue and Rhode Lane.

- A similar safety scheme was delivered at the junction of Albert Street and Broadway in Bridgwater and completed in time for the start of Bridgwater Fair.
- Work is under way at Quantock Road Roundabout in Bridgwater. This project will install new pedestrian and cyclist crossings, improve traffic flow through the roundabout, and create a new walking and cycling link between Quantock Road and Alfoxton Road.
- Highway maintenance and verge enhancement on the C182 road between Combwich and the HPC site was completed between September and November.
- Using Community Impact Mitigation funding we have carried out improvements to walking and cycling routes into and through Cranleigh Gardens in Bridgwater and have begun to deliver a traffic calming scheme in Cannington.

A travel demand and behaviour change project is being delivered in Bridgwater to encourage and support people of all ages to walk or cycle instead of travelling by car. This work takes advantage of new infrastructure to encourage more sustainable travel and reduce traffic across the town.

Alongside this an interactive walking and cycling map has been launched under the Bridgwater Way brand, to make it easier for people to plan their journeys more sustainably and reduce reliance of car travel.

Creating a legacy of skills and jobs is a priority for the council, and much has been achieved over the last year, and over the duration of the HPC project:

- The Hinkley Point C Inspire Education Programme has carried out over 1,200 activities generating 165,000 student interactions - predominantly Somerset young people - in over 400 education institutions since it launched in 2011.
- Through the 'Young HPC' programme - launched in 2017 - schoolchildren who are a part of HPC Inspire are given a further stepping stone to accessing a career on the project. By July this year 874 young people had registered with the scheme.
- As of end of November 2019, HPC has seen 529 apprentices work on the Project, with further recruitment expected throughout 2019.
- Over 8,500 people have been trained and assessed at the specially built Construction Skills and Innovation Centre near the site.

Direct spend on HC contract within the region continues to increase against a target of £1.5 billion over the construction period. The cumulative direct expenditure with regional business now stands at £1.2 billion. The Hinkley Supply Chain Programme continues to help local businesses access this funding by supporting them to prepare successful bids for HPC contracts.

The Somerset Community Foundation holds HPC impact mitigation funds and invites bids across a range of topics. The fund has an overall value of £12.8 million. The Somerset Community Foundation recently published their report on the first full year of the fund's operation, showing that £2million has been committed since the fund was opened for bids.

Key activities by the Hinkley Tourism Action Partnership (HTAP) this year have included:

- PR support for Somerset and Exmoor activities including press trips, an event at the World Travel Market and a celebration of Somerset's food and drink at an event in London.
- Live Tourism have been commissioned to develop tourism clusters across the region. They began delivery in May and are developing two clusters around Food & Drink and Outdoor Activity and will work with interested businesses to develop 'bookable visitor experiences.
- A new website for Visit Somerset was launched in June 2019.
- Visit Exmoor have redeveloped their existing website and HTAP has provided additional support for a number of campaigns including one with the BBC's Countryfile magazine.
- Continued engagement with the Hinkley workforce through internal marketing and development of the Hinkley Leisure portal.
- Support and guidance for a number of groups bringing forward tourism projects including Brean Down Cycle Way, Burnham Evolution and development of the East Quay at Watchet.

The Quantock Hills Area of Outstanding Natural Beauty has submitted a £2.2m bid to the National Lottery Heritage Fund to support development and delivery of a Landscape Character Action Plan. This plan will deliver greater understanding of the environment, enhance restore and join up key landscape features, and promote the Manorial history of the area and its industrial heritage. £250,000 match funding from Hinkley Point C Section 106 contributions has been pledged.

The new Castles and Coast Way walking trail has also been completed. This 13-mile circular footpath runs from Nether Stowey to Stogursey and on to the Somerset coast at Shurton Bars. The route links the Coleridge

Way to the England Coast Path National Trail, which will eventually run around the entire coast of England. The trail was officially opened in August.

Work is also being done to preserve the archaeological heritage of areas affected by the HPC project. The restoration of the historic Packhorse Bridge in Cannington should be complete by the time this report is published and the Cannington Bypass archaeology book and report were both launched in March with EDF support.

Through the Hinkley Strategic Delivery Forum (HSDF) we have been working with our partners, including other local authorities, the Local Enterprise Partnership, EDF and central Government to strengthen links between national, local, and regional policy. The objective of HSDF is to deliver the greatest opportunity and benefit for Somerset and the wider South West, and deal with the challenges that we identify.

Working with EDF, the Local Enterprise Partnership, the education sector and business representatives, "Sustaining the HPC Legacy" is a new initiative which will focus on how HPC can provide a lasting economic legacy to Somerset and the South West in terms of workforce, business and place development.

National Grid Hinkley Point C Connection Project

The project involves the construction of a new high voltage electricity connection from Bridgwater in Somerset to Seabank near Avonmouth and will connect new sources of power, including Hinkley Point C. The project was granted Development Consent in January 2016 and work commenced in June 2018. The whole project will take around eight years to build.

The project is split into 13 different geographical stages; 4 of which are within the boundary of Somerset, including underground cables through the Mendip Hills Area of Outstanding Natural Beauty. National Grid's contractors have now installed construction accesses off the local highway network and are now installing an internal haul road for construction vehicles.

In 2020 the overhead line works from the Huntspill River to Loxton is due to commence. National Grid's communications team are keeping local communities up to date in respect of project programme and will be attending Parish Council meetings when works are anticipated to start in these areas.

In accordance with the Section 106 agreement, National Grid have

commenced a programme of STEM subject support for local schools within the administrative areas of the Councils affected. This year's activity has been very positive, with 187 Somerset schools benefitting from successful grant applications.

At the HPC site National Grid have been working with EDF on the design of the Shurton Substation. Details were submitted in mid-October with the intention of commencing works in January 2020.

Planning Policy, Control and Enforcement (Minerals and Waste)

Planning

SCC has statutory responsibilities for to maintain and regularly review local plans for minerals and waste across Somerset and for the determination of planning applications relating to these matters and our own development. Work is continuing to review the Somerset Waste Plan; with the focus in the past year being on updating our future waste needs assessment.

Within the last year SCC has continued to process a significant caseload of planning applications, including significant further mineral extraction at Halecombe Quarry on the Mendips, a new Primary School in Somerton and a range of smaller applications relating to minerals, waste and school sites. SCC does, however, in common with many other local authorities face significant capacity challenges in our planning service meeting the volume of planning casework and maintaining our minerals and waste local plans. As a result, interim arrangements have been put in place to provide continuity, including support with casework from Devon County Council. We are in the process of recruiting to a senior level post in the planning service and aim to re-establish internal team capacity. We have worked closely with our partners in Somerset's minerals and waste sectors to ensure that they are aware of the challenges we have experienced and the steps we are taking to address these.

We continue to monitor closely developments relating to the "fracking" agenda and their implications for SCC as the minerals planning authority for Somerset (outside of Exmoor National Park). The November 2019 Government announcement regarding fracking involved a moratorium on issuing further hydraulic fracturing consents until new evidence is provided that future unacceptable impacts on the local community can be ruled out. These consents are issued by the Department for Business, Energy and Industrial Strategy (BEIS) under a separate regulatory regime from the process of obtaining planning permission.

The Somerset Ecological Service (traded arm of the SCC's ecological advice

function) has significantly grown its external income generation and continues to grow its business client base, whilst maintaining its Service Level Agreement services to all of Somerset's District Councils, and an in-house advisory function. Building on the existing strengths of the service, in recent months we have begun dialogue with Natural England about the development of a local licensing scheme for great crested newts, potentially offering better ecological outcomes and more suitable option for applicants than via the national scheme

Waste

Environmental Performance: SWP had another excellent year, with a slight decline in waste arising and a slight rise in our recycling rate (to 52.4%). Crucially 91% of all recycling stayed in the UK. The recycling of plastic pots, tubs and trays at all 16 recycling centres continues to grow. SWP remains in the top 10% nationally for carbon saving.

Moving Away from Landfill: The significant work required to move away from landfill by Spring 2020 remains on track – with construction of the Energy from Waste plant at Avonmouth and our two in-county transfer stations (at Dimmer and Walpole) on track.

Implementing Recycle More: In April 2019 the Somerset Waste Board awarded the new collection contract to SUEZ recycling and recovery UK, concluding this significant procurement process. By implementing Recycle More with SUEZ we expect to improve recycling by 20-30%, reduce residual waste by 15%, and save over £2m every year once the service is rolled out.

Delivering Savings: £1.3m of saving was delivered by SWP to SCC in 2018/19 through the Energy from Waste Contract agreed with Viridor Ltd. An extension to our core services contract (primarily our recycling centres) with Viridor will deliver £14.1m savings to SCC over the period to 2031.

Recycling Centres: SWP's 16 recycling sites had over 1.6 million visits last year (an increase of 1.6% on the previous year), and their recycling rate of 76.5% is amongst the highest in the Country. SWP agreed a contract extension with Viridor that delivers £14.1m savings to SCC, including £500k of savings in the 2019/20 financial year. This was delivered whilst keeping all 16 recycling sites open, amending their opening hours to better reflect need and demand (including opening all sites all weekend, all year round), and removing the £2 charge from the two Community Recycling Sites (Crewkerne and Dulverton) by April 2020. The continued success of the permit scheme in reducing trade waste abuse and out-of-County usage

has seen the scheme extended with no change to the terms and conditions of use.

Schools Against Waste: SWP is further enhancing its free programme of Schools Against Waste visits, reaching over 100 Somerset primary schools and 20,000 young people last year.

Influencing National Policy: SWP has worked with other local authorities to influence the emerging national policy agenda. SWP was proud to be the only public sector exemplar in Government's national Resources and Waste Strategy – in recognition of our history of innovation and our commitment to quality.

Fly Tipping

Whilst a District Council responsibility, SWP is pleased to note that the numbers of reported fly tips across Somerset fell by 521 incidents (11%) compared to 2017-18.

Performance Reporting

SWP is embedding a new approach to performance reporting to present a joined-up view of performance which appropriately reflects the Somerset Waste Board's revised vision, with customer service and environmental impact at the heart.

Waste Priorities in the Next 12 Months

SWP will be completing the significant number of work streams involved with the implementation of the new collection contractor (Suez) commencing service in Spring 2020. The construction of a fleet of new vehicles is on track. Mendip will be the first part of Somerset to have Recycle More rolled out – in June 2020. A comprehensive communications and engagement programme will take place ahead of the roll-out.

We are putting in place the technology that will underpin improved customer service and link with the in-cab technology in our new fleet to enable us to offer a much-improved customer service.

SWP will be delivering an effective and award-winning behavioural change campaign to tackle the 25% of food waste that is still in Somerset's bins, despite the weekly food waste collection. The 'feed my face, slim my waste' campaign is designed to encourage those that don't currently recycle their food waste to recycle it in their food waste caddy, rather than putting it in the bin.

SWP will be expanding the Schools Against Waste programme to reach all

Somerset primary schools by Spring 2021, and support schools to improve their disappointing 20% recycling rate

We will continue the work to move away from landfill as the disposal route for residual waste by April 2020. The energy produced from Somerset's waste will be used to power the UK's biggest Plastics Processing Facility, currently being developed by Viridor at Avonmouth. Once we move away from landfill our commitment to reduction, reuse and recycling will not be diminished.

SWP will be developing a long-term strategy in line with the Central Government Resources and Waste Strategy which was published toward the end of 2018 and partaking in the next phase of consultations that we expect in 2020, as well as working behind the scenes to influence policy. We expect the plans that national Government produces to significantly change the policy landscape for recycling and waste.

SWP will be enhancing reuse by working with Viridor, our new collection contractor and local partners (particularly the voluntary and community sector).

Trading Standards

SCC continues to be a partner in the innovative and highly successful joint trading standards service for Somerset, Devon and Torbay. As Cabinet Lead, I sit on the review panel for the joint service. The Joint Service has adapted and modernised to deal with market challenges. Renewed focus has been given in the past year to developing two regulatory centres of excellence around:

- the provision of a more holistic, comprehensive "Business Support" offering; and
- "Intelligence and Investigations" using modern tools and techniques to tackle the more serious criminality.

The service has continued to operate to a high standard in the part-year, meeting its key performance indicators and it achieved all its high priority targets – including visiting high risk and primary authority businesses and carrying out new business interventions.

Heritage

I continue to serve as a member of the South West Heritage Trust Board.

In recognition of the service provided by the Heritage Trust since their

inception in 2014, the Cabinet, at their meeting on 10th June approved the awarding of a further 5-year Grant Agreement, which will come into effect on 1st November 2019.

The new Grant is broadly along the same terms as the previous arrangement but with the annual funding capped at the 2018/19 levels for the duration of the agreement.

Somerset County Council looks forward to continuing to work with the Trust over the next five years as they further establish themselves as market leaders within the sector.

The new 'Describe' Archive cataloguing system went live on 5th November 2018. It sets a new national standard in digital archive preservation. The database contains 770,334 entries for Somerset archives and provides an integrated system for cataloguing and managing this extraordinary historical resource. The Trust implemented the Archivematica open-source solution for preserving electronic archives on 1st December 2018. 75,000 digital items have been uploaded on to the system and the Trust is liaising with the Council's Records Management Service to ensure the preservation of key digital archives created by the Council. An event to introduce other archive services to the capabilities of the new systems was held in March.

Leisure Service

On Monday 10th December 2018 a decision was taken to cease commissioning community leisure services, upon the expiry of the 10-year fund agreement with 1610 Limited.

This ended a contractual relationship with a business that was formed following a successful externalisation of the Leisure Service from the auspices of Somerset County Council.

The externalisation of 1610 must be seen as an extremely positive success story.

When they vested, the Somerset County Council Management fee accounted for around half of all of 1610's income. By diversifying their interests, developing their offer and gaining other contracts, according to their 31st March 2017 published accounts the Somerset County Council management fee accounted for just 12% of all income.

Library Services

Over 1.7 Million people came through the doors of our libraries during 2018/19. In addition, over 500,000 people accessed our digital services via the website. Taunton library continues to be the busiest library in the county, issuing over 328,000 items to customers last year. This equates to an impressive 128 items per hour of opening.

Almost 100,000 people from across the county came to libraries to attend a programme of over 8,000 events. Participation levels continue to grow year on year, supporting the delivery of key commissioned priorities around literacy, health and wellbeing, and digital inclusion.

As of 1st April 2019, Somerset County Council fully funds and supports the delivery of Library services through a core network of 19 libraries across the county. These include:

Bridgwater, Burnham-On-Sea, Chard, Cheddar, Crewkerne, Dulverton, Frome, Glastonbury, Ilminster, Langport, Martock, Minehead, Shepton Mallet, Taunton, Wellington, Wells, Williton, Wincanton, and Yeovil.

The network was agreed using a comprehensive range of data identifying individual library catchment areas and levels of need and demand. An interactive catchment map was created and can still be viewed online at: www.somersetlibraries.co.uk/redesign

A new Mobile Library has also recently been introduced as the old one reached its end of life (and transferred to Milborne Port – see below). 2 libraries closed at the end of 2018 at Highbridge and Sunningdale (Yeovil). 13 libraries are managed as Community Library Partnerships. SCC continues to provide infrastructure support in the form of direct grant funding (agreed for a period of 7 years), ICT systems including public access computers, and book stock (including audio books and DVDs).

Community Library Partnerships are now established at:

Bruton, Castle Cary, Milborne Port, Nether Stowey, North Petherton, Porlock, Priorswood, Somerton, South Petherton, and Watchet.

Legal agreements have been put in place and each community manages the library building and a team of volunteers to ensure library services continue to be provided. 4 CLPs are fully managed by volunteers - Bruton; Castle Cary; Porlock and Nether Stowey. Milborne Port North Petherton libraries are fully staffed (funded by the town council). Priorswood, Somerton, South Petherton and Watchet operate with a combination of trained staff and community volunteers.

Milborne Port library is currently accommodated in a decommissioned mobile library vehicle, maintaining the same opening hours and staffed by trained library staff. The arrangement is temporary pending the building

of a new community centre with provision for a library facility. If the building is not able to proceed, further discussions will take place to consider alternative arrangements, including the provision of regular mobile library visits.

New self-service technology (known as Open+) is being installed at Priorswood library, funded via a grant from the Unparished Area fund. The bid was led by members of the Taunton Library's Friends group. Currently the library is open for 16 hours a week, supported by trained staff and a team of local volunteers. The new technology will allow the library to be used 7 days a week. Hours of opening will allow registered library users who have also received an induction to the Open+ system to visit the library from 8.00am in the morning to 8.00pm in the evening Monday to Friday and from 8.00am in the morning until 5.00pm at weekends. The library will continue to be staffed for 16 hours a week but at all other times the public can visit the library using a swipe card system to enter the building with their library membership card. Access will be limited to those aged 14 and older unless children are accompanied by a parent/carer. Customers will be able to use the library's public access computers; printing service; browse and borrow; collect reservations; pay library charges either online or via a self-service kiosk. The technology is new to Somerset and this pilot will be closely monitored.

Parallel to the review of the network of library buildings a whole service review of frontline teams was undertaken. This included the creation of a new assignment and library operations structure. Previous workforce changes had reconfigured the wider libraries management team and library supervisor roles. Changes to the buildings' network meant front line staff would now need to be reorganised.

Following a formal selection process, front line staff have assumed a new role as Library & Information Officers. To facilitate community engagement a new team of Libraries Outreach Officers has also been created. The team will help to provide additional support to enable staff to maintain a thriving and exciting programme of events and activities with a focus on areas of high need. 2 other new roles have been introduced – 1 volunteer co-ordinator role and 1 Community Library Partnership role. The libraries service currently supports over 600 volunteers across all libraries and this is growing. The co-ordinator role will help to develop best practice; streamline processes and align with the wider SCC volunteering system.

The LibrariesWest Consortium continues to go from strength to strength with the introduction of new services this year. Customers can now pay

library charges online using credit or debit cards via www.librarieswest.org.uk. The new service was introduced in July 2019 and has already proved popular with library customers due to the convenience of being able to pay charges 24 hours a day. In our first 3 months £4,800 income was received on behalf of Consortium Partner Authorities via this route. Library customers can now update more of their personal details online by logging into their library accounts at www.librarieswest.org.uk.

Somerset Libraries is Commissioned to Deliver against Six Outcomes

Outcome 1. “More people are enabled and inspired to make the most of the digital world”

During 2018/19 we recorded over 120,000 hours of internet access by members of the public across the People’s Network machines in libraries. Wi-Fi usage is increasing year on year, last year libraries recorded a total of over 90,000 logons to the Wi-Fi network.

Our digital inclusion offer is going from strength to strength this year and now includes a mobile new technology offer “The Idea Box”. This is a resource that schools and community groups can borrow to use to deliver a range of digital activity e.g. Coding, Robotics, 3D printing or Virtual Reality, and comes with all the equipment required alongside start up guides and help videos.

Minehead Library has a new Digital Zone as a result of some of the work happening in the West Somerset Opportunity Area. This is a space within the library that has publicly accessible equipment like and HP Sprout computer, a 3D Printer and various bit of innovative and engaging kit like Drones, Robots and Virtual and Augmented Reality kits.

The Glass Box in Taunton Library continues to innovate and this year we delivered The Digital Skills Academy, a series of workshops for Year 9 and 10 pupils from local schools. Led by local business, library staff and partner agencies these workshops gave students the chance to get hands on with digital tech and find out about related career opportunities. Local business including web design, game design and advertising companies led sessions and there was even a live video link up with a tech giant in Silicon Valley.

Outcome 2. “Libraries Contribute to Economic Growth”

Regular business support surgeries and ‘Digital Drop-Ins’ were delivered by Cosmic at Taunton, Minehead and Yeovil libraries and ad-hoc workshops and events have been a regular feature of the Glass Box calendar. This includes a Google/Lloyds ‘Digital Know How’ event in October, with almost

60 attendees.

An innovative Tablet Lending scheme for businesses and start-ups has been launched in Minehead library whereby iPads which are pre-loaded with digital readiness tools and links to business related apps and websites can be borrowed free of charge, in the same way that customers borrow books.

With close links to Digital Taunton and as core members of the SW Digital Skills Partnership, Somerset libraries have had various opportunities to showcase the library service offer to the local business community.

Developing the skills pipeline has been a core function of the Glass Box and has even led to a nomination for the national Digital Leaders 100 awards through the delivery of the Somerset Digital Skills Talent Academy.

Outcome 3 “People, in Particular the most Vulnerable, are Enabled to make Informed Choices for their Health and Wellbeing”

2018/19 saw over 2,600 health and wellbeing events take place in libraries with over 23,000 participants. This accounts for around a third of all events in libraries.

This year we have added a Men’s Wellbeing Collection to our accessible health collections. This is an innovative collection of books and resources that aims to get more men thinking and talking about their mental health.

We worked with local charity SPARK to deliver a coordinated campaign as part of World Book Night where copies of Rio Ferdinand’s “Thinking Out Loud” were distributed to Men’s groups across the Mendip and South Somerset areas.

More recently the library service has developed a useful partnership with the Library Team over at Musgrove Park Hospital who have delivered pilot training sessions for staff and drop-in events for the public in Taunton and Bridgwater, focussing on accessing reliable health information on-line.

Outcome 4 “More People Enjoy a Vibrant and Dynamic Reading Experience”

The Yeovil Literary Festival continues to draw huge crowds and high-profile authors. Overall the festival hosted 53 events, over 4 venues with 7000 audience members, an increase of 23%.

Having previously run two successful adult Somerset Big Reads, last year the Library Service ran a Children’s Big Read for the first time. The book

chosen was "The Cat Burglar" by Somerset Author Tamsin Cooke. This scheme encouraged more children into the library, enabled more effective relationships with local schools and more children's reading groups were formed as a result.

Over the year the single title "Cat Burglar" was borrowed 724 times, with over 450 children attending a Children's Somerset Big Read event in a library.

Almost two million items were borrowed from libraries last year. Board books continually prove popular with our youngest customers with each one of a collection of 8,500 books issuing 8 times a year, contributing over 64,000 issues. Across adult fiction, crime and thrillers are the most popular sections of stock with Lee Child taking the prize for most popular adult author. We added almost 40,000 new items to stock last year.

Outcome 5 "Library Services Strengthen and Enable Communities"

As part of an ongoing initiative to shape the library service for the future, new posts were created specifically focused on community outreach; bringing in communities to libraries who would not traditionally access the library and extending the library offer to the wider community particularly in rural and areas of high need. Outreach officers have been appointed in South Somerset, Bridgwater and West Somerset with two more to be appointed in Taunton and Mendip area.

In addition, we have added a new Outreach Vehicle to our offer. This new vehicle forms a valuable part of our outreach service across the county and is being used to support local activity in both rurally isolated and more urban deprived areas.

Fun Palaces took place in Somerset Libraries again springing up across the county in a celebration of arts and sciences, supporting by local communities and volunteers to bring libraries to life for a weekend of fun.

Outcome 6 "Libraries Support Children and Young People to be Safe, Healthy and Happy; and Inspire them to Develop Skills and be Ambitious for their Future"

Somerset Libraries are helping to support the new T Level courses in partnership with Bridgwater and Taunton College. A pilot work experience project was run at Taunton Library this year with around 20 students working with library staff to learn about how to create children's books. As part of their project students created their own picture books and showcased these at a toddler event in the library in February. Students spent over 500 hours learning and creating for the event.

This year's Summer Reading Challenge, "Space Chase" celebrated the anniversary of the Moon Landing. Over 5000 children completed the challenge and through the course of the holidays over 80 people volunteered at their local library with over 11,000 children attending almost 300 events across the summer.

Working with Young Somerset, we have established new initiatives targeting library use by young people. Pilot projects have launched at Taunton and in West Somerset to promote stronger links with young people and encourage greater use of library services.

Fortnightly digital sessions have sprung up in West Somerset helping to support local children's essential life skills and digital skills at Minehead Library. From coding to 3D printing, to learning about augmented and virtual reality the sessions have been a hit with children and young people in the area.

Flood and Water Management – Lead Local Flood Authority

SCC is a Lead Local Flood Authority (LLFA) with responsibility to take a local overview of flooding in the county along with specific duties on flooding from "local" sources (surface water, ground water and ordinary watercourses). While we are now even further from the traumatic flooding events of 2013/14, this year has seen positive steps taken in the delivery of this service.

At a policy level the Environment Agency has come forward with a draft new National Flood and Coastal Erosion Risk Management Strategy. The Environment Agency has a statutory duty to develop, maintain, apply and monitor a national flood and coastal erosion risk management strategy, last published in 2011. The national strategy guides the work of all flood and coastal erosion Risk Management Authorities (RMAs) who have a duty to act consistently with it when undertaking their activities – including SCC.

The draft strategy paints a stark picture of the likely impact of climate change and advocates a different approach to managing flood risk and our collective response to it. Through the Flood and Water Management Team, SCC submitted a detailed response to the consultation on the draft document set in the context of our own recent declaration on climate change. The national strategy will inform and shape a number of SCC's activities, including the statutory duty to update our own local flood risk management strategy next year.

As a LLFA the county council has a duty to keep a record of flooding that occurs in Somerset. While some may be reluctant to do so, reporting flooding can help residents and communities receive professional advice as well as provide the evidence needed to support funding applications to deliver a range of mitigation measures to reduce flood risk.

To make it easier for those affected by flooding to report information to the authorities a website has been specifically developed to make it easier for anyone to report past and current flooding incidents relating to properties, and share supporting evidence, such as videos and photographs. This website is <https://swim.geowessex.com/somerset>. We are engaging other risk management authorities and key community groups in the county to raise awareness of the tool. The help of our members to spread this message within Somerset would be gratefully received. Residents can be reassured that their data is securely stored and not made available to third parties.

SCC holds permissive powers under the Land Drainage Act regarding non-Main Rivers known as Ordinary Watercourses. Maintenance of watercourses helps to ensure the effective drainage of land and the protection of property and infrastructure from potentially avoidable flooding. Watercourses also support a variety of habitats for wildlife that may be impacted by inappropriate channel management. Landowners with watercourses on or adjacent to their land – called riparian owners – have responsibilities when it comes to watercourse management. Flood risk management authorities have a role to play to ensure maintenance of watercourses is undertaken appropriately and gives due regard to the environment. In February this year the council adopted a policy to guide its approach to land drainage enforcement under the Land Drainage Act. It sets out a framework to ensure best use of our resources and funding and provides clarity for our communities when and how the council will exercise the use of these powers.

SCC as LLFA acts as a consultee to our Local Planning Authorities on the flood risk and surface water drainage aspect of Major planning applications. Demand has steadily increased since the duty was created in April 2015, rising from an anticipated 200 applications a year in 2015 to over 500 applications in 2018. This includes significant engagement on the flood and drainage aspects of major projects such as the A303 dualling between Sparkford and Ilchester.

The LLFA has also input to the update of key planning policies influencing the delivery of the best outcomes for flood and water management from development. The Local Planning Authorities of Somerset West & Taunton

and South Somerset councils are collaborating on a review of the Strategic Flood Risk Assessments (SFRA) for their districts. The Flood Team has provided extensive feedback on these important strategic planning documents.

The service has successfully bid for SRA funding to deliver a number of SuDS themed projects that will further enhance our planning related service. This includes the development of new local SuDS guidance to support the delivery of high-quality SuDS by developers. The guidance will set a high standard of development that integrates SuDS into a design and delivers multiple benefits; environmental, amenity, and economic. The guide will also help ensure measures are taken to safeguard the long-term maintenance and operation of these drainage features – key challenges identified in the Somerset SuDS Review we completed last year.

A first stakeholder workshop was held in early October to share our ideas for the guide and gather views and comments from those involved in the planning process.

The well attended event brought together a diverse range of professional partners. Output from the workshop will shape the preparation of a draft guide.

Work continues to create showcase SuDS sites through our EU funded project, Sponge 2020. Through Sponge we have an opportunity to retrofit SuDS into existing urban areas in Taunton including retail parking. Plans to work with the former Taunton Deane Borough Council on their town centre car parks have sadly not come to fruition. We are continuing to engage with the newly formed council as Sponge could make an important contribution to Taunton's Garden Town status.

Using SRA funding we are taking the lessons from Sponge into a project looking at how we can utilise SuDS in the highway whilst not compromising our duties for highway maintenance. The LLFA and Taunton Deane Area Highways Office have been scoping candidate sites with a view to developing design proposals for a trial.

Somerset Rivers Authority (SRA)

At the June 2019 Board meeting of Somerset Rivers Authority (SRA), I was honoured to be elected Chair of the SRA, following on from John Osman. John led the SRA with passion from its launch in January 2015 until May 2019, firstly as a representative of Somerset County Council and then as a representative of Mendip District Council.

Somerset County Council is a partner in the SRA, with the four district councils of Mendip, Sedgemoor, Somerset West & Taunton, and South Somerset, plus the Axe-Brue and Parrett Internal Drainage Boards (IDBs), the Environment Agency, Natural England and the Wessex Regional Flood & Coastal Committee. Many other organisations are involved with the SRA at different levels and in different ways.

The SRA is the only partnership of its kind in the country. It provides unique opportunities for tackling Somerset's flooding problems in ways that work best for Somerset. The SRA funds programmes of work across Somerset, and major projects, that advance the aims of Somerset's 20 Year Flood Action Plan. In total, more than 100 projects were given the go-ahead in 2015-16, 2016-17, 2017-18 and 2018-19, and in March 2019 the SRA Board approved a further 28 projects worth £2.759million. In essence, the SRA gives Somerset people extra protection from flooding and makes communities more resilient.

Here are a few examples from the last year, all stressing partnership working, from the five different SRA workstreams of Dredging and River Management (W1), Land Management including Natural Flood Management (W2), Urban Water Management (W3), Resilient Infrastructure (W4), and Building Local Resilience (W5):

W1 – Water Injection Dredging. In late November 2018, a five-year contract for maintenance dredging along the River Parrett was let on behalf of the SRA to water injection dredging specialists Van Oord. In a few days at the start of December, powerful jets of water then dislodged 37,500m³ of silt from Burrowbridge down past Northmoor Pumping Station, and big tides carried it away. The River Parrett is the first place in the UK where water injection dredging techniques have been used on a tidal river in combination with a long-term, sophisticated silt monitoring programme. Through partnership working and ongoing monitoring, the SRA has discovered ways of making maintenance dredging much cheaper, much quicker, and much less disruptive for local residents, farmers, nearby road users and the environment.

W2 – Online Natural Flood Management Auction. Early in 2019 the SRA funded the UK's first countywide online auction for procuring natural flood management works. SRA involvement has helped to field-test a pioneering system that cuts out paperwork, saves time and money and draws on farmers' and landowners' unrivalled knowledge of their own land. Participants can pick out bits of their land where they believe that natural flood management (NFM) activities will produce the best flood risk reductions for them and for their local communities. Farmers agreed that

the system was easy to use – and that it got results.

- The SRA provided the money for the grants that farmers and landowners bid for: 147 bids were successful across 26 different farm holdings.
- The auction software used was developed by the Environment Agency with the Farming and Wildlife Advisory Group SouthWest (FWAG SW), Natural England's Catchment Sensitive Farming initiative and the Sylva Foundation at Oxford University.

W2 – Co-Adapt. Match funding from Somerset Rivers Authority has helped Somerset to take part in a new project called Co-Adapt. The aim of Co-Adapt is to get local people and organisations co-operating and adapting to the water-related effects of climate change. Work began early in 2019. The SRA's main interest is in flood protection and alleviation but Co-Adapt will also help to encourage greater resilience to drought on nearly 10 square miles of the Somerset Levels. In Somerset, Co-Adapt is part of the EU's Interreg 2 programme. Its main partners locally are FWAG SW, Somerset Wildlife Trust, Somerset County Council, the National Trust and Devon County Council (as the accountable body for the Blackdown Hills AONB Partnership). Great emphasis is placed on what the EU calls co-creation, which means people and organisations working together.

W3 – Sustainable Drainage Systems (SuDS) Review. This is mentioned elsewhere in my report.

W4 – Monksilver. After the SRA Board agreed in autumn 2018 to fund flood protection works in Monksilver, Somerset County Council's Highways Department then designed a scheme for the SRA, focusing on problems at the northern and southern ends of the village. Works were completed in three phases between April and June 2019.

W5 – Household Resilience. Villagers in Misterton near Crewkerne took part in a household resilience survey. This was organised and funded by the SRA in partnership with Somerset Prepared, Misterton's lively parish resilience team, and a willing bunch of local Rotary volunteers. The centre of Misterton was flooded in February 2016, and there have been various other emergencies in the past. It was therefore judged to be a good place to start exploring ways of getting people more interested in household resilience planning. After a four-page leaflet went to all households in the village, Rotary members called at every property to offer further advice about keeping safe in the event of possible emergencies, and to gather information. Following on from this pilot project, other communities across Somerset are to be visited.

Rivers Authorities & Land Drainage Bill. Somerton and Frome MP David Warburton took up a Rivers Authorities and Land Drainage Bill drafted by Defra as a Private Members' Bill. The aim of this legislation was to help put the SRA on a secure long-term footing and give it the power to raise its own share of council tax. With Government support Mr Warburton introduced his Bill to Parliament on 5th March 2018, a burst of activity in February and March 2019 saw it pass through the House of Commons with cross-party support. It went to the House of Lords and had its 2nd Reading on 16th May 2019. The Bill failed to progress to Committee Stage in the House of Lords as a result of concerns raised about whether a Private Members' Bill was the correct method for creating new major precepting authorities. It was withdrawn by Mr Warburton in July 2019.

It was disappointing that the Rivers Authorities & Land Drainage Bill failed to become law, but it was heartening to hear many expressions of support for the SRA from members of different parties and from cross-benchers in the Lords. New ways forward are now being discussed. Which brings me on to -

Priorities for the next 12 months

- A key priority will be continuing to press for the necessary legislation required to put the SRA on a stable, long-term legal footing as a major precepting authority. I will continue to work with local MPs and government ministers to see the necessary provisions made so that the SRA can become established in law with the powers to raise its own funding and continue to deliver an extra level of flood risk protection and resilience.
- Somerset's 20 Year Flood Action Plan is now more than five years old. Many of its actions have been completed. Some are no longer required. The Flood Action Plan will therefore be updated in 2020 to reflect what has been achieved, to take account of changes to local and national policies, and to priorities such as the climate emergency resolutions passed by Somerset County Council and district council partners.
- The SRA raises money locally and uses this to provide grant funding to partners to give Somerset extra protection from flooding and greater resilience. In 2020, the SRA will be reviewing its processes for providing grants to ensure that we continue to maximise the benefits of this additional funding. I want to ensure that the SRA is able to fund and deliver the right projects at the right time and this may require changes to how we allocate funding and who can apply for and deliver projects.

- HotSW LEP Growth Deal funded SRA projects must be completed by April 2021 so it will be a busy year for SRA partners completing these works. As SRA Chair I will be supporting SRA partners to drive these projects forward to completion.
- The SRA will be five years old on 31st January 2020 and now is the right time to reflect on what has been achieved and what more needs to be done.

Registration Services

Statutory Compliance

The Registration service received a stock and security assurance audit in February from the General Register Office and was able to maintain the highest possible level of compliance. This was underpinned by the Annual Performance Review in April, whereby the service was able to demonstrate positive attainment and improvement against statutory performance indicators and service deliverables.

Customer Access

With over 20,000 face to face customer appointments needing to be booked every year, the service is keen to continue expanding the customers' use of the online booking facility to reduce the level of phone calls received. A continual programme of work which has been undertaken throughout the year with key stakeholders and partners has provided increasingly positive results, with around 50% of all appointments now being booked online directly by the customer at their convenience. The most successful area has been for customers wanting to book an appointment to register a birth, with 70% of these now being booked online.

An online payment portal is also in the process of implementation. This will enable customers that have a ceremony booked with us to make their payment securely online, rather than face to face with a Registrar or over the phone. The system will also eliminate the existing administrative process involved with linking customer payments to bookings.

Forthcoming Legislative Changes

The Government introduced The Civil Partnerships, Marriages and Deaths (Registration Etc.) Act in June 2019. The Act is the biggest change to marriage legislation since 1837 and will modernise how marriages are registered through the introduction of a marriage schedule system and registration in an electronic register.

The electronic register will be a more secure and more efficient system for keeping marriage records. It will also allow for the names of parents of the couple (mother/father/parent) to be included in the marriage entry and on marriage certificates.

The Act also provides for opposite-sex couples to enter into a civil partnership.

Implementation of the new legislation will involve major changes to processes and activities for the registration service as well as all clergy and other Approved Persons involved in marriages, as well as change for the couples involved. The service will be required to collect in around 1,000 marriage registers from churches for storage at the Heritage Centre, as well as provide training for members of the clergy.

Although the delivery date for the main marriage schedule changes has not been confirmed by the General Register Office (GRO), all local authorities are required to be prepared for the changes to come into effect by 2nd December 2019. (There is a possibility that this date will not be attained as legislation still needs to be finalised through parliament to be enacted.)

Marketing

Marketing efforts for the ceremony side of the service have shown healthy results this year. A focus on licensing new approved premises raised the total ceremony venues by 11 during the 2018-19 financial year. Allowing for older venues choosing not to renew, this is a net gain of 7, compared to just 1 in the previous financial year.

Over 20,000 new users have visited the wedding website in the last 12 months, spending a total of nearly 37,000 sessions browsing the site. The 2019 monthly average new visitor total is 2206, compared with 1301 in 2018. Couples are now using the site to download essential forms and guidance, with the More Information section being the most popular page. Social media continues to be used to raise the profile of the service and support the website. The service's Facebook page reach has exceeded 43,000 over the past year. The Instagram feed has seen a steady growth in followers since its launch last autumn. It has become an excellent vehicle for engaging with venues and regional wedding professionals, while aiming to showcase the best of the Somerset wedding industry. There are currently 38 businesses registered in the online Supplier Directory, and 128 premises listed in the Venue Directory.

The first edition of the printed Ceremony Guide has been well received by venues and couples, with 4000 copies sent out over the past year. Published at no cost to the service, a second edition print run of 5000 is due later this month, and will be again circulated to venues, tourist information centres, direct enquiries and at regional wedding fayres.

Civil Contingencies

Governance

The Somerset Local Authorities Civil Contingencies Partnership continues to serve the 5 local authorities of Somerset.

Policy, Contingency Planning and Response

During the last twelve months all key areas of emergency planning guidance have been reviewed and republished to be both clear and accessible to Officers, Elected Members and the public. These include: Emergency Planning, Response and Recovery; Evacuation and Shelter; Human Aspects; and Emergency Donations.

All key plans that underpin these functions have been maintained, along with regular updates to our supporting processes and capabilities.

Particular attention has been given to warning and informing, severe weather, public events and emergency mortuaries.

Due to a change in regulations significant work is ongoing in relation to Hinkley Point B to ensure SCC meets its new legislative duties for Off-Site emergency planning. Work to date has focused on re-determination of the Detailed Emergency Planning Zone (DEPZ) following a Consequences Report issued by EDF. Following a public engagement exercise with communities within the DEPZ, the 3.5km radius for all current protective actions will remain unchanged.

With ongoing Brexit negotiations and subsequent guidance issued by central government it has been appropriate to review all internal Business Continuity arrangements. This began with a process of risk specific assessment within Service plans and continues into next year with a review of the overarching SCC Business Continuity Management System. This review has been supported by audits delivered by SWAP and Zurich.

Training and Exercising

Training continues to be a significant priority for all local authorities, ensuring Strategic, Tactical and Operational Officers are equipped and able to respond when required. Utilising new approaches and technology, 6

courses for those with Strategic, Tactical and Operational Roles have been developed and delivered across the partnership, comprising both e-learning and workshop delivery.

Further development is underway to add webinars as a delivery method and expand the material available into subject and capability specific training such as evacuation and shelter and loggist training.

Multi-Agency Planning

The local authorities continue to be key partners supporting the Avon and Somerset Local Resilience Forum, Local Health Resilience Partnership, Somerset Health and Social Care Emergency Planning Group and Somerset Health Protection Forum.

In addition to a review of core operating models, significant planning has been delivered for Brexit preparations, logistics planning, 4x4 transport coordination, support for stranded motorists, information sharing and voluntary agency capabilities.

Following lessons learned from previous incidents, policies developed by the CCU for the safe and effective management of spontaneous volunteers have been referenced in national guidance issued by the Cabinet Office.

Community Resilience

We continue to promote and support community resilience as Chair of the Somerset Prepared Partnership, providing advice, guidance and small grant support to Parish and Town Councils and community groups.

This includes individual support for communities, a quarterly newsletter, website and social media maintenance (www.somersetprepared.org.uk) and an annual multi-agency community resilience event, now in its second year.

In support of local initiatives, the CCU continues to maintain two schemes through which communities can work with the local authorities in an emergency: Community Places of Safety; and Emergency Community Contacts. These schemes have over 100 registrations each and have been further developed this year to make it easier for communities to get involved and receive ongoing support.

To inform targeting of future work the civil contingencies unit has developed a mapping tool to identify those communities that would be more vulnerable during an emergency. This is being used by the both the CCU and wider partnership to develop engagement strategies, prioritise

work and enhance capabilities.

Incidents

Fortunately, we have not seen widespread events such as snow and flooding, however incidents affecting local communities and our ability to deliver services have regularly arisen.

During the summer we experienced prolonged high temperatures resulting in activation of the national heatwave arrangements across the health and social care system and wider partners. These arrangements include measures to protect the health staff and those most vulnerable to prolonged temperature extremes.

Issues affecting local transport, particularly the motorway network, have resulted in stranded motorists and required a multi-agency response. When combined with wider conditions such as high temperatures, these incidents can present significant risks to those affected.

Utility failures including both power and water outages have affected residents in Somerset, again with the potential to be worst felt by the most vulnerable. In response to these we have seen excellent support provided by the responsible agencies and great examples of communities supporting one another during disruptions.

Further smaller scale issues have provided opportunities to test our standing business continuity and multi-agency arrangements, giving officers valuable experience and identifying areas for improvement.

Scientific Services

Somerset Scientific Services have now been in their new premises for 3 years and the service continues to increase its client base within other the Local Authority depts the private sector and with the general public. The reputation of the service within the industry and within its client base to offer a first-class analytical testing services and sought-after scientific advice remains high. Our services continue to be used throughout Somerset and the South-West, but we also routinely do work for clients in the Midlands and even the highlands of Scotland.

Accreditation of the services by the national inspection bodies continues to be achieved and feedback from our annual inspection visit was again complimentary. Performance in external proficiency test schemes confirm that Scientific services are within the top classifications.

Generation of income, especially from the private sector is always a key focus of the service and the implementation of a marketing strategy and use of social media sites continues to show benefits.

Potential clients have been targeting through a combination of social media, paid Google advertising and direct marketing. These include local authorities and district councils, asbestos removal firms, building contractors, surveyors, architects, estate agents, pool operators, farmers, national trust properties as well as domestic water and asbestos clients.

Website use is continuing at a steady pace. Over 2000 new users have visited the site over the past year. Users are coming from a balance of referrals, direct links, paid advertising, social media and organic search results. This will help inform the ongoing marketing strategy, with a renewed focus on SEO techniques.

Results from the customer feedback survey continue to be very positive. Around 20% of respondents have been first time customers. Our overall approval rating is just over 9.6 out of 10, with no respondents giving a score of less than 7. 100% of respondents stated they would use the service again and recommend it to others.

Scientific services were again contracted by the Glastonbury Festival to supply all their water sampling and testing requirements for the main festival and the smaller sub-festivals and signs are encouraging that our services will be required for the 50th festival in 2020.

The Asbestos section has been heavily involved with the refurbishment work within A block at County Hall. Overall, the service's financial position continues to be healthy with income levels above target.

Climate Change

At SCC's Full Council in February 2019, a motion was carried to declare a 'Climate Emergency' in recognition of the scale and urgency of the global challenge from Climate Change. It was also resolved to develop a Strategy to identify ways towards making the county of Somerset 'carbon neutral' by 2030.

All the 4 Somerset District Councils subsequently passed similar resolutions either recognising or declaring Climate Emergencies. Whilst the individual declarations differed in detail, all aspired to achieving carbon neutrality, to identifying adaptation and mitigation measures which could arrest the negative impacts on our climate and to reduce the carbon emissions

released into the atmosphere.

It was agreed to develop a cross-authority, county-wide strategy to achieve our aims and to find ways to work in partnership with other public sector organisations, businesses, our communities and industry experts to bring together a coherent and effective strategy and action plan.

Robust governance has been put in place to steer the development of the strategy including a cross-authority Task and Finish group of Members and a dedicated group of Cabinet Members and Portfolio Holders which reports directly to the Somerset Leaders and Chief Executives group, showing the level of importance this work has been given.

Over the last six months a great deal of work has been undertaken to baseline Somerset's carbon footprint, calculating both emissions and to take this work forward, a number of thematic workstreams have been established to look in greater depth at the implications of and for:

- Water
- Energy
- Built Environment
- Natural Environment
- Waste and Resources
- Industry, Business and Supply Chain
- Farming and Food
- Transport
- Engagement and Communication
- on our environment.

The implications on Public Health is a key cross-cutting theme which touches the work of all the workstreams. Again, the impact of Climate Change on Public Health has been recognised and the focus of the next Joint Strategic Needs Assessment will be on the public health aspects of Climate Change.

The work towards developing the strategy so far has focused on securing subject matter expertise and input into the thinking behind the strategy development. An ongoing relationship with Exeter University is being fostered as well as relationships with a number of other organisations including the Somerset Climate Action Network (SCAN).

A Framework document has been produced that sets out at a high level of detail the expected directions of travel required to identify issues and actions that might be taken towards Somerset becoming carbon neutral. It

must be stressed that this is not a strategy not even a draft strategy. The purpose of the framework is to help us begin a conversation with our local businesses, local communities, our public and health partners and ultimately government on what we all need to do, if we are to achieve our ambitious goals. Inclusive and effective consultation is a key underpinning principle of our work towards developing the strategy.

The success of the Strategy will be dependent on significant policy change at national and local level but as importantly on all of us accepting that we each must adapt the way we live our lives, our lifestyle choices and by taking individual action.

We need everyone to be and feel involved in this important work and to ultimately own this strategy, the tough decisions and actions we need to take.

To start this conversation a series of consultation and engagement events are planned for January and February 2020. The responses and feedback from all these consultation events and methods will be analysed during March 2020 to help to inform and shape a draft Strategy document, with a final document and Action Plan ready for publication during the summer of 2020. The events include:

- **Face to Face Contact** – Within each district area, day long Drop in “Have your say” sessions are arranged for members of the public and local communities
- **Online Consultation** – Running over the Consultation period there will also be online consultation to enable those people and businesses that are unable to attend the events on-line access to give their views, ideas and feedback.
- **District Supplemental Events** – To help flesh out plans in each district, it is envisaged that a number of smaller events will also be arranged to engage the community in local activities, sign-post people to the online consultation and promote the work the Councils are doing.
- **Business and Industry Events** – A tailored business and industry focused Consultation event, supported by the Federation of Small Business and the Chamber of Commerce will also take place in early December.

Young People - There is a recognition also that many young people have strong views on climate change and the impact on the planet. Actions coming from the strategy will impact their future and so it seems appropriate to engage with them separately.

It is proposed that this work makes use of the enthusiasm of the members of the Youth Parliament and that they are asked to support the formation of the online consultation as well as promoting the programme amongst young people.

Multi-Denominational Faith Group Events – It is planned that a number of events with faith groups will also take place to gain the views of the religious communities.

Brexit

SCC's Brexit planning during 2019 was informed by a workshop organised by the Avon and Somerset Local Resilience Forum in early January. At that time, the Government's position was that it was working towards the UK leaving the EU with a deal at the end of March but that organisations should plan and prepare in case of no deal. Senior Leadership Team agreed a planning approach based around business continuity preparations and the SCC Corporate Business Continuity plan was activated in January 2019. From January until the end of March, the Civil Contingencies Unit coordinated preparations. Every SCC service was asked to carry out risk assessments against key Brexit risks and these were combined to inform a corporate level risk assessment. Every service was requested to update its business continuity plan and a weekly impact monitoring process was put in place. Information was shared with the District Councils and links were developed with the Heart of the South West Brexit Resilience and Opportunities Group.

After the change of Prime Minister in July, there was an alteration in tone and direction to local authorities regarding Brexit planning. MHCLG directed local authorities to appoint a senior officer as Brexit Lead to ensure the council has taken all reasonable steps, in line with relevant guidance and messaging coming from Government and its agencies, to prepare for the UK's exit from the EU on 31st October.

SCC set up a dedicated Brexit Team and since mid-August it has worked closely with the Districts to produce a combined risk register, run an impacts and mitigations workshop, develop a communications and engagement strategy, monitor and share Government guidance and work closely with SCC services on their preparations in the run up to 31st October. In addition to regular contacts with the District Councils' Brexit Leads, the Team continues to share information with South West Councils, the LEP Brexit Resilience and Opportunities Group, Avon and Somerset Local Resilience Forum, neighbouring local authorities, business associations and key contacts in the local voluntary and community

sectors.

No background papers.

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

Somerset County Council

County Council

– 22 January 2020

Annual Report from the Cabinet Member for Adult Social Care

Cabinet Member: Cllr David Huxtable - Cabinet Member for Adult Social Care Division:

Lead Officer: Mel Lock, Lead Commissioner for Adults & Health & DASS

Author: Cllr David Huxtable

1.0 Summary

- 1.1 Adult Social Care Services both nationally and locally face challenges in responding to funding pressures, increased need within our population, supporting a diverse market place and responding to practice improvements.
- 1.2 I am proud of the progress our services have made during the last year.
- 1.3 The service has established a clear strengths based approach, responding and supporting residents in a way that maximises their potential providing their individual independence
- 1.4 The relationship and interface with the NHS remains as important as ever and this last year has seen more significant developments, both in the continued delivery and impact of services such as 'Home First' and the further improvement of key shared metrics, as well as changes to Mental Health services and approaches becoming more personalised and less clinical.

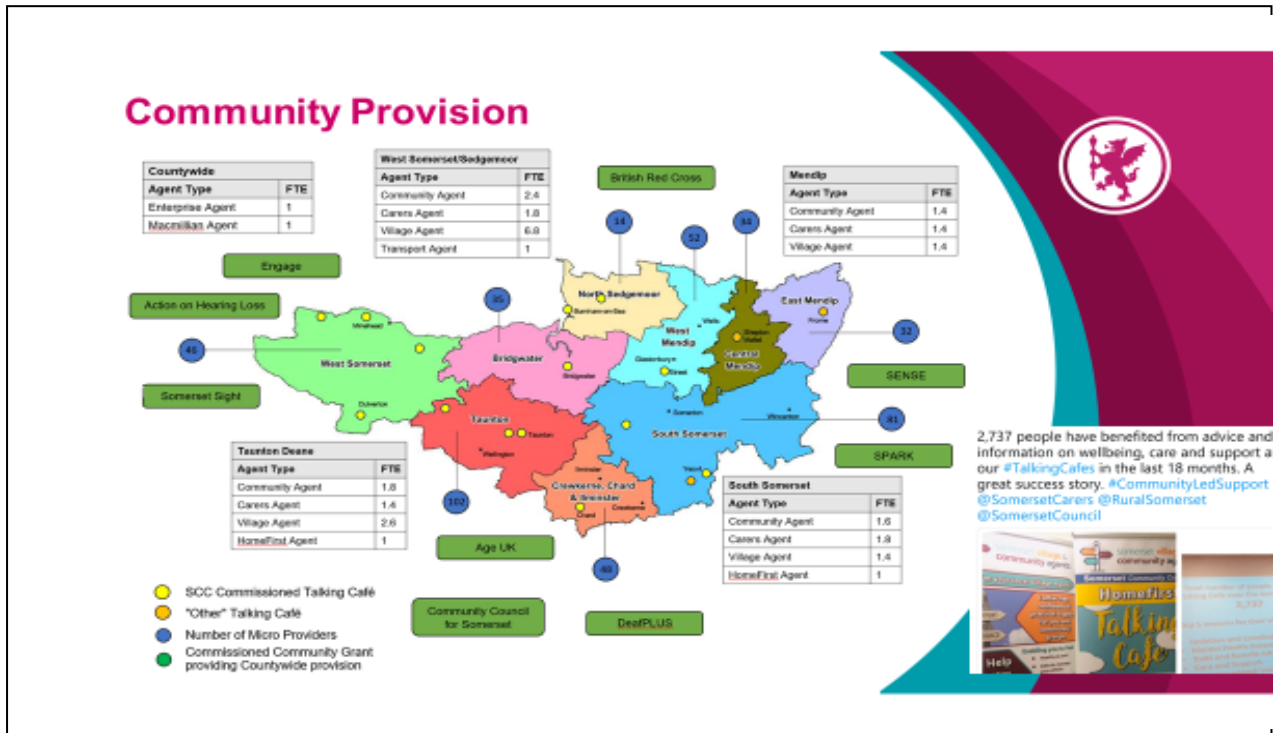
Recommendations

- 2.1 The Council notes the progress to date and challenges faced by Adult Services.**
- 3.0 Adult Services 2019
- 3.1 This report summarises progress across the key areas of Adult Social Care in 2019.
- 4.0 Promoting Independence & Community Connect
- 4.1 We have continued to work in partnership with health and community Partners to develop our Community, Connect approach and infrastructure so that people across Somerset can access information, advice and support online, by calling Somerset Direct or by popping into a Talking Café for a conversation.

- 4.2 We now have 15 Community Connect Talking Cafes and a network of Community Agents and village agents who work closely with our social work teams to ensure that people are able to find solutions that help them live as independently as possible in their own home and community. 2 of these are in hospitals. Since March 2017 to end September 2019 we have supported 5,519 people in Talking Cafes.
- 4.3 We have redesigned and implemented a new website – www.somersetcommunityconnect.org.uk – Some of the key things on the site include:
- Information and advice
 - A directory of Micro-Providers - the growing network of small-scale, often single-person, care providers who can help with care at home.
 - A list of drop-in events being run by a huge range of community and voluntary organisations in your local area
 - Information about support for carers
 - Help to access equipment through the county's two Independence and Advice Centres
 - A directory of registered home care and care home providers
- 4.4 A key part of this strategy is to enable people to have choice and control about their care. They may choose to have this money as a Direct Payment so that individuals can choose, arrange and pay for their own personalised care and support.
- 4.5 However, we know that people find the need to keep records of the orders, invoices and payments associated with having a direct payment onerous and potentially puts them off having a direct payment. Our new website is a key element of this strategy and an eMarketplace where people can choose and buy care products and services in an Amazon like environment.
- 4.6 We have continued to work with Somerset Direct and our social work teams to improve the customer experience and focus on finding solutions that are personalised, proportionate and timely. Working in this way we have consistently resolved over 65% of calls straight away without onward referral to social work teams, and after a same day call back from social work teams, a further 15% are resolved.
- 4.7 We have continued to build our network of Microproviders and developed a quality assurance framework to ensure that people can use Microproviders with confidence. We now have 492 active Microproviders, organised in 16 networks across Somerset providing over 9,000 hours of support to over 1,500 people.

4.8 In looking to the future we are developing integrated ways of working in neighbourhoods in line with our Improving Lives Strategy and the Fit For My Future programme to further embed strength based practices across health and care. We have social workers working in GP practices, and are sharing information with health coaches and GPs. Through the Sider programme and neighbourhood programme we will further embed these practices and develop solutions that enable and promote integrated and inclusive communities.

4.9 Community Provision



5.0 Carers

In Somerset there are 58,000 people who have identified themselves as carer. Adult Social Care have continued to work with individuals, carers, partners and communities to promote the identification and recognition of carers with an aim to support more carers. Our Carers Service provided by Community Council for Somerset in partnership with Somerset Partnership, Engage and Spark Somerset has developed new community-based solutions. We launched our Investing in Carers Transformation Programme which deliver improved support for carers with carers.

5.1 Table showing Adult Social Care Outcomes Framework (ASCOF) measures derived from the Carer Survey in 2018/19.

Key:

Deteriorated
No change
Improved

Measure Ref.	Measure Description	Data Source	Somerset	England	South West Region
			2018/19	2018/19	2018/19
1D	Carer-reported quality of life	Carers Survey	7.2	7.5	7.3
1I(2)	The proportion of carers who reported that they had as much social contact as they would like	Carers Survey	25.1	32.5	28.1
3B	Overall satisfaction of carers with social services	Carers Survey	31.1	38.6	38.5
3C	Proportion of carers who report that they have been included or consulted in discussion about the person they care for	Carers Survey	63.5	69.7	69.2
3D(2)	The proportion of carers who find it easy to find information about support	Carers Survey	53.5	62.3	64.0

6.0 Learning Disabilities

6.1 Following a recognition that change is required across a number of identified areas pilot projects are taking place which test new approaches with the aim to maximise independence. A skills analysis was been completed across community teams and a training plan is in place to meet identified learning and development needs.

6.2 The Learning Disability Transformation Programme has been put in place. The programme aims to ensure good value and assess the spend on Learning Disability, that more people with learning disabilities are supported to live independently in their own homes and that improved access to employment will help reduce the inequalities experienced by learning disabled adults. key areas of work for learning disability services include:

- Prevention and early intervention
- Short term intervention
- Workforce
- Managing capacity and demand
- Longer term care and support

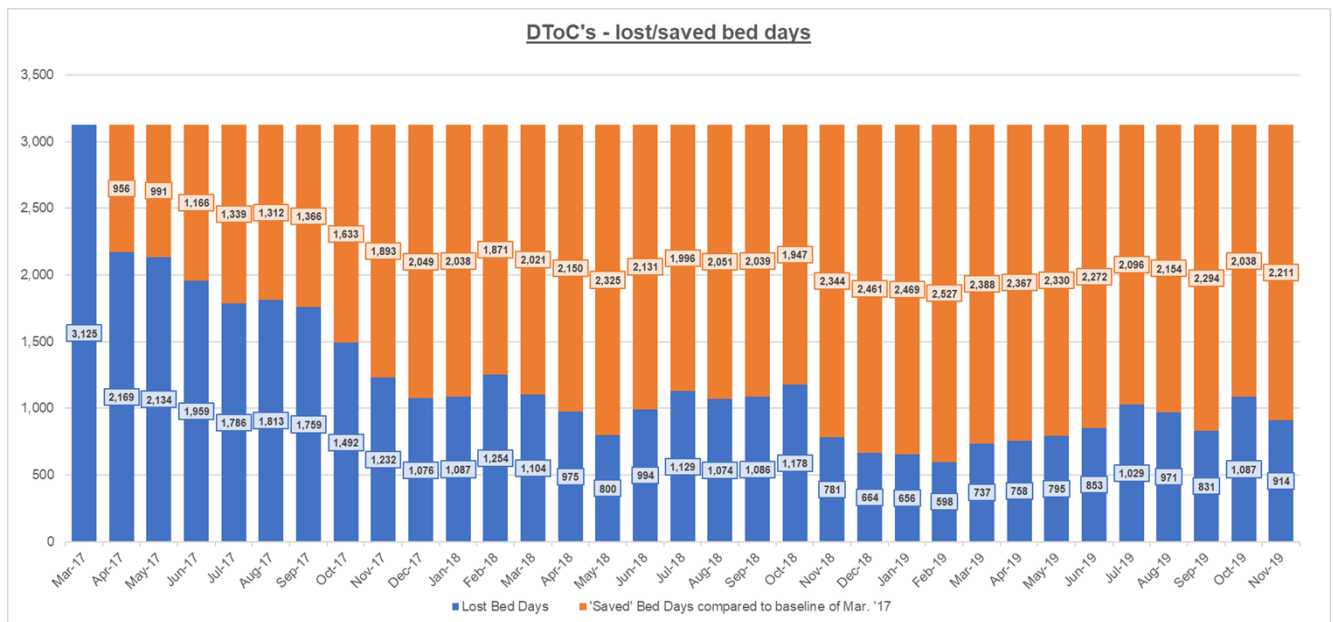
6.3 The council has engaged in the Learning Disabilities Mortality Review (LeDeR) Programme is a national programme aimed at making improvements to the lives of people with learning disabilities. Working with the University of Bristol and Somerset CCG reviews of deaths are carried out with a view to improve the standard and quality of care for people with learning disabilities.

7.0 Working with Health & our Hospitals

7.1 The demand on our health system in Somerset continues to grow and this can put pressure on partnerships and follow on demand for social care. However, these partnerships and joint working remain strong and continue to have the person and their carer at the centre of decision making, rather than any individual organisation.

7.2 In the south west region (end Aug 2019) Somerset was ranked the best performing health and care system on Delayed Transfers of Care. This is due to the expansion and refinement of our trailblazing Home First scheme as well as the continued excellent partnership working with our acute and community trusts.

7.3 Chart showing DToC bed days 'saved' using a baseline of March 2017.



7.4 Home First continues to support people to go home straight from hospital as soon as they are able and has supported over 5000 people since it began in 2017. We are now working on the expansion phase to be implemented later this month with an increased amount of pathway 1 capacity and even greater integration between NHS, ASC and the provider market.

7.5 We are currently driving forward with further integration within the A&E departments of the acute hospitals in Somerset. We have launched the A&E social care service in Yeovil District Hospital already. The social care element is there to turn people around very quickly once they have reached A&E and return them home where a swift, safe and timely solution is appropriate.

7.6 The DTOC position has improved significantly over last 2 years with September 2019 system figure of 2.46% which is below our 2.50% target.

- 7.7 We are improving the experience of those people who have experienced a stroke and are needing a care package to help them return home. We are working closely with Bluebird Domiciliary Care, Taunton, they are coming in to the stroke unit to be part of the decision-making forum about what care people require and hopefully enabling us to get the care in place much quicker than is currently possible.
- 7.8 The county wide Hospital Interface Service (HIS) Improvement work stream was launched in September and is supported by the Principal Social worker and our learning and development team as well as NHS colleagues looking at improving practice, embedding person centred practice and making HIS an attractive area for staff to work, e.g. we are currently rolling out personal development plans for staff.

8.0 Mental Health

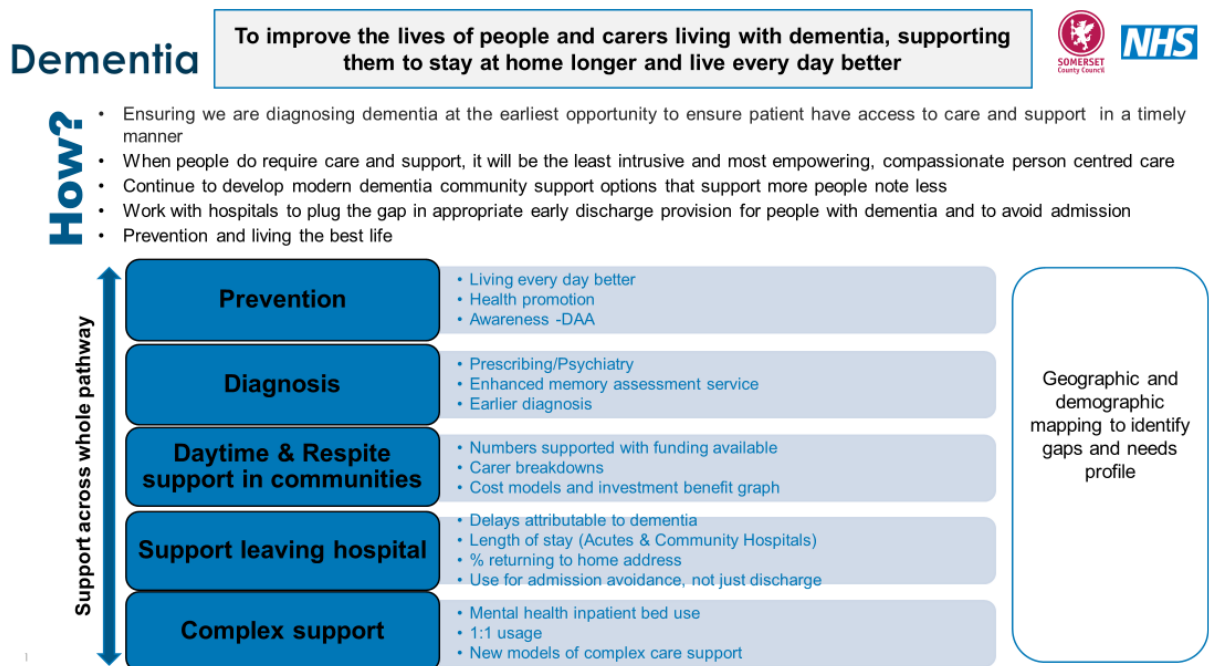
- 8.1 SCC has worked alongside colleagues at the CCG to support an NHS "trailblazer" bid for early distribution of additional funding to support people with poor mental health. See this link <https://youtu.be/t3Ky9ZUqjIM> for more information This bid was successful and will see an expansion not only of community mental health teams but also the networks and support that work alongside them. It will include third sector and community groups being embedded in the health teams to provide preventative support and to enable an easier step down from formal services.
- 8.2 SCC is also working hard to prevent permanent placements in residential care, particularly for working age adults who require supporting with their Mental Health. A new contract "Step Together" aims to support people to access mainstream housing and support them in managing their tenancy. This will encourage independent living and personal responsibility in a setting that people can be proud of and keen to maintain. Both these housing based initiatives are designed to widen the choices available to people and our workforce and discourage the need for residential care.
- 8.3 Significant work has been undertaken during the year to embed mental health social work teams within adult social care. Integrated peer forums have been instituted across the region to enhance professional challenge and improve access to community resources through greater engagement with community agents. Greater professional collaboration and discussion has enabled the further development of the strengths based approach, improving patient centred outcomes and promoting the independence of service users.

8.4 Locality Lead positions have been created to develop local ownership, improve the collaborative approach and develop inter-professional relationships with Community Mental Health Services and Home Treatment Teams. The Approved Mental Health Professional Hub continues to provide a holistic view when undertaking assessments under the Mental Health Act. The 24/7 service works closely with mental health colleagues in Somerset Partnership Trust to ensure that the social determinants of mental health are considered, and that least restrictive interventions are employed.

9.0 Dementia

9.1 The council, together with the Somerset CCG, has refocused its efforts on supporting people with dementia and their carers. The strategy looks at five key areas where we identified that support needed to be improved or updated. A multi-disciplinary group (including peers and third sector providers) oversees this work and has strengthened the links between health diagnosis/treatment and social care support around wellbeing, environment and carers.

9.2 The strategy in summary:



9.3 Mental health social work teams, and the Approved Mental Health professionals continue to work with colleagues from the Intensive Dementia Support Service (IDSS) to provide intensive support to patients with dementia while they are in a period of crisis.

10.0 Safeguarding Service

10.1 The adults safeguarding service has continued to receive high numbers of alerts, these are concerns where an adult may be at risk of harm or abuse. Most alerts are made from private care settings across Somerset. Our close liaison with Somerset Direct has positively enhanced the experience that people receive when they first make contact with the Local Authority. In March 2019, 60.5% of all contacts handled by Somerset Direct were resolved at this, the first point of contact. The safeguarding team is committed to upskilling and increasing the safeguarding awareness of the call advisors to ensure that even more alerts are managed as safely and as quickly as possible. This also ensures that the alert needs more attention, it is passed to the most appropriate service quickly and efficiently. Somerset Direct staff attend recognising adult abuse training. They also have a direct consultation line to the safeguarding triage team and the service provides monthly peer supervision to continually drive up the safeguarding screening at the earliest opportunity. For more information on adult safeguarding in Somerset please see the Somerset Safeguarding Adults annual report which can be found at <https://ssab.safeguardingsomerset.org.uk/wp-content/uploads/SSAB-Annual-Report-2018-19-Final-for-Publication.pdf>

11.0 Provider Quality and Partnerships

11.1 Somerset has continued to perform very well in comparison with nearest neighbour authorities as well as the England average when it comes to the quality of local provision as judged by the independent regulator, the Care Quality Commission. This is reflective of the robust partnership arrangements the Local Authority has with care providers, as well as with the CQC and Somerset Clinical Commissioning Group, in ensuring quality and safety standards are routinely monitored, challenged and supported. Based on October 2019 data from the CQC's Area Data Profile for Somerset:

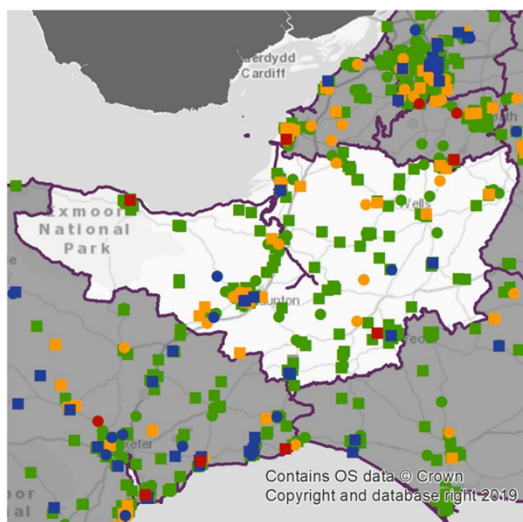
- 78% of Nursing Homes in Somerset were rated 'Good' or 'Outstanding' compared with 74% (comparators) and 73% (national average)
- 86% of Residential Care Homes in Somerset were rated 'Good' or 'Outstanding' compared with 82% (comparators) and 82% (national average)
- 79% of Domiciliary care agencies in Somerset were rated 'Good' or 'Outstanding' compared with 76% (comparators) and 70% (national average).

11.2 Ratings – Adult Social Care

Ratings - adult social care



This map shows the overall ratings of active adult social care locations in Somerset. There may be multiple locations in one position so not all locations may be visible



CQC data accessed on 22 October 2019

Nursing homes - see circles on map

Area	Inadequate	R.I.	Good	Outstanding	Unrated
This LA	0% (0)	22% (13)	73% (43)	5% (3)	0% (0)
England	2%	20%	69%	4%	4%
Comparators	3%	20%	68%	6%	3%

Residential homes - see squares on map

Area	Inadequate	R.I.	Good	Outstanding	Unrated
This LA	1% (2)	8% (13)	81% (133)	5% (8)	5% (9)
England	1%	13%	79%	3%	3%
Comparators	2%	14%	78%	4%	3%

Domiciliary care agencies - not shown on map

Area	Inadequate	R.I.	Good	Outstanding	Unrated
This LA	1% (1)	7% (6)	73% (59)	6% (5)	12% (10)
England	1%	11%	66%	4%	19%
Comparators	1%	10%	71%	5%	14%

Community care services - not shown on map

Area	Inadequate	R.I.	Good	Outstanding	Unrated
This LA	0% (0)	22% (5)	74% (17)	0% (0)	4% (1)
England	0%	8%	72%	4%	16%
Comparators	0%	6%	76%	3%	14%

*R.I. = requires improvement

11.3 Our Proud to Care initiative continues to work with all of our providers and the Registered Care Providers Association to promote working in the care sector. A new HR officer has recently been appointed to further enhance our recruitment and retention approach to this sector in recognition that there are still significant shortages of care staff nationally and locally and it is incumbent on us all to value them and the work they do just as we do with our NHS. With that in mind Somerset County Council has provided the funding to open its own staff benefit scheme, My Staff Shop, to all care staff. We hope that this is a clear sign that we want to be a partner with our providers and their staff and not just a purchaser of goods or services.

12.0 Key areas for improvement during the coming year

12.1 We now need to embed the changes described above across the service and continue to develop practice, ensuring our staff are consistent in changing their way of working from the traditional model of doing for people to one of promoting people's independence. We need them to be more inquisitive about practice, to build and share ideas and solutions, and continue develop the leadership skills of our workforce. The continuing development of our relationships with our partners health, housing and communities is critical to our delivery model. We need to better describe and show how by the use of data, innovation system and cultural change is demonstrated and achieved. We

need to develop our IT solutions to aid our workforce and we need to develop our assistive technology offer to our customers.

13.0 Transformation

- 13.1 We will continue to develop and deliver our transformation programmes around Mental Health, Learning Disabilities and Investing in Carers
- 13.2 We want to support more carers, maximising independence and preventative solutions ensuring the right support at the right time. We are continuing to develop our offer for carers, introduce new ways of working for a more integrated service ensuring equality of service provision and improved outcomes for carers.

14.0 Liberty Protection Safeguards

- 14.1 A significant programme of work is underway to prepare for this change and to ensure that we are well prepared for the changes we believe the Act and the associated Codes of Practice will deliver. The LPS will deliver a single scheme which will apply in all settings reducing delays and complexity currently experienced in community settings. The scheme will extend the age range including those aged 16yrs and above instead of the current 18yrs and above. The Act introduces a Responsible Body which will authorise any deprivation and create a new role of Approved Mental Capacity Professional. Significant work is still required to be undertaken including detailed consultation on the content of the Codes of Practice before the full impact can be appreciated and mitigated, this work will continue throughout this year in preparation for the expected implementation later in 2020.

15.0 Partnership working

- 15.1 Our joint Better Care Fund programme continues to help support partnership working and the 2019/20 plan is on track to national sign off and distributing funding for new and existing integrated initiatives. Some of these include: better dementia support on leaving hospital; trusted assessor initiatives to support care homes; community agents working across all acute and community hospitals and investment in technology that's supports independent living.
- 15.2 In terms of hospital discharge key objectives for the year ahead are maintaining consistent decision making across home first in the County. Supporting our NHS colleagues to remain focussed on community solutions rather than bed based solutions, particularly in times of system escalation. Supporting our staff group to work in person centred way, that enables creative working as well as positive risk taking.

15.3 The focus is now switching to working as a system to support people in their own communities and ensure that health and care systems away from the hospital functions are as joined up and multi-disciplinary as possible. ASC are therefore supporting work on neighbourhood teams; primary care networks and supporting community provision and groups at grass roots level.

16.0 Learning Disabilities

16.1 An ambitious plan for 99 people to transfer to residential to supported living is in hand which will give people the security of their own front door and tenancy. A renewed focus on support more people into employment and continuing to modernise our day service offer will also be an important feature of the year ahead. The strategic learning disability and autism review will take place alongside mapping services across Somerset which will further inform areas of improvement and development to improve learning disability services.

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Somerset County Council

County Council

– 22 January 2020

Update on Performance of the Somerset County Council Pension Fund

Lead Officer: Sheila Collins – Interim Finance Director

Author: Anton Sweet – Funds and Investments Manager

Contact Details: (01823) 359584 Email: asweet@somerset.gov.uk

1. Summary

- 1.1 This report acts as a summary of the Annual Report and Financial Statements for the Fund. The Annual Report contains details of the many policies adopted by the Pensions Committee to set a framework for the running of the fund along with the Committee's activity during the financial year and details of the fund's financial performance for the year.

2. Background

- 2.1 The Somerset County Council Pension Fund has a pool of invested assets that will be utilised to meet the pension liabilities of Somerset County Council and 204 other employers, including the Somerset district councils, Avon & Somerset Police and local colleges and academies. The scheme covers all employees excluding police officers and teachers, who have separate pension arrangements. For a number of these employers (including the County Council) they must offer their employees the scheme under statute with a range of guaranteed benefits to employees. The benefits package and employee contribution rates are set by central government. The current scheme implemented from April 2014 is based on career average salary and normal pension age is synchronised with state retirement age. The Fund has 67,000 members made up of 21,000 currently contributing, 17,000 pensioners 27,000 deferred members and 2,000 undecided leavers.
- 2.2 The scheme is administered by Somerset County Council on behalf of all of the participating employers, and the Council has delegated this function to the Pensions Committee. The Committee for the financial year ended 31 March 2019 was as follows:

Cllr Graham Noel (Chairman), representing Somerset County Council;

Cllr Mandy Chilcott, representing Somerset County Council;

Cllr Simon Coles, representing Somerset County Council;

Cllr James Hunt, representing Somerset County Council;

Cllr Richard Parrish, a Taunton Deane BC Councillor representing the five district councils;

Mark Simmonds, , Chief Financial Officer for the Police and Crime

Commissioner for Avon & Somerset representing Avon & Somerset Police;

Gordon Bryant, Head of Finance and Operations at Exmoor National Parks

Authority, representing admitted bodies and the smaller scheduled employers; and Sarah Payne, nominated by UNISON representing the members (active employees, deferred members and pensioners).

The committee is also attended by:

Caroline Burton, independent Advisor; and officers as required.

- 2.3 The Pensions Committee ensures the Fund is managed in accordance with a range of statutory and regulatory requirements together with industry and professional best practice. It has in place a forward-looking business plan, which is reviewed and updated quarterly. The current plan can be found with the rest of the Committee's papers on the Somerset County Council website.
- 2.4 To ensure that the Fund is of sufficient size to meet its liabilities it is required by statute to undertake an independent actuarial valuation on a tri-annual basis. Following this exercise the actuary sets the employer contribution rates for the next 3 years. The last valuation was undertaken as at 31st March 2019 and the draft results indicated that the fund was 86% funded and the actuary anticipates setting an average employer contribution rate of 20.4% of pensionable pay for the period from April 2020 to March 2023.

3. Pooling of Investments

- 3.1 Since 2015, we have been working with nine other Administering Authorities to implement the Government's requirement to pool the management and investment of our assets with other Local Government Pension Scheme (LGPS) Funds.
- 3.2 We established the Brunel Pension Partnership in conjunction with the nine other LGPS Funds to meet this Government guidance and the requirements of the LGPS (Management and Investment of Funds) Regulations 2016. We launched our pooling delivery operator, the Brunel Pension Partnership Ltd (Brunel Ltd) on 18 July 2017 as a new company wholly owned by the ten Administering Authorities, including Somerset County Council Pension Fund. We own a 1/10th shareholding in Brunel Ltd.. Brunel Ltd obtained authorisation from the Financial Conduct Authority (FCA) in March 2018.
- 3.3 Since March 2018 we have been working with Brunel and the other Funds to transition our investment assets from the historical arrangements we had to substantially all of the Fund being invested via Brunel. Progress remains on track with 60% of assets now managed by Brunel and an anticipation that the transition process will be substantially complete by the end of financial 2020-21.
- 3.4 Further details regarding Brunel are included within the Fund's Annual Report and Financial Statements.

- 3.5 All costs and benefits of the pooling will be met by the Pension Fund and therefore there is no direct impact on the County Council's budget. In time the expected benefits of pooling in terms of lower costs of investment and potentially better investment returns should lead to the County Council having to make lower contributions to the Fund than would otherwise be the case.

4. 2018-2019 Performance

- 4.1 Investment performance for the 2018-19 financial year was positive and in line with the levels required in the longer term with a return of 5.4%. This represented a return slightly below the Fund's own benchmark and below the average Local Authority Fund for the year. A surplus of £4.2m was the outcome for the year from net contributions after the payment of benefits and expenses

5. Consultations undertaken

- 5.1 The Pensions Committee and Pension Board of Somerset County Council have been consulted throughout the process since July 2015. Representatives of the Pensions Committee have attended meetings of the Brunel Shadow Oversight Board.

6. Implications

- 6.1 This report is for information only.

7. Background papers

- 7.1 Somerset County Council Pension Fund Annual Report and Financial Statements 2018/19.

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

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Somerset County Council Pension Fund Annual Report & Accounts 2018/19



County Hall, Taunton, Somerset TA1 4DY

www.somerset.gov.uk



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Chairman's report

This annual report sets out the activities of the pension fund for the year ending 31 March 2019. It is produced to provide information for the following four groups.

- **Those responsible for managing the fund (our elected members).**
- **Those currently receiving benefits from the fund (the pensioners).**
- **Those who will receive benefits from the fund in the future (the deferred pensioners).**
- **Those who contribute to the fund (the active scheme members and employers).**

There haven't been any significant regulatory changes in the year just gone but there are a number of on-going pieces of work that will lead to changes going forward. The Scheme Advisory Board are undertaking a review of the Governance of the LGPS and we expect this to reach its conclusions during the current year.

Under the regulations put in place with the "new" scheme in 2014 was a periodic review of the cost base of the scheme to employers. The first review under this scheme took place this year and reported that the costs had fallen below the required envelope. Proposals to improve the benefits were put forward to redress the balance but these have found themselves on hold due to the McCloud judgement in the court of appeal.

McCloud is a member of the judiciary pension fund. When the new schemes were introduced across the public sector provisions were put in place to provide additional protection of benefits for those close to retirement. Ms McCloud took the government to court on the basis that these transitional protections were discriminatory on the basis of age. On 27th June 2019 the courts denied the Government the right to appeal an earlier judgement in favour of Ms McCloud, following which the Government conceded the case and confirmed they would look to change all public pension funds (including the LGPS) such that they were no longer discriminatory. Estimates of the cost of this to the LGPS are in the range of 0.5% of existing liabilities to 1%. Our actuaries will only be able to clarify this additional cost once the Government have issued revised regulations.

Finally on the regulatory front, the Government have been consulting on a number of changes the most notable of which is a proposal to move to 4 yearly actuarial valuations rather than the current triannual.

The workload for officers during the year has been firmly focussed on the pooling of our investments, as per Government requirements. Brunel, the company that we created along with 9 other LGPS funds, went live in July 2017 and took on its first assets in July 2018. Brunel now manages over 40% of the Somerset Fund's investment assets and this will continue to grow. Details of this and the savings we hope to achieve from pooling are covered later in this annual report.

Investment returns for the year, at 5.4%, were modest but in line with the funding needs indicated by the actuary. The three years since the 2016 valuation by the actuary have produced an investment return of an average of 10.3% per year, nearly double the actuary's assumption of 5.4%. We achieved positive returns on all asset types except for Japanese and emerging market equity during the year.

Since 2004 the fund has had a customised benchmark. The fund's return for the year was 1.4% below the benchmark return of 6.8%.

During the year, contributions paid into the scheme were greater than the pensions paid out. The net result is that before expenses and investment returns the fund grew by £12.2m. We expect this figure to continue to be positive for the current financial year.

2019 is valuation year, the actuary will re-assess our liabilities and the cost of the scheme and set contribution rates for the next 3 years. We look forward to sharing the results of the actuary's work with you around Christmas.

I would like to thank my fellow committee and board members for their commitment and support over the last year. Finally, I would like to thank the officers for their efforts throughout the year in providing an excellent fund for the employers and their employees.

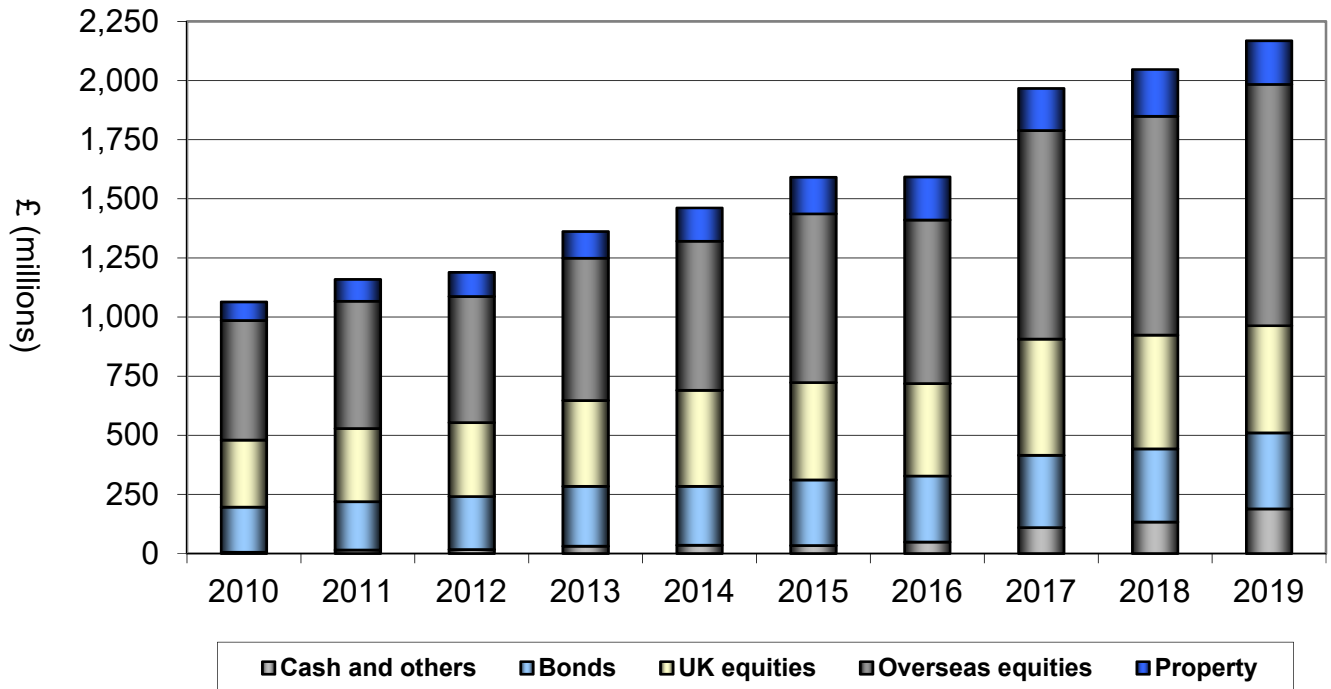
Graham Noel

Chairman of the pensions committee

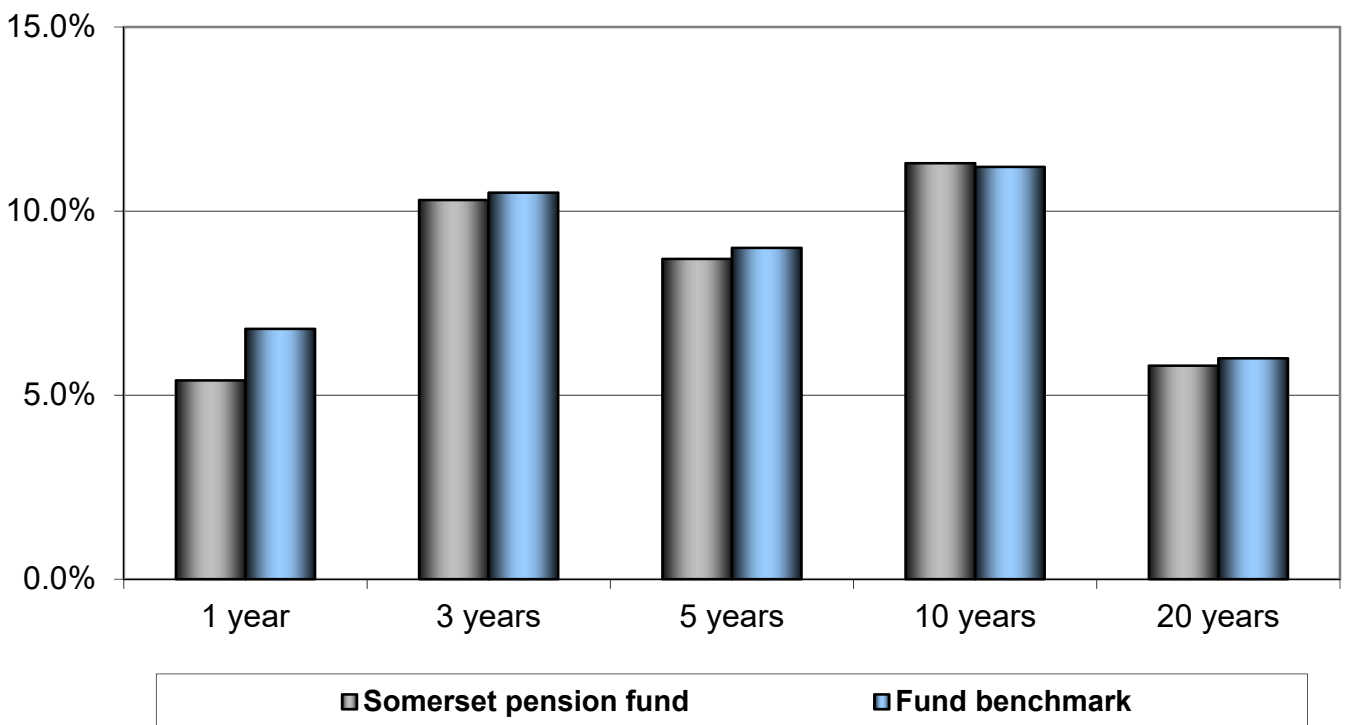
Summary of the scheme

Statistical overview

Fund investment assets



Annualised fund investment performance



Source: Somerset CC

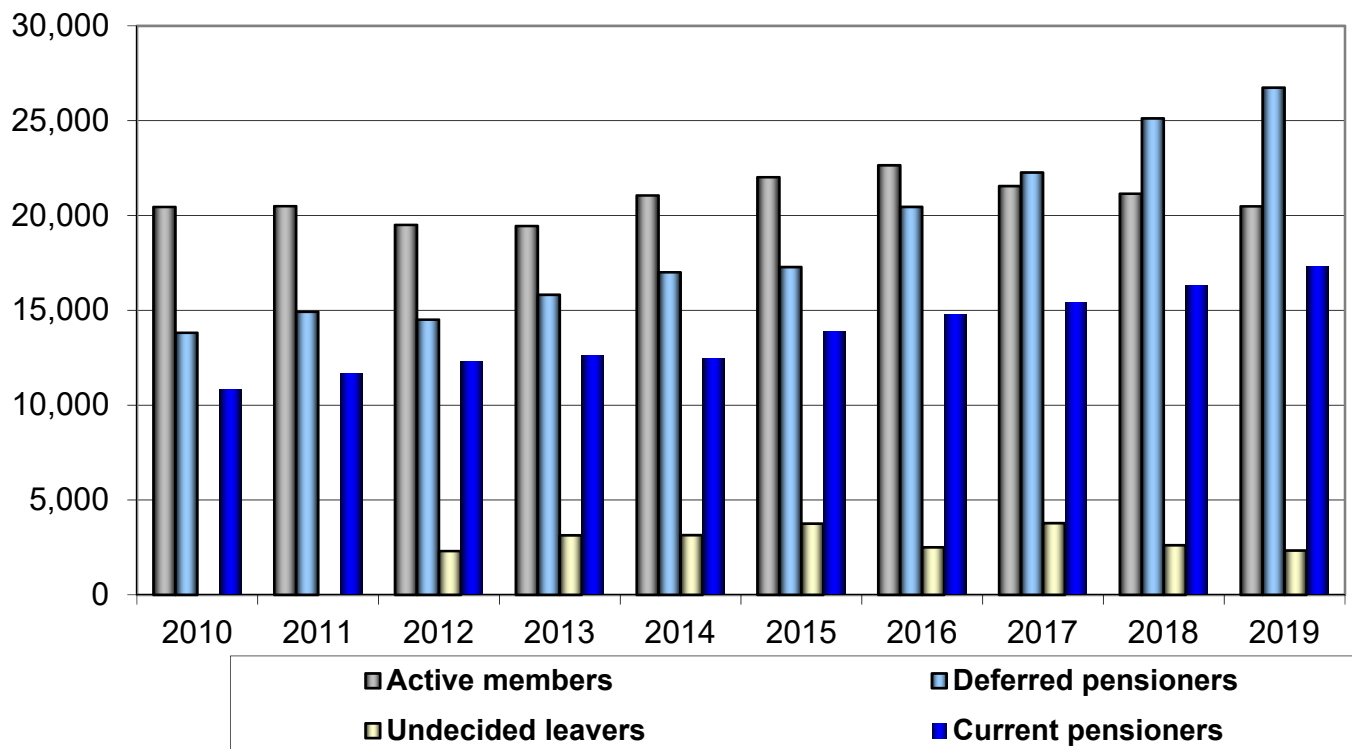
Analysis of investment assets

	UK £m	Non-UK £m	Global £m	Total £m
Equities	451.042	472.646	549.930	1,473.618
Fixed Interest	217.526	104.137	0.000	321.663
Property (direct holdings)	0.000	0.000	0.000	0.000
Alternatives	186.748	0.079	47.151	233.978
Cash	136.948	1.995	0.000	138.943
Other	0.000	0.000	0.000	0.000
Total	992.264	578.857	597.081	2,168.202

Analysis of investment income

	UK £m	Non-UK £m	Global £m	Total £m
Equities	14.490	8.078	5.895	28.463
Fixed Interest	5.701	4.226	0.000	9.927
Property (direct holdings)	0.000	0.000	0.000	0.000
Alternatives	6.954	0.253	0.000	7.207
Cash	0.990	0.000	0.000	0.990
Other	0.000	0.000	0.339	0.339
Total	28.135	12.557	6.234	46.926

Fund membership statistics



Employer statistics

	Active	Ceased	Total
Scheduled body	113	13	126
Resolution body	20	2	22
Admitted body	36	21	57
Total	169	36	205

Financial Statistics – five-year trends

	2014/2015 £ millions	2015/2016 £ millions	2016/2017 £ millions	2017/2018 £ millions	2018/2019 £ millions
Income from contributions	83.588	87.578	95.316	107.412	114.351
Spending on benefits	-147.041	-83.961	-86.989	-94.887	-102.191
Contributions less benefits	-63.453	3.617	8.327	12.525	12.160
Management Expenses	-6.655	-6.257	-6.861	-7.619	-7.956
Investment income	52.221	44.794	52.166	58.515	45.712
Change in value of investments	143.443	-39.348	318.549	25.319	70.521
Net return on investments	195.664	5.446	370.715	83.834	116.233
Change in net assets	125.556	2.806	372.181	88.740	120.437

Value for money statistics

	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019
Administration expenses (£m)	0.993	1.305	1.157	1.113	1.170
Investment management expenses (£m)	5.063	4.302	4.964	5.706	6.178
Oversight and governance expenses (£m)	0.599	0.650	0.740	0.800	0.608
Total expenses	6.655	6.257	6.861	7.619	7.956
Administration expenses per member	17.96	22.25	18.75	17.36	17.71
Total expenses per member	120.35	106.67	111.20	118.84	120.46
Investment expenses (p) per £ of assets	0.33	0.27	0.28	0.28	0.29
Total expenses (p) per £ of assets	0.44	0.39	0.39	0.38	0.38

Member numbers are the average of the opening and closing membership for the year.

Asset numbers are the average of the opening and closing investments assets for the year.

Other Statistics

	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019
Income yield on average assets	3.47%	2.86%	2.98%	2.98%	2.23%
Average pension in payment (£)	4,693	4,495	4,514	4,487	4,518

Pensions committee

Somerset County Council, the administering authority for the pension fund, has delegated its responsibility to manage the fund to the pensions committee under the county council's constitution.

The pensions committee meets regularly to consider all aspects of the administration of the fund. In line with legal regulations, they get advice from professional advisors, the fund's managers and officers, as necessary. The pensions committee makes decisions about the fund's overall policy and investment strategy, taking account of the professional advice it has received.

The following committee was in place for the full financial year covered by this report.

Graham Noel (Chairman)

Graham is one of the four county council representatives on the committee and is the councillor for Mendip West. Graham joined the committee in May 2013.

Mandy Chilcott

Mandy is one of the four county council representatives on the committee and is the councillor for Minehead. Mandy joined the committee in May 2018.

Simon Coles

Simon is one of the four county council representatives on the committee and is the councillor for Taunton East. Simon joined the committee in May 2017.

James Hunt

James is one of the four county council representatives on the committee and is the councillor for Upper Tone. James joined the committee in May 2013.

Richard Parrish (district councils' representative)

Richard represents the five district councils that are members of the fund. Richard is a district councillor and member of the Executive Committee of Taunton Deane Borough Council with responsibility for planning policy and transportation. Richard joined the committee in February 2016.

Mark Simmonds (police representative)

Mark represents the Police and Crime Commissioner for Avon and Somerset on the committee. Mark is the Chief Finance Officer for the Police and Crime Commissioner for Avon and Somerset. Mark is an ACA qualified accountant. He has been a member of the committee since May 2013.

Gordon Bryant (represents other employers)

Gordon represents all of the employers except those specifically covered by another committee member. Gordon is Head of Finance and Operations for Exmoor National Park Authority.

Gordon is a CIPFA-qualified accountant. Gordon has been a member of the pensions committee since May 2017.

Sarah Payne (employees' and members' representative)

Sarah is the employees' and members' representative on the pensions committee. Until 2010 she was employed by the county council as their Extended Schools Services Manager within the Children and Young Person's Directorate and during her career she worked in a variety of roles and directorates, giving her a wide range of experience of local-government services. She is now a deferred member of the fund. Sarah still retains contact with the trade union UNISON who support her position as employees' and members' representative on the committee. Sarah joined the pensions committee as the members' representative in 2004.

As well as the committee members, an independent advisor and officers attend all committee meetings.

Independent advisor – Caroline Burton

After graduating from Oxford University, Caroline joined Guardian Royal Exchange plc in 1973 as a trainee investment analyst. She moved from analysis to portfolio management and became manager of international investments in 1978. In 1987 she became Managing Director of the newly-incorporated Guardian Asset Management. She joined the board of Guardian Royal Exchange plc as the Executive Director for Investment in 1990, a post she held until the company was taken over by AXA in 1999. Caroline currently advises a number of pension schemes.

Caroline has been the independent advisor to the pensions committee since 2002.

Officer –

The lead officer of the Fund, as covered by the Fund's scheme of delegation has specific responsibilities although much of the day to day work is delegated. The lead officers for the Fund through the year were:

Kevin Nacey (Director of Finance and Performance) – 1st April 2018 to 11th July 2018

Peter Lewis (Interim Director of Finance) - 18th July 2018 to 28th February 2019

Sheila Collins (Interim Director of Finance) – 1st March 2019 to present

The work the committee has done this year

During the financial year 2018/2019, the committee formally met three times. At each of these meetings (quarterly) the committee received a report on the investment performance of the fund for the previous quarter and any related information, an update on the committee business plan and workplan, an update on the fund's risk register and an update on the budget and membership statistics of the fund. They also receive an update on the status of all outstanding matters relating to the employer bodies within the fund. At two meetings every year the committee receive a report covering the voting activity at company meetings for the previous six months. Every September, the committee receive a report on the investment returns for the previous financial year and an update on the funding position from the fund's actuary.

During the year, as part of an on-going programme, the committee formally reviewed a number of the external fund managers, and decided to continue with those managers for the time being.

In addition to the above, at each of its meetings the committee has discussed the future investment arrangements of the LGPS and the Government's guidance that we Pool our investments with other LGPS Funds. The pool that the Somerset Fund has chosen to join is called the Brunel Pension Partnership's (BPP). The Somerset Fund is part of BPP along with 9 other like-minded LGPS Funds, loosely based in the South West of England. More detail on BPP and its progress towards pooling can be found later in this annual report

The committee also attend the annual meeting for employers every September, where they are available to answer any questions.

Committee training

As part of the fund's training policy, the committee members are committed to developing their skills and knowledge in relation to the pension fund. We have encouraged our members to attend appropriate outside training events and conferences.

The table below shows how many formal meetings, informal meetings and training events committee members attended this year.

	Committee meetings	Annual meeting	Induction training	Brunel Engagement Event	Conference days
Number of meetings	3	1	1	1	
Committee members					
Graham Noel (Chairman)	3	1			
Mandy Chilcott	3	1	1	1	
Simon Coles	0			1	
James Hunt	3				
Richard Parrish	1				
Mark Simmonds	2	1			
Gordon Bryant	3	1		1	2
Sarah Payne	1	1		1	
Independent advisor					
Caroline Burton	3	1			

Risk management

The committee takes the management of risks within the fund seriously. To this end the fund has developed a risk register which is considered and updated as necessary at each of the quarterly Pensions Committee meetings. A copy of the current risk register, which shows the fund's key risks and the actions to mitigate those risks, can be found with all of the other committee papers on the Somerset County Council website, there is a link on the last page of this annual report. As at 31 March 2019 the key risks on the risk register were:

- The pension fund has insufficient available cash to meet its immediate (next 6 months) liabilities.
- The pension fund has insufficient available assets to meet its long term liabilities.
- The insolvency of an employer places additional liabilities on the fund and ultimately the remaining employers.
- Vulnerability to long-term staff sickness and staff turn-over, especially for higher graded posts.
- Reliance on bespoke IT, which is exacerbated by a lack of experience of these bespoke systems within SCC IT support.
- Risk of Regulatory change:
 - Implementation of change risks
 - Consequences of change risks
- Failure of Benefits Administration to perform their tasks, specifically leading to incorrect or untimely benefits payment.
- Failure of Pensions Committee to manage the fund effectively.
- Insolvency of the fund's Global Custodian.
- Failure of Brunel to deliver either fee savings or investment performance.

In addition to the risk register, how the fund manages and aims to mitigate the funding risk and investment risk are dealt with in more detail in the Funding Strategy Statement and the Investment Strategy Statement respectively. Copies of each of these statements can be found later in this annual report. These are supported by monthly monitoring of investment exposures, risk and performance by officers and quarterly reporting to committee. The management of investment exposures, risk and performance includes the risks associated with holding financial instruments and there further details regarding these exposures and the management of these risks in the financial statements, which can be found later in this annual report.

The management of third party risk such as late payment of contributions, or error and emissions by investment managers or custodian is managed through a robust set of internal controls and reconciliations.

Financial management

The pensions committee undertakes management of the financial affairs of the fund through a number of regular items at Pensions Committee meetings.

To manage the investments the Committee receive a specific paper on the returns achieved by each fund manager quarterly and the return of the fund as a whole along with relevant benchmark information. Annually the committee receive more detailed reports on the performance of the whole fund.

To manage the other financial aspects of the fund the committee set a budget for the forthcoming financial year and then receive quarterly outturn reports and updated projections for the full year. A copy of the current budget report can be found with all of the other committee papers on the Somerset County Council website, there is a link on the last page of this annual report.

Copies of the most recent investment returns and budget information can be found with all of the other committee papers on the Somerset County Council website, there is a link on the last page of this annual report.

Exercise of shareholder rights at company meetings

The fund is committed to the responsible use of its rights as a shareholder in companies. In particular we are committed to voting at company meetings wherever this is practically possible.

For those funds managed by external fund managers, they are responsible for deciding how the fund votes. Each of the external fund managers have written guidelines on how they will utilise their votes in an effort to maximise shareholder value and promote good governance and ethical behaviour within companies. Typically these policies will, to varying degrees, adhere to the principles and best practice guidelines of the various legislation, city codes of conduct and policies of trade bodies such as the Association of British Insurers.

For the in-house managed funds a specialist company is retained to provide analysis and advice on how we should vote our shares, the current provider is PIRC.

Twice a year a summary of the fund's voting activity is reported to the pensions committee and these reports can be found with all of the other committee papers on the Somerset County Council website, there is a link on the last page of this annual report.

In addition PIRC publishes the advice it gives clients (including SCC) on how to vote at company meetings on its website. Some of our external fund managers also place their voting record on their public websites.

Pension board

Under the Local Government Pension Scheme (Amendment) (Governance) Regulations 2015 Each LGPS fund was required to set up a Pension Board to assist the administering authority (the Pensions Committee) in the running of the fund.

Under the legislation the Board must have equal representatives of Employers and Members

Employer representatives

Mark Healey (Chairman)

Mark is a representative of the county council on the board and is the councillor for Huntspill. Mark joined the Board in July 2015.

Paul Deal

Paul is the chief financial officer of Mendip District Council. Paul joined the Board in July 2015.

Vacancy

There is currently a vacancy for an employer representative on the Board.

Member representatives

Nigel Behan

Nigel is a nominated union representative from UNITE. He is a transport project support officer for Somerset County Council. Nigel joined the Board in September 2017.

Vacancy

There are currently two vacancies for member representatives on the Board.

The work the board has done this year

During the financial year 2018/2019, the board formally met twice. At each meeting the Board receives an update on their business plan and workplan, an update on the fund's risk register and review of all of the papers presented to the Pensions Committee. At one of the meetings the Board also received an update on the performance of the administration of members and benefits.

The board has taken on responsibility for receiving the report of the external auditor and related matters. The board also receives an annual report on the timeliness of the receipt of contributions from employers for the previous financial year.

In addition to the above, at each of its meetings the board has discussed the future investment arrangements of the LGPS and the Government's guidance that we Pool our investments with other LGPS Funds.

Board training

As part of the fund's training policy, the board members are committed to developing their skills and knowledge in relation to the pension fund. We have encouraged our members to attend appropriate outside training events and conferences.

The table below shows how many formal meetings, informal meetings and training events committee members attended this year.

	Committee meetings	Annual meeting	Brunel Engagement Event	Conference days
Number of meetings	2	1	1	
Committee members				
Mark Healey (Chairman)	2			
Nigel Behan	2			
Paul Deal	2			

Pension fund administration

In accordance with the Pension Fund's scheme of delegation, a copy of which can be found later in this annual report, the Pensions Committee delegate most of the day to day work of the scheme to officers of Somerset County Council or to Peninsular Pensions, a shared service with Devon County Council. This section details this work.

Investment administration and accounting

The administration of the investments, which includes the monitoring of, and reconciling with, the fund's custodian and external fund managers, is undertaken by the investments team of Somerset County Council.

The accounting for the investments of the fund is also done by the investments team.

The team also report on all investment matters to the Pensions Committee and Pension Board.

Accounting for contributions and benefits

The monitoring and accounting of contributions received from employers is done by the corporate accounting team of Somerset County Council. The corporate accounting team also account for the benefits payments and undertake some other accounting tasks for the fund.

During 2018/2019 financial year (prior year comparative in brackets) there were 167 (122) instances of late payment of contributions by employers, making up 9.22% (7.06%) of payments due. The corresponding figures for more than 10 days beyond due date were 68 (36) instances and 3.75% (2.08%) of payments due.

Instances of failure to pay by the due date were spread over 68 (38) employers.

Based on average monthly contributions from employers it is estimated that by value 89.34% (96.21%) of contributions were received on or before due date and 99.18% (99.77%) within 10 days of due date.

In recognition of the deterioration in the timeliness of receipt of contributions the corporate accounting team are devoting additional resources to the monitoring and accounting of contributions.

Under the Regulations the Administering Authority is entitled, but not required, to charge interest on late payments at 1 per-cent above base rate. During the 2018/19 financial year no interest was levied on any employer for late payment. The use of this sanction is constantly reviewed.

Membership administration

Membership administration involves all the tasks necessary to maintain the records of each of the members of the fund, be they active members (those currently paying in contributions), deferred (have paid into the fund in the past but are not currently contributing or drawing a pension) or pensioners.

Peninsula Pensions was formed in 2013 as a shared pension administration service, with Devon County Council acting as lead authority, for the provision of the Local Government Pension Scheme (LGPS) administration on behalf of the Devon and Somerset administering authorities.

Peninsula Pensions also administers the Police Pension Schemes for Avon and Somerset Police and the Firefighters Pension Schemes for Gloucestershire Fire and Rescue Services.

Key functions provided by the service include:

- guidance and information as to how pension legislation affects employers and their employees;
- guidance and information to individual members in respect of pension issues that will fundamentally affect their living standards, involve complex regulations and will often be in emotional circumstances e.g. death of a partner;
- calculation of individual pension benefits;
- payment of pensions; and
- adherence to HRMC and other regulatory bodies requirements including completion of all statutory returns.

Value for money

Peninsula Pensions is committed to delivering a high quality, effective and efficient pensions administration service. We aim to ensure that all of our customers' needs and requirements are met, while delivering value for money for all of our employers and members.

Our vision

Our vision is to be a provider of efficient and cost-effective pensions administration, utilising technology to deliver service improvement, developing training modules to ensure that staff are trained and developed, similarly providing effective training and communication for employers and members alike.

We also aim to ensure that information is readily available to members and employers alike by developing the existing self-service functionality.

Our objectives

We aim to achieve our mission through experienced, well trained pensions administrators driven to deliver a reliable and professional service, whilst demonstrating excellent customer care.

We will develop training modules to enable continuous improvement and development of staff across the service at all levels.

We will make best use of technology to enable an efficient and cost-effective service, providing direct access online to as much information as possible through our Member and Employer self-service facilities.

We will use technology to improve member and employer communications and learning, and will develop training modules to enable more flexible communication to a wider audience.

We also strive for Continuous improvement in service delivery and high levels of employer and member satisfaction.

Summary of activity

The business environment in which Peninsula Pensions operates is complex and volatile. Changes to pension regulations and reporting requirements are subject to frequent change. However, the situation is considerably more complicated by the fact that the service is now working with over 400 different employers with active members. This position arises due to factors such as the creation of school academies, outsourcing and creation of trading arms by existing employer organisations.

The nature of the queries received by the service from individual members is also often complex and, of course, of high importance to the individuals concerned.

Since its formation in 2013 the membership numbers under the administration of Peninsula Pensions has increased by over 12%, the number of employers has increased by 34% and requests for information have increased by 17%.

Peninsula Pensions was subject to a restructure during 2018/19, in order to ensure that the service is best placed to meet this increase in demand and future challenges.

The team is now headed up by Dan Harris, Head of Peninsula Pensions, and has three specialist functions, as set out on the following pages:

Employer liaison and communication

This team is headed up by Shirley Cuthbert, Employer and Communications Manager, and is responsible for all client management aspects of the fund's employers.

The increased engagement, training and support will help to ensure that data quality and timeliness is improved in order to comply with regulations and will enable smooth processing of benefit administration by the member services teams.

The team review employer performance data across all areas of Peninsula Pensions and help to manage any employer issues that may arise. The team also administer the admitted body process and other new employers as they join the fund.

Communication is an important aspect of administering a pension scheme and the team are developing and improving employer and member communications. Central to this will be increasing the use of self-service portals and the website.

Some of the key areas covered by the team are:

- client management;
- increased engagement, training and support;
- monitoring and review of employer performance data;
- administering the process for admitted bodies and new employers;
- improving communications with employers and members; and
- increasing the use of self-service portals and the website.

Technical and compliance

This function is headed up by Rachel Lamb, Technical and Compliance Manager, and covers a number of areas including pensioner payroll, systems development and technical and training.

The Technical and Training team is a new function which is responsible for creating and maintaining benefit administration procedure notes and providing training to all member services team members. The aim is to ensure consistency of processes and working practices across all teams. The team are developing and implementing a training and accreditation plan for member services staff and will monitor progress. A quality assurance scheme will also be monitored by this team to ensure the continued accuracy and quality of outputs of accredited member services staff.

The Technical and Training team respond to technical queries and administer the Annual Allowance project, along with other technical projects.

Some of the key areas covered by the team are:

- pensioner payroll;
- systems development; and
- technical and training:
 - procedure notes and training;
 - training and accreditation programme for staff;
 - quality assurance scheme for accredited staff;
 - technical queries; and
 - administering the Annual Allowance exercise and other projects.

Member services

This function is headed up by Natalie Taylor, Member Services Manager, and covers all areas of member services for LGPS, Police and Fire schemes.

The 3 LGPS benefit teams are now split by employer with the aim of improving our employer focus (previously the teams were split alphabetically by member surname) and they provide a full pension administration service for scheme members.

The First Response Team is responsible for dealing with all incoming and outgoing post and for managing email boxes. They are also responsible for checking incoming work requests for accuracy and completeness before work is passed to the main benefit teams to be processed. The team liaise with employers where data is missing or inaccurate, and collate employer performance information, which will help to highlight areas for improvement from an employer perspective.

Some of the key tasks undertaken by the team are:

- processing LGPS retirement calculations and estimates, including retirements of the grounds of ill-health, redundancy, efficiency, early and age retirements;
- processing LGPS benefit calculations in respect of deaths-in-service, deaths of pensioners and the deaths of deferred members;
- setting up new fund members;
- processing leaver notifications;
- calculation of cash equivalent transfer values (CETVs) for divorce proceedings, pension sharing and earmarking orders;
- processing the transfer-in of pension rights accrued with a previous employer or pension provider;
- processing the transfer-out of pension benefits to an external employer or pension provider;
- processing refunds of member contributions;
- administration of Additional Pension or Additional Voluntary Contributions;
- processing notifications such as changes of address, hours and marital status; and
- responding to all queries from LGPS fund members via a variety of communication methods.

Key administration performance data

Work flow indicators

Peninsula Pensions' internal service standard target is to complete 90% of work within 10 working days from the date that all necessary information has been received.

In addition to the internal targets, Peninsula Pensions monitors performance against the Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013, which set out the minimum requirements regarding the disclosure of pension information.

Performance targets are monitored on a monthly basis via a task management system and reporting tool within the pension database.

During 2017/18, the team issued 76% of work within target against our internal timescales.

Performance since this date has improved and the total overall performance for the financial year 2018/19 against our internal timescales is 80%.

Following a change to reporting methods, we are now able to monitor our performance against the Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013. Our overall performance against the Disclosure Regulations for 2018/19 is 98%.

The table below shows a detailed breakdown of administration performance relating to the Somerset Pension Fund only against the internal targets and Disclosure Regulations for the year ending 31st March 2019.

	Cases completed	Performance (disclosure regs)	Performance (internal targets)
High priority procedures	8,038	96%	80%
Medium priority procedures	11,705	100%	85%
Low priority procedures	3,029	100%	76%
Total	22,772	99%	82%

The table below provides additional detail on high priority procedures.

	Cases completed	Performance (disclosure regs)	Performance (internal targets)
Changes	2,583	100%	94%
Complaints (member)	26	100%	74%
Complaints (employer)	0		
Deaths	402	90%	57%
Payroll	1,670	100%	95%
Refunds	566	100%	82%
Retirements (active)	1,021	84%	42%
Retirements (deferred)	1,770	94%	71%
Total	8,038	96%	80%

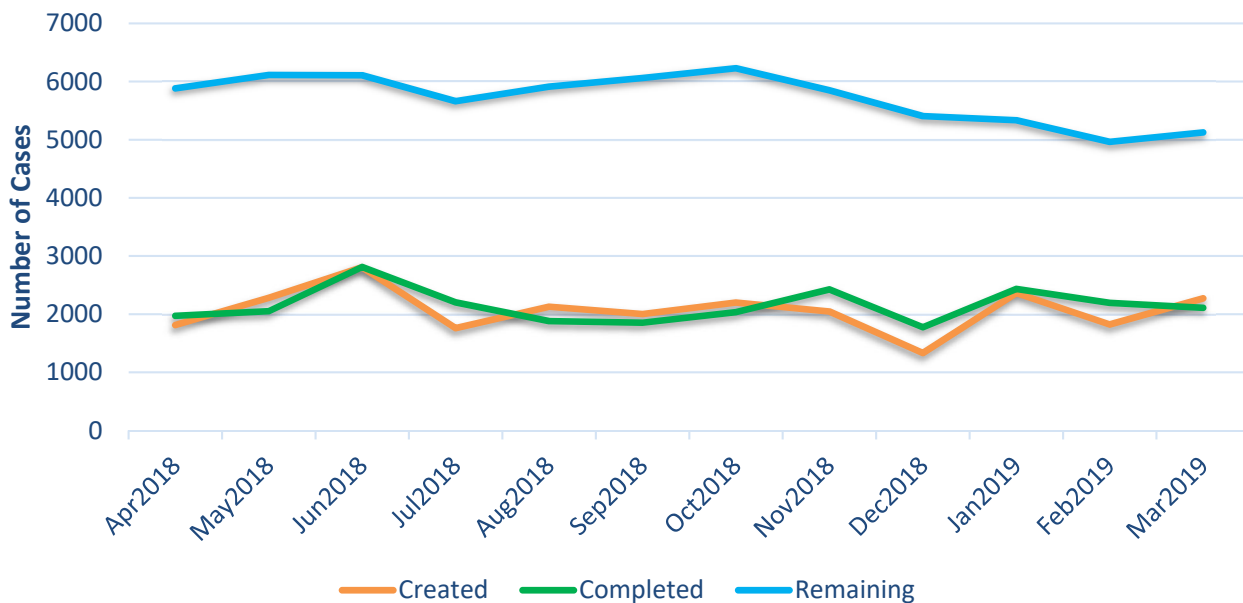
The table below provides additional detail on medium priority procedures.

	Cases completed	Performance (disclosure regs)	Performance (internal targets)
Amalgamation of records	840	100%	56%
Deferred benefit calculations	2,946	100%	90%
Divorce calculations	231	100%	94%
Employer queries	867	100%	51%
Estimates (employer)	447	100%	86%
Estimates (member)	458	100%	59%
General	2,570	100%	87%
HMRC	71	75%	69%
Member self-service	3,275	100%	100%
Total	11,705	100%	85%

The table below provides additional detail on low priority procedures.

	Cases completed	Performance (disclosure regs)	Performance (internal targets)
Estimates (other)	170	100%	15%
GMP queries	29	100%	100%
Interfund transfers in	93	100%	14%
Interfund transfers out	98	100%	19%
Pension top ups	841	100%	86%
Frozen refunds	1,308	100%	96%
New starters	148	100%	99%
Pension transfers in	119	100%	24%
Pension transfers out	223	100%	31%
Total	3,029	100%	76%

The graph below highlights the overall performance of Peninsula Pensions (Somerset Fund only) for the year ending 31st March 2019.



We are continuing to undertake an extensive training plan across the member services section and have recently recruited to several vacant positions within the team which should help to improve things further going forward.

Financial Indicators

The following financial indicators are for The Peninsula Pensions team as a whole and may vary compared to the Somerset only figures quoted elsewhere in this annual report.

For the financial year 2018/19, the costs of providing a pension administration service equated to £15.86 per fund member.

Our pension payroll costs per pensioner equated to £4.84 per pensioner.

In previous years, Peninsula Pensions has subscribed to the CIPFA Benchmarking Club for Pensions Administration, which enabled cost comparisons to be made against other LGPS administrators. For the previous 3 financial years, the costs of our administration service compare favourably against the national average, as set out below:

2017/18

- Costs of administration per member: £16.34 vs £21.16 (LGPS average)
- Cost per pensioner £4.85 vs £4.89 (LGPS average)

2016/17

- Costs of administration per member: £16.06 vs £20.14 (LGPS average)
- Cost per pensioner £4.57 vs £5.54 (LGPS average)

2015/16

- Costs of administration per member: £16.37 vs £18.37 (LGPS average)
- Cost per pensioner £4.56 vs £6.52 (LGPS average)

During 2018/19, officers made the decision to withdraw from the CIPFA Benchmarking Club and therefore a comparison against other Benchmarking Club members will not be published for this financial year. In addition to saving on membership costs, the decision to withdraw was made in view of the decreasing number of funds taking part in the exercise, results not being available until after the Annual Report is published and that our financial indicators have been positive for a number of years. We will continue to monitor our costs internally against the national average.

Staffing indicators

Peninsula Pensions employs 65.18 full-time equivalent members of staff (the actual full-time equivalent number employed as at 31st March 2019 was 62.90). This equates to 3,218 fund members for every full-time member of staff.

Individual staff performance is closely monitored, with a competency framework and quality control processes in place. We also deliver rigorous in-house training sessions and maintain staff knowledge via internal communications, forums and regular meetings.

Other Information

A further analysis of new pensioners for the Somerset Pension Fund during 2018/19 is set out in the table below:

Pensioner category	Number of new pensioners
Ill-health retirement	77
Early retirement	835
Normal retirement	338
Total	1,250

Member Self-Service

Peninsula Pensions encourages scheme members to sign up for Member Self-Service (MSS). This facility enables scheme members to:

- view pension records online;
- update personal information;
- view documents such as annual benefit statements, newsletters and pensioner payslips; and
- calculate pension forecasts and estimates.

MSS has proved to be very popular with our members. It is easy to access and use, in addition to being a more environmentally friendly method of communication than post. As at 31st March 2019, approximately 35% of our active fund members have signed up for the service.

Member self-service can be accessed via the following link:

<https://members.peninsulapensions.org.uk/altairMSSWeb/login>

Pension payroll

Pensioner payroll services were provided by Peninsula Pensions.

Audit

All of the teams above are subject to regular internal audit review of processes and internal controls as well as review by external audit as part of their audit of the accounts of the fund.

The internal audit work for Somerset County Council and is provided by the South West Audit Partnership.

The internal audit work for Peninsula Pensions is provided by Devon Audit Partnership.

External audit work on all areas of the Fund is undertaken by Grant Thornton.

In addition to the audit work undertaken on the directly controlled operations of the Fund by auditors, the Fund requests from its external fund managers and the global custodian reports undertaken by audit companies on the robustness of their internal control environments.

Internal dispute resolution procedure

The LGPS has a 2-stage dispute resolution procedure. For stage 1 appeals relating to a decision or action by the member's employer, the dispute is dealt with by the nominated person for that employer. All other disputes are dealt with by the Head of Peninsula Pensions. If the member is not happy with the decision made at Stage 1 then they can move to Stage 2 where the issue will be looked at afresh by The Interim Director of Finance of Somerset County Council. If the member is not happy with the decision made by the Stage 2 panel they can take their case to the Pensions Ombudsman for a final decision.

During 2018/19 there were 7 Stage 1 appeals and 1 Stage 2 appeal.

However, as many Stage 1 appeals are dealt with by the member's employer we may not have been informed of all appeals.

Asset pooling

Background

Since 2015, we have been working with nine other Administering Authorities to implement the Government's requirement to pool the management and investment of our assets with other Local Government Pension Scheme (LGPS) Funds.

The 2015 LGPS Investment Reform Criteria and Guidance set out how the Government expected LGPS funds to establish asset pooling arrangements and the objectives from pooling including: benefits of scale, strong governance and decision making, reduced costs and excellent value for money, and an improved capacity and capability to invest in infrastructure.

We established the Brunel Pension Partnership in conjunction with nine other LGPS Funds to meet this Government guidance and the requirements of the LGPS (Management and Investment of Funds) Regulations 2016. We launched our pooling delivery operator, the Brunel Pension Partnership Ltd (Brunel Ltd) on 18 July 2017 as a new company wholly owned by the ten Administering Authorities, including Somerset County Council Pension Fund. We own a 1/10th shareholding in Brunel Ltd.

Brunel Ltd obtained authorisation from the Financial Conduct Authority (FCA) in March 2018 to act as an investment manager and an investment advisor. Brunel Ltd met the Government's requirement for the Pool to become operational from April 2018 and the transition of assets to start. Regular reports have been made to Government on progress towards the pooling of investment assets, and Brunel Ltd has received positive feedback on its progress.

Brunel Ltd is responsible for implementing our detailed Strategic Asset Allocation and those of its other nine partner Funds by providing and implementing a suitable range of outcome focused investment "portfolios". In particular, it researches and selects the professional external investment managers responsible for making the day to day investment decisions on the portfolios. In some cases, a portfolio will have a single external manager who provides the fund structure for a portfolio. In other cases, Brunel Ltd will allocate to a number of different externally managed funds. For active equities, Brunel Ltd has sponsored the creation of an authorised contractual scheme (ACS), in conjunction with an external fund operator (Fundrock), as this structure in these markets offers significant cost and tax benefits. Brunel Ltd is the investment manager of the ACS.

Importantly, Somerset County Council, through the Pensions Committee, retains the responsibility for setting the detailed Strategic Asset Allocation for the Fund and allocating investment assets to the portfolios provided by Brunel Ltd. We are also able to, and actively do, suggest new portfolios to Brunel Ltd and engage with Brunel Ltd on the structure and nature of existing portfolios.

Governance and oversight

The Somerset County Council Pension Fund is both a shareholder and a client of Brunel Ltd and as a client, we have the right to expect certain standards and quality of service. A detailed service agreement has been agreed which sets out the duties and responsibilities of Brunel Ltd, and our rights as a client. It includes a duty of care of Brunel Ltd to act in its clients' interests.

The Pension Committee recognises that the governance of the partnership is of the utmost importance to ensure our assets are invested well and our needs and those of our beneficiaries are protected. We have ensured that governance controls exist at several levels within Brunel Ltd as follows:

- As shareholders in Brunel Ltd, we entered into a shareholder agreement with the company and the other shareholders. This gives us considerable control over Brunel Ltd – several matters, including significant changes to the operating model, are special reserved matters requiring the consent of all shareholders, with other reserved matters requiring agreement across a majority of shareholders. Each of the ten participating Pension Funds has a 1/10th shareholding in Brunel Ltd.
- An Oversight Board comprising representatives from each of the Funds has a primary monitoring and oversight function. Meeting at least quarterly, it reviews and challenges papers from Brunel and interrogates its management. However, it cannot take decisions requiring shareholder approval, which are remitted back to each Fund individually. Mark Simmonds (pensions Committee member representing the Police) represents the Fund on this Board. Two members representing Pension Fund members from the participating Funds also attend Oversight Board meetings.
- The Oversight Board is supported by the Client Group, comprised primarily of pension investment officers drawn from each of the Funds, but also drawing on finance and legal officers from time to time. It has a leading role in reviewing the implementation of pooling by Brunel, and provides a forum for discussing technical and practical matters, confirming priorities, and resolving differences. Client Group is also supported by a number of sub-groups, to delve deeper in to detail. Anton Sweet represents the Fund and is co-vice chair of the overall client group, he also sits on the strategy and governance, finance and investments sub-groups. We also attend other sub-groups such as the operations or responsible investment sub-groups when required. The Client Group is also responsible for providing practical support to enable the Oversight Board to fulfil its monitoring and oversight function.
- A separate level of governance is provided by the Board of Directors at Brunel Ltd, which are appointed by ourselves and the other shareholders. It comprises four highly experienced and independent non-executive directors, chaired by Denise LeGal and four executive directors. Further information can be found on Brunel's website:
www.brunelpensionpartnership.org/people
- Finally, as an authorised firm, Brunel Ltd has to meet the extensive requirements of the Financial Conduct Authority, which cover areas such as training and competency, policy and process documents, and internal controls.

Brunel Ltd operational delivery

Brunel has made excellent progress in its first full year of operation, meeting a number of its core objectives for clients including:

- Transitioning circa £6 billion assets under management into five available Passive Equity portfolios with Legal & General Investment Management.
- Selecting Fundrock as the platform provider for their Authorised Contractual Scheme (ACS) platform and subsequently launching and transitioning 2 active equity portfolios (UK Equity and Low Volatility Global Equity).
- Appointment of State Street as Custodian and Administrator of the partnership.
- Bringing forward the offering of Private Market's portfolios by appointing Colmore as a middle and back office provider.
- Establishing its Responsible Investment policy and being the first LGPS pool to join the UN-backed Principles for Responsible Investment. Brunel Ltd are recognised within the investment community for their positive and innovative approach to responsible investment.

In accordance with a revised timetable agreed across the partner Funds as part of the 2019/20 Brunel Ltd business plan process, it is anticipated that investment assets will be transitioned across from our existing investment managers to the portfolios managed by Brunel Ltd between July 2018 and around October 2021. For those assets which have yet to transition, we will continue to maintain the relationship with our current investment managers and oversee their investment performance, working in partnership with Brunel Ltd where appropriate.

During 2018/19, the first Somerset County Council Pension Fund assets transitioned into Brunel portfolios. In July 2018, we transitioned into the passive global equity portfolio through Legal and General Investment Management (LGIM). We subsequently transitioned into the active UK equity portfolio in November 2018. We expect the rest of our listed equity assets to transition during 2019 and 2020.

Following the completion of the transition plan, we envisage that almost all of our Fund's investment assets will be invested through Brunel Ltd. The Fund has certain commitments to long term illiquid investment funds in private equity which will take longer to transition across to the new portfolios to be set up by Brunel Ltd. We will continue to manage these in partnership with Brunel Ltd until such time as they are liquidated, and capital is returned. It is anticipated that the in-house team will continue to manage the Fund's cash outside of Brunel Ltd for the foreseeable future.

Delivery against original business case

One of the key objectives for Brunel Ltd is to deliver the fee savings included in the original business case agreed across the ten partner Funds.

The Pensions Committee approved our participation in the Brunel Pension Partnership in July 2017, based on the detailed original business case and supported by appropriate legal and financial assurance. Overall, undiscounted potential fee savings across the pool were estimated at £550 million over the 20 year period (to 2036), of which the Fund's savings were projected to be around £27 million. We recognised that the project would incur initial setup costs, with the business case showing that the Somerset County Council Pension Fund would break even on a cumulative basis during 2024. For the overall pool, the breakeven date is 2023.

The expected costs and savings for the Somerset County Council Pension Fund through to 2036, as per the original approved business case submitted to Government, are as follows:

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	2016/ 2017 £ m	2017/ 2018 £ m	2018/ 2019 £ m	2019/ 2020 £ m	2020/ 2021 £ m	2021/ 2022 £ m	2022/ 2023 £ m	2023/ 2024 £ m	2024/ 2025 £ m	2025 to 2036 £ m	Total £ m
Set up costs	0.117	1.028									1.145
Ongoing Brunel Costs			0.400	0.517	0.534	0.552	0.569	0.588	0.607	8.115	11.882
Clients Savings			-0.040	-0.042	-0.043	-0.044	-0.045	-0.047	-0.048	-0.635	-0.944
Transition costs			1.257	1.805	0.010						3.072
Fee savings			0.008	-0.750	-1.295	-1.454	-1.630	-1.816	-1.945	-33.253	-42.135
Net costs / (realised savings)	<u>0.117</u>	<u>1.028</u>	<u>1.625</u>	<u>1.530</u>	<u>-0.794</u>	<u>-0.946</u>	<u>-1.106</u>	<u>-1.275</u>	<u>-1.386</u>	<u>-25.773</u>	<u>-26.980</u>

Set up costs

Included in the original business case were set up costs for 2016/17 and 2017/18, recognising that Brunel Ltd would go operationally live from April 2018. We are pleased that the setup costs came in around budget, which is a great achievement given the creation of a completely new company and investment platform. A summary of the actual set up costs for 2018/19 is included below:

	Cumulative £ millions
Recruitment	0.018
Legal	0.133
Consulting, Advisory & Procurement	0.082
Other support Costs e.g.IT, accommodation	0.000
Share Purchase / Subscription Costs	0.840
Other Working Capital Provided e.g. loans	0.000
Staff Costs	0.000
TOTAL SET UP COSTS	<u>1.073</u>

Transition costs

The transition costs for 2018/19 for our passive global equity and UK equity portfolios were lower than estimated in the original business case. We anticipate an increase in transition costs during 2019/20 as the majority of our active equities will transition during this period. Transition costs are summarised in the table below:

	Direct £ millions	Indirect £ millions	total £ millions
Transition Fee	0.000	0.000	0.000
Tax	0.000	0.627	0.627
Other Transition Costs	0.000	1.772	1.772
	<u>0.000</u>	<u>2.399</u>	<u>2.399</u>

Investment Fee savings

During 2018/19, the first Somerset County Council Pension Fund assets transitioned into Brunel Ltd portfolios. In July 2018, we transitioned into the passive global equity portfolio through Legal and General Investment Management (LGIM). We subsequently transitioned into the UK equity portfolio in November 2018. Fee savings on these portfolios are relatively small against our incumbent arrangements.

A summary of fee savings to date compared to the original business case is provided below.

Portfolio	Value in original business case (31 March 2016) £ millions	Value 31 March 2019 £ millions	Price variance £ millions	Quantity variance £ millions	Total Savings £ millions
Global passive equity	383.102	517.100	0.002	-0.007	-0.005
Active UK equity	363.467	441.543	0.055	-0.054	0.001
Total			0.057	-0.061	-0.004

Expected verses actual costs and savings to date

A summary of the costs and savings to date compared to the original business case is provided in the following table.

	2017/18				2018/19			
	Budget		Actual		Budget		Actual	
	In year	Cumulative	In year	Cumulative	In year	Cumulative	In year	Cumulative
	£ millions	£ millions	£ millions	£ millions	£ millions	£ millions	£ millions	£ millions
Set up costs	1.028	1.145	1.073	1.073	0.000	1.145	0.000	1.073
Ongoing Brunel Costs	0.000	0.000	0.000	0.000	0.400	0.400	0.566	0.566
Clients Savings	0.000	0.000	0.000	0.000	-0.040	-0.040	0.000	0.000
Transition costs	0.000	0.000	0.000	0.000	1.257	1.257	2.399	2.399
Fee savings	0.000	0.000	0.000	0.000	0.008	0.008	-0.057	-0.057
Net costs / (realised savings)	1.028	1.145	1.073	1.073	1.625	2.770	2.908	3.981

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The most significant variances from the original business case can be summarised as follows:

- Fee savings in 2018/19 are higher as a result of higher asset values due to the higher than anticipated investment returns over the last three years.
- The transition costs for 2018/19 are lower. This is partly a result of transition costs for some active equity portfolios being included in 2018/19 in the original business case, whereas these assets will not now transition until 2019/20. No fee savings for the active equity portfolios had been included in the business case for 2018/19, as the transition was anticipated to be at year end. Transition costs for the passive mandates were also significantly lower than expected.
- Additional resources have been required by Brunel over and above those envisaged by the original business case, in order to deliver the service required by their clients. As a result, the ongoing overhead costs of the Brunel company are higher than originally estimated.

Ongoing monitoring of Brunel Ltd against business case

Now that Brunel Ltd is operational, ensuring that the financial performance of the pool is monitored and that Brunel Ltd is delivering on the key objectives of investment pooling is vital. This includes reporting of the costs associated with the appointment and management of Brunel Ltd (our pool company) including set up costs, investment management expenses and the oversight and monitoring of Brunel Ltd by the client funds. This is reinforced through CIPFA, the accounting standards body, which has published recommended guidance for disclosing these costs. We have reported using this guidance above.

The Pensions Committee takes its role as both Shareholder and Client of Brunel Ltd very seriously, as part of its fiduciary and legal obligations to act in the best interests of members. Progress on the implementation of Brunel Ltd, our asset transitions and the business case/business plan are discussed at every Pensions Committee meeting.

Ensuring that Brunel Ltd deliver against the original business case, as a minimum, is of critical importance to the Pensions Committee. We have highlighted above how the Somerset County Council Pension Fund is represented through the governance of Brunel Ltd and how we work with our other partner Funds to achieve this. At all stages and levels there is monitoring and assurance processes around cost control. Regular financial reporting is provided through Client Group and the Oversight Board.

We are pleased that Brunel Ltd has signed up to the Cost Transparency Initiative, and the Pensions Committee are keen to ensure that this is implemented effectively, to improve disclosure and transparency

The ongoing transition of our assets, management of costs and working closely with our partner Funds and Brunel Ltd will continue to be a key focus for the Committee throughout 2019/20.

Further information regarding Brunel Ltd can be found on their website:

<https://www.brunelpensionpartnership.org/>

Fund managers

Under the regulations, we must consider:

- **the need to invest in a wide range of investment areas;**
- **the suitability of investments; and**
- **getting proper advice.**

The fund is divided into 14 sub-funds for investment-management purposes.

In-house

Global Equity Portfolio

Aim

To track the benchmark.

Benchmark

FTSE All-World Developed Index. This index contains over 2,000 companies from the 25 countries that FTSE have defined as 'developed'.

Type of investments

Equities. A percentage of these investments are overseas.

Method

Since this fund has a passive investment style, a quantitative analysis system is used to identify suitable equity stocks and how much of each stock to hold.

Allocation of the fund

The target allocation is 23% of the whole fund to passive global equity, the majority of this fund transferred to a Brunel run portfolio in July 2018.

Appointed

The pension fund has been running an in-house tracking fund since February 1991.

US Equity Portfolio

Aim

To track the benchmark.

Benchmark

S&P 500 index

Type of investments

USA equities

Method

Since this fund has a passive investment style, a quantitative analysis system is used to identify suitable equity stocks and how much of each stock to hold.

Allocation of the fund

The target allocation is 5% of the whole fund.

Appointed

The in-house team took over the running of the US equity fund on 1st January 2012

Cash Portfolio

Aim

To outperform Sterling deposit rates

Benchmark

Bank of England Base Rate

Type of Investments

Cash deposits and Money Market Funds

Allocation of the fund

The target allocation is 1% of the whole fund.

Appointed

The in-house team have been running the Sterling cash fund since at least 1990

Aberdeen Standard Investments

UK equity portfolio

Aim

To outperform the benchmark by an annualised return of 1.75% over continuous three-year periods after Aberdeen Standard's fees have been deducted.

Benchmark

FTSE All-Share index.

Type of investments

UK equities

Allocation of the fund

The target allocation is 23% of the whole fund to UK equity, the majority of this money moved to a Brunel run portfolio in November 2018.

Appointed

July 2004

Fixed-income portfolio

Aim

To outperform the benchmark by an annualised return of 0.75% over continuous three-year periods after Aberdeen Standard's fees have been deducted.

Benchmark

22% FTSE Actuaries UK government all-stock gilt total return index

21% FTSE Actuaries UK government index-linked all-stocks total return index

42% iBoxx Sterling non-gilt over 10-year total return index

15% Merrill Lynch European Currency High Yield Index

Type of investments

Bonds

Allocation of the fund

The target allocation is 19% of the whole fund.

Appointed

February 2008

Jupiter Asset Management

Aim
To outperform the benchmark by an annualised return of 1.5% over continuous three-year periods after Jupiter's fees have been deducted.

Benchmark
FTSE World Europe ex-UK Index.

Type of investments
European equities, not including UK equities

Allocation of the fund
The target allocation is 5% of the whole fund.

Appointed
April 1989 (revised mandate from July 2004).

Nomura Asset Management

Aim
To outperform the benchmark by an annualised return of 1.5% over continuous three-year periods after Nomura's fees have been deducted.

Benchmark
TOPIX Index

Type of investments
Japanese equities

Allocation of the fund
The target allocation is 3% of the whole fund.

Appointed
March 2010

Maple-Brown Abbott

Aim

To outperform the benchmark by an annualised return of 1.5% over continuous three-year periods after Maple-Brown Abbott's fees have been deducted.

Benchmark

FTSE All-World Developed Asia Pacific ex-Japan Index

Type of investments

Far East equities. This will mainly be equities listed in South Korea, Hong Kong, Singapore, Australia and New Zealand, but other Asian countries are allowed.

Allocation of the fund

The target allocation is 3% of the whole fund.

Appointed

July 2014, prior to this the portfolio was managed by the in-house team on a passive basis.

Amundi Asset Management

Aim

To outperform the benchmark by an annualised return of 1.5% over continuous three-year periods after Amundi's fees have been deducted.

Benchmark

MSCI Emerging Markets Index

Type of investments

Equities from emerging markets around the world

Allocation of the fund

The target allocation is 5% of the whole fund.

Appointed

March 2009 (as Pioneer)

LaSalle Investment Management

The team that previously managed our money at Aviva Investors was bought by LaSalle Investment Management with effect from November 2018

Aim
To outperform the benchmark by an annualised return of 0.5% over continuous three-year periods after LaSalle's fees have been deducted.

Benchmark
IPD All Balanced Funds Index

Type of investments
Property unit trusts

Allocation of the fund
The target allocation is 10% of the whole fund.

Appointed
February 2004 (as Aviva)

Neuberger Berman

Aim
To outperform global equity stock markets over the life of each private equity fund.

Benchmark
Cash returns. This is the normal benchmark for private equity investments.

Type of investments
Companies that are not listed on stock exchanges

Allocation of the fund
The target allocation is 3% of the whole fund.

Appointed
March 2010

Brunel Pension Partnership

Global Equity Portfolio

Aim

To track the benchmark.

Benchmark

FTSE All-World Developed Index. This index contains over 2,000 companies from the 25 countries that FTSE have defined as 'developed'.

Type of investments

Equities. A percentage of these investments are overseas.

Underlying fund manager

Brunel has employed LGIM to manage this portfolio on its behalf.

Allocation of the fund

The target allocation is 23% of the whole fund to passive global equity.

Appointed

July 2018

UK equity portfolio

Aim

To outperform the benchmark by an annualised return of 2% over continuous three to five-year periods after fees have been deducted.

Benchmark

FTSE All-Share index.

Type of investments

UK equities

Underlying fund manager

Brunel has employed Baillie Gifford, Investec and Aberdeen Standard Investments to manage this portfolio on its behalf.

Allocation of the fund

The target allocation is 23% of the whole fund to UK equity.

Appointed

November 2018

As well as the 13 funds mentioned previously the pension fund has a small interest in the South West Regional Venture Capital Fund, which is managed by Technology Venture Partners LLP. For a table showing the split of the assets by fund manager at the date of the net asset statement, see note 13 of the accounts on page 137.

Other experts

We need to work with a number of experts to provide functions that are needed under various regulations.

Custodian – JP Morgan

Custody services manage the records of the fund's cash and security investments and track and settle the investment transactions of the fund's appointed investment managers.

JP Morgan has been the fund's custodian since August 2012.

Custodian – State Street

State Street provide custody for those assets which are managed by Brunel Pension Partnership

State Street has been the Brunel's custodian since July 2018.

Bank – NatWest

NatWest have been providing all of the standard banking requirements to the fund since these were split from Somerset County Council's bank accounts in March 2010.

Auditors – Grant Thornton

The role of the auditor is to test the accounts and confirm that they give a true and fair view of the fund's financial position.

Grant Thornton became the auditor of the Fund in 2012.

Actuary – Barnett Waddingham

The role of the actuary is to give the fund information about the fund's liabilities and the best way to meet them. Every three years, the actuary carries out a formal valuation of the fund, which shows how the fund's liabilities relate to its assets and recommends suitable rates of employers' contributions to prevent any shortfall in future years.

Barnett Waddingham has been the fund's actuary since April 2006.

Legal advisor – Osborne Clarke

The role of the legal advisor is to provide independent advice on legal matters affecting the fund.

Osborne Clarke was appointed as legal advisor to the fund in October 2006.

Voting advice – Pensions Investment Research Consultants (PIRC)

PIRC provides us with background information about proposed votes at company meetings, along with a recommendation on how to vote in line with best corporate-governance practice. The in-house managed funds use this information and PIRC's recommendations to help us decide how to vote.

Shareholder engagement on socially responsible investment and corporate governance – The Local Authority Pension Fund Forum (LAPFF)

Our fund is committed to working with companies to improve their awareness of environmental and social issues. LAPFF is the UK's leading collaborative shareholder engagement group. Formed in 1990, LAPFF brings together 72 local authority pension funds from across the country with combined assets of over £200 billion. It aims to bring about improvements in the way companies are run, such as improvements in corporate governance, of the companies in which member funds invest. LAPFF is also concerned with promoting corporate social responsibility on environmental issues and issues relating to overseas employment standards. It does this by working with company boards to encourage them to improve standards.

The fund is also a member of the Pensions and Lifetime Savings Association (PLSA)

Contributions and benefits

The Local Government Pension Scheme (LGPS) has been approved under the Local Government Superannuation Act 1972 and has been updated on a number of occasions since. The most recent version of the scheme is a Career Average Revalued Earnings (CARE) scheme which was introduced from 1st April 2014.

As an administering authority, we must maintain a pension fund for all the County Council's relevant employees (other than teachers) and those of all local-government staff in our area.

The fund also includes civilian employees of the Avon and Somerset Police and the employees of further-education colleges and academy schools. Employees of certain other organisations (town councils, for example) have a right to be included. We have agreed to admit a number of other organisations, including several housing associations.

The fund is financed by contributions from employees and employers, together with interest and other income earned from investing funds not needed to meet pension payments in the short term.

Employees' contributions are fixed by government regulation. Employers' contributions are assessed by the fund's actuary every three years, but are reviewed every year to take account of early retirements.

Contributions

Employees – Tiered contribution rates depending on actual pay received, with nine contribution bands ranging from 5.5% to 12.5%.

Contribution rate	Salary range 2017-2018	Salary range 2018-2019	Salary range 2019-2020
5.50%	£0 to £13,700	£0 to £14,100	£0 to £14,400
5.80%	£13,701 to £21,400	£14,101 to £22,000	£14,401 to £22,500
6.50%	£21,401 to £34,700	£22,201 to £35,700	£22,501 to £36,500
6.80%	£34,701 to £43,900	£35,701 to £45,200	£36,501 to £46,200
8.50%	£43,901 to £61,300	£45,201 to £63,100	£46,201 to £64,600
9.90%	£61,301 to £86,800	£63,101 to £89,400	£64,601 to £91,500
10.50%	£86,801 to £102,200	£89,401 to £105,200	£91,501 to £107,700
11.40%	£102,201 to £153,300	£105,201 to £157,800	£107,701 to £161,500
12.50%	More than £153,301	More than £157,801	More than £161,501

Employers – Separate rates apply to the major employing authorities, to make sure the actuarial requirements are met and are expressed as a percentage of employees' pensionable pay.

	2016/2017		2017/2018		2018/2019		2019/2020	
	% of Payroll	Cash payment £m	% of Payroll	Cash payment £m	% of Payroll	Cash payment £m	% of Payroll	Cash payment £m
Common fund rate	20.4%	0.000	22.9%	0.000	22.9%	0.000	22.9%	0.000
Somerset County Council	13.5%	9.860	15.5%	12.215	15.5%	12.507	15.5%	12.806
Mendip District Council	12.8%	0.590	14.9%	0.815	14.9%	0.834	14.9%	0.854
Sedgemoor District Council	13.0%	1.030	14.9%	1.555	14.9%	1.592	14.9%	1.630
South Somerset District Council	13.9%	1.040	16.1%	1.240	16.1%	1.621	16.1%	1.659
Taunton Deane Borough Council	13.5%	1.220	15.4%	1.899	15.4%	1.944	15.4%	1.990
West Somerset District Council	12.9%	0.310	26.5%	0.504	26.5%	0.516	26.5%	0.528
Avon and Somerset Police	11.0%	2.880	13.2%	2.808	13.2%	2.875	13.2%	2.944
Further education colleges	13.0%	Variable	13.8% to 16.2%	Variable	13.8% to 16.2%	Variable	13.8% to 16.2%	Variable
Academies	18.1%	0.000	20.9%	0.000	20.9%	0.000	20.9%	0.000
Town councils	14.9%	Variable	17.8%	Variable	17.8%	Variable	17.8%	Variable
Admitted organisations	11.0% to 25.1%	Variable	9.3% to 24.4%	Variable	9.3% to 24.4%	Variable	9.3% to 24.4%	Variable

A full actuarial valuation of the fund was carried out as at 31 March 2016 and this showed a funding level of 77.4%. This was higher than the level at the 2013 valuation. Despite an increase in the funding level at the 2016 valuation there were increases in the contribution rates of most of the employers within the fund. Most employers have been asked to make payments towards the funding deficit as prescribed cash amounts rather than as a percentage of payroll. This approach has been taken to ensure the deficit reduction plan is not affected by changes in the size of the employee base as local government undergoes a period of considerable change.

A further valuation of the fund is due using data from 31 March 2019. This will set employers' contribution rates for the following three years and confirm the funding level.

The benefits structure of the fund is set by government legislation and the fund has no discretion over this.

Major benefits

- A pension calculated at 1/80th of final salary for each year of service for pre-April 2008 service;
- A pension calculated at 1/60th of final salary for each year of service for service between April 2008 and March 2014;
- A pension calculated on 1/49th of actual pay for each year of service from April 2014 to provide a pension based on CARE (Career Average) salary;
- The revaluation of earnings as part of the CARE calculation will be based on CPI;
- Normal retirement age for post April 2014 service synchronised with state retirement age, Normal retirement age for pre-April 2014 service is 65;
- Up to 25% of the pension can be exchanged for a tax-free lump sum, 3/80th of pre-April 2008 service will be paid as a lump sum;
- Lump-sum death benefits of three times pay for death in service;
- Lump-sum cover for death after retirement of a guarantee of 10 times' annual pension;
- An ill-health retirement package with three levels of benefits depending on the seriousness of the individual's illness;
- A nominated partner's pension and dependent children's pensions; and
- Pensions that are protected from inflation through the Pensions (Increase) Acts.

Other benefits

- Scheme members can 'top up' their pension benefits by paying additional contributions. This facility has become more popular – both through the in-house scheme 'added benefits' facility and the in-house additional voluntary contributions (AVCs) plan. Prudential are now the fund's AVC provider, although a few members continue with their existing arrangements with Equitable Life.

There is a so called 50/50 option where an employee can chose to pay half the contributions but will accrue half of the benefits.

All local-government pensions are protected against inflation under the public-sector index-linking arrangement. The increase applied from April 2018 was 3.0% and the increase applied from April 2019 was 2.4%.

For more details of the current benefits visit the LGPS members' website: www.LGPSmember.org

Principles and policies

The statements, policies and principles listed below are those that were in place at 31st March 2019.

Funding strategy statement

Introduction

This is the Funding Strategy Statement for the Somerset County Council Pension Fund. It has been prepared in accordance with Regulation 58 of the Local Government Pension Scheme Regulations 2013 (the Regulations) and describes Somerset County Council's strategy, in its capacity as administering authority, for the funding of the Somerset County Council Pension Fund (the Fund).

The Fund Actuary, Barnett Waddingham LLP, has been consulted on the contents of this Statement.

This statement should be read in conjunction with the Fund's Investment Strategy Statement (ISS) and has been prepared with regard to the guidance issued by CIPFA.

Purpose of the Funding Strategy Statement

The purpose of this Funding Strategy Statement is to:

- Establish a clear and transparent fund-specific strategy that will identify how employers' pension liabilities are best met going forward;
- Support the desirability of maintaining as nearly constant a primary contribution rate as possible, as defined in Regulation 62(5) of the Regulations;
- Ensure that the regulatory requirements to set contributions to meet the future liability to provide Scheme member benefits in a way that ensures the solvency and long-term cost efficiency of the fund are met; and
- Take a prudent longer-term view of funding those liabilities.

Aims and purposes of the Fund

The aims of the Fund are to:

- Manage employers' liabilities effectively and ensure that sufficient resources are available to meet all liabilities as they fall due;
- Enable primary contribution rates to be kept as nearly constant as possible and (subject to the administering authority not taking undue risks) at reasonable cost to all relevant parties (such as the taxpayers, scheduled, resolution and admitted bodies), while achieving and maintaining fund solvency and long-term cost efficiency, which should be assessed in light of the risk profile of the Fund and employers, and the risk appetite of the administering authority and employers alike; and
- Seek returns on investment within reasonable risk parameters.

The purposes of the Fund are to:

- Pay pensions, lump sums and other benefits to Scheme members as provided for under the Regulations;
- Meet the costs associated in administering the Fund; and
- Receive contributions, transfer values and investment income.

Funding objectives

Contributions are paid to the Fund by Scheme members and the employing bodies to provide for the benefits which will become payable to Scheme members when they fall due.

The funding objectives are to:

- Ensure that pension benefits can be met as and when they fall due over the lifetime of the Fund;
- Ensure the solvency of the Fund;
- Set levels of employer contribution to target a 100% funding level over an appropriate time period and using appropriate actuarial assumptions;
- Build up the required assets in such a way that employer contribution rates are kept as stable as possible, with consideration of the long-term cost efficiency objective.

Key parties

The key parties involved in the funding process and their responsibilities are as follows:

The administering authority

The administering authority for the Fund is Somerset County Council. The main responsibilities of the administering authority are to:

- Operate the Fund;
- Collect employee and employer contributions, investment income and other amounts due to the Fund as stipulated in the Regulations;
- Invest the Fund's assets;
- Pay the benefits due to Scheme members as stipulated in the Regulations;
- Ensure that cash is available to meet liabilities as and when they fall due;
- Take measures as set out in the Regulations to safeguard the Fund against the consequences of employer default;
- Manage the actuarial valuation process in conjunction with the Fund Actuary;
- Prepare and maintain this FSS and also the ISS after consultation with other interested parties;
- Monitor all aspects of the Fund's performance;
- Effectively manage any potential conflicts of interest arising from its dual role as both Fund administrator and Scheme employer; and
- Enable the Local Pension Board to review the valuation process as they see fit.

Scheme employers

In addition to the administering authority, a number of other Scheme employers, including admission bodies, participate in the Fund.

The responsibilities of each Scheme employer that participates in the Fund, including the administering authority, are to:

- Collect employee contributions and pay these together with their own employer contributions as certified by the Fund Actuary to the administering authority within the statutory timescales;
- Notify the administering authority of any new Scheme members and any other membership changes promptly;
- Develop a policy on certain discretions and exercise those discretions as permitted under the Regulations;
- Meet the costs of any augmentations or other additional costs in accordance with agreed policies and procedures; and
- Pay any exit payments due on ceasing participation in the Fund.

Scheme members

Active Scheme members are required to make contributions into the Fund as set by the Department of Communities and Local Government (DCLG).

Fund Actuary

The Fund Actuary for the Fund is Barnett Waddingham LLP. The main responsibilities of the Fund Actuary are to:

- Prepare valuations including the setting of employers' contribution rates at a level to ensure Fund solvency and long-term cost efficiency after agreeing assumptions with the administering authority and having regard to the FSS and the Regulations;
- Prepare advice and calculations in connection with bulk transfers and the funding aspects of individual benefit-related matters such as pension strain costs, ill health retirement costs, compensatory added years costs, etc;
- Provide advice and valuations on the exiting of employers from the Fund;
- Provide advice to the administering authority on bonds or other forms of security against the financial effect on the Fund of employer default;
- Assist the administering authority in assessing whether employer contributions need to be revised between valuations as permitted or required by the Regulations;
- Ensure that the administering authority is aware of any professional guidance or other professional requirements which may be of relevance to his or her role in advising the Fund; and
- Advise on other actuarial matters affecting the financial position of the Fund.

Funding strategy

The factors affecting the Fund's finances are constantly changing, so it is necessary for its financial position and the contributions payable to be reviewed from time to time by means of an actuarial valuation to check that the funding objectives are being met.

The most recent actuarial valuation of the Fund was carried out as at 31 March 2016. A summary of the methods and assumptions adopted is set out in the sections below.

The actuarial valuation involves a projection of future cash flows to and from the Fund. The main purpose of the valuation is to determine the level of employers' contributions that should be paid to ensure that the existing assets and future contributions will be sufficient to meet all future benefit payments from the Fund.

Funding method

The key objective in determining employers' contribution rates is to establish a funding target and then set levels of employer contribution to meet that target over an agreed period.

The funding target is to have sufficient assets in the Fund to meet the accrued liabilities for each employer in the Fund. The funding target may, however, depend on certain employer circumstances and in particular, whether an employer is an "open" employer – one which allows new recruits access to the Fund, or a "closed" employer which no longer permits new staff access to the Fund. The expected period of participation by an employer in the Fund may also affect the chosen funding target.

For open employers, the actuarial funding method that is adopted is known as the Projected Unit Funding Method which considers separately the benefits in respect of service completed before the valuation date (past service) and benefits in respect of service expected to be completed after the valuation date (future service). This approach focuses on:

- The past service funding level of the Fund. This is the ratio of accumulated assets to liabilities in respect of past service. It makes allowance for future increases to members' pay for pensions in payment. A funding level in excess of 100% indicates a surplus of assets over liabilities; while a funding level of less than 100% indicates a deficit; and
- The future service funding rate (also referred to as primary rate as defined in Regulation 62(5) of the Regulations) which is the level of contributions required from the individual employers which, in combination with employee contributions is expected to support the cost of benefits accruing in future.

The key feature of this method is that, in assessing the future service cost, the primary contribution rate represents the cost of one year's benefit accrual.

For closed employers, the funding method adopted is known as the Attained Age Method. The key difference between this method and the Projected Unit Method is that the Attained Age Method assesses the average cost of the benefits that will accrue over a specific period, such as the length of a contract of the remaining expected working lifetime of active members.

Valuation assumptions and funding model

In completing the actuarial valuation it is necessary to formulate assumptions about the factors affecting the Fund's future finances such as inflation, pay increases, investment returns, rates of mortality, early retirement and staff turnover etc.

The assumptions adopted at the valuation can therefore be considered as:

- The statistical assumptions which are essentially estimates of the likelihood of benefits and contributions being paid, and
- The financial assumptions which will determine the estimates of the amount of benefits and contributions payable and their current or present value.

Future price inflation

The base assumption in any valuation is the future level of price inflation over a period commensurate with the duration of the liabilities. This is derived by considering the average difference in yields over the appropriate period from conventional and index linked gilts during the six months straddling the valuation date to provide an estimate of future price inflation as measured by the Retail Price Index (RPI). The RPI assumption adopted as at 31 March 2016 was 3.3% p.a.

Future pay inflation

As some of the benefits are linked to pay levels at retirement, it is necessary to make an assumption as to future levels of pay inflation. Historically, there has been a close link between price and pay inflation with pay increases exceeding price inflation in the longer term. The long-term pay increase assumption adopted as at 31 March 2016 was CPI plus 1.5%, with a short-term assumption in line with CPI for the period to 31 March 2020. An allowance has also been made for promotional increases.

Future pension increases

Pension increases are linked to changes in the level of the Consumer Price Index (CPI). Inflation as measured by the CPI has historically been less than RPI due mainly to different calculation methods. A deduction of 0.9% p.a. is therefore made to the RPI assumption to derive the CPI assumption. The CPI assumption adopted as at 31 March 2016 was 2.4% p.a.

Future investment returns/discount rate

To determine the value of accrued liabilities and derive future contribution requirements it is necessary to discount future payments to and from the Fund to present day values. The discount rate that is adopted will depend on the funding target adopted for each Scheme employer.

For open employers, the discount rate that is applied to all projected liabilities reflects a prudent estimate of the rate of investment return that is expected to be earned from the underlying investment strategy by considering average market yields in the six months straddling the valuation date. The discount rate so determined may be referred to as the "ongoing" discount rate. The discount rate adopted for the 31 March 2016 valuation was 5.4% p.a.

For closed employers, an adjustment may be made to the discount rate in relation to the remaining liabilities, once all active members are assumed to have retired if at that time (the projected "termination date"), the Scheme employer becomes an exiting employer under Regulation 64.

The Fund Actuary will incorporate such an adjustment after consultation with the administering authority.

The adjustment to the discount rate for closed employers may be to set a higher funding target at the projected termination date, so that there are sufficient assets to fund the remaining liabilities on a "minimum risk" rather than on an ongoing basis if the Fund do not believe that there is another Scheme employer to take on the responsibility of the liabilities after the employer has exited the Fund. The aim is to minimise the risk of deficits arising after the termination date.

Asset valuation

For the purposes of the valuation, the asset value used is the market value of the accumulated Fund at the valuation date adjusted to reflect average market conditions during the six months straddling the valuation date.

Statistical assumptions

The statistical assumptions incorporated into the valuation, such as future mortality rates, are based on national statistics. These are adjusted as appropriate to reflect the individual circumstances of the Fund and/or individual employers.

Further details of all of the assumptions adopted are included in the latest actuarial valuation report.

2016 valuation results

As at 31 March 2016, as calculated at the 2016 valuation, the Fund was 77% funded, corresponding to a deficit of £461m.

The primary rate required to cover the employer cost of future benefit accrual was 15.0% of payroll p.a.

Deficit recovery/surplus amortisation periods

Whilst one of the funding objectives is to build up sufficient assets to meet the cost of benefits as they accrue, it is recognised that at any particular point in time, the value of the accumulated assets will be different to the value of accrued liabilities, depending on how the actual experience of the Fund differs to the actuarial assumptions. Accordingly the Fund will normally either be in surplus or in deficit.

Where the actuarial valuation discloses a significant surplus or deficit then the levels of required employers' contributions will include an adjustment to either amortise the surplus or fund the deficit over a period of years.

The recovery periods adopted for the employers in the Fund for the 2016 valuation varied from 3 years to 24 years. The period that is adopted for any particular employer will depend on:

- The significance of the surplus or deficit relative to that employer's liabilities;
- The covenant of the individual employer and any limited period of participation in the Fund;
- The remaining contract length of an employer in the Fund (if applicable); and
- The implications in terms of stability of future levels of employers' contribution.

Pooling of individual employers

The policy of the Fund is that each individual employer should be responsible for the costs of providing pensions for its own employees who participate in the Fund. Accordingly, contribution rates are set for individual employers to reflect their own particular circumstances.

However, certain groups of individual employers are pooled for the purposes of determining contribution rates to recognise common characteristics or where the number of Scheme members is small.

The main purpose of pooling is to produce more stable employer contribution levels in the longer term whilst, recognising that ultimately there will be some level of cross-subsidy of pension cost amongst pooled employers.

In the event of a dispute regarding the pooling of individual employers the administering authority will consult with all relevant employers and the fund's actuary before making a decision in the best interests of the fund, which will be binding on all relevant employers.

Cessation valuations

When a Scheme employer exits the Scheme and becomes an exiting employer, the Fund Actuary will be asked to make a termination assessment. Any deficit in the Fund in respect of the employer will be due to the Fund as an exit payment, unless it is agreed by the administering authority and the other parties involved that the assets and liabilities relating to the employer will transfer within the Fund to another participating employer.

In assessing the financial position on termination, the Fund Actuary may adopt a discount rate based on gilt yields and adopt different assumptions to those used at the previous valuation in order to protect the other employers in the Fund from having to fund any future deficits which may arise from the liabilities that will remain in the Fund.

Links with the Investment Strategy Statement (ISS)

The main link between the Funding Strategy Statement (FSS) and the ISS relates to the discount rate that underlies the funding strategy as set out in the FSS, and the expected rate of investment return which is expected to be achieved by the underlying investment strategy as set out in the ISS.

As explained above, the ongoing discount rate that is adopted in the actuarial valuation is derived by considering the expected return from the underlying investment strategy. This ensures consistency between the funding strategy and investment strategy.

Risks and counter measures

Whilst the funding strategy attempts to satisfy the funding objectives of ensuring sufficient assets to meet pension liabilities and stable levels of employer contributions, it is recognised that there are risks that may impact on the funding strategy and hence the ability of the strategy to meet the funding objectives.

The major risks to the funding strategy are financial, although there are other external factors including demographic risks, regulatory risks and governance risks.

Financial risks

The main financial risk is that the actual investment strategy fails to produce the expected rate of investment return (in real terms) that underlies the funding strategy. This could be due to a number of factors, including market returns being less than expected and/or the fund managers who are employed to implement the chosen investment strategy failing to achieve their performance targets.

The valuation results are most sensitive to the real discount rate. Broadly speaking an increase/decrease of 0.5% p.a. in the real discount rate will decrease/increase the valuation of the liabilities by 10%, and decrease/increase the required employer contribution by around 2.5% of payroll.

However, the Pension Fund Committee regularly monitors the investment returns achieved by the fund managers and receives advice from the independent advisers and officers on investment strategy.

The Committee may also seek advice from the Fund Actuary on valuation related matters. In addition, the Fund Actuary provides funding updates between valuations to check whether the funding strategy continues to meet the funding objectives.

Demographic risks

Allowance is made in the funding strategy via the actuarial assumptions for a continuing improvement in life expectancy. However, the main demographic risk to the funding strategy is that it might underestimate the continuing improvement in longevity. For example, an increase of one year to life expectancy of all members in the Fund will reduce the funding level by approximately 1%.

The actual mortality of pensioners in the Fund is monitored by the Fund Actuary at each actuarial valuation and assumptions are kept under review.

The liabilities of the Fund can also increase by more than has been planned as a result of early retirements.

However, the administering authority monitors the incidence of early retirements; and procedures are in place that require individual employers to pay additional amounts into the Fund to meet any additional costs arising from early retirements.

Regulatory risks

The benefits provided by the Scheme and employee contribution levels are set out in Regulations determined by central Government. The tax status of the invested assets is also determined by the Government.

The funding strategy is therefore exposed to the risks of changes in the Regulations governing the Scheme and changes to the tax regime which may affect the cost to individual employers participating in the Scheme.

However, the administering authority participates in any consultation process of any proposed changes in Regulations and seeks advice from the Fund Actuary on the financial implications of any proposed changes.

Governance

Many different employers participate in the Fund. Accordingly, it is recognised that a number of employer-specific events could impact on the funding strategy including:

- Structural changes in an individual employer's membership;
- An individual employer deciding to close the Scheme to new employees; and
- An employer ceasing to exist without having fully funded their pension liabilities.

However, the administering authority monitors the position of employers participating in the Fund, particularly those which may be susceptible to the events outlined, and takes advice from the Fund Actuary when required.

In addition, the administering authority keeps in close touch with all individual employers participating in the Fund to ensure that, as administering authority, it has the most up to date information available on individual employer situations. It also keeps individual employers briefed on funding and related issues.

Monitoring and review

This FSS is reviewed formally, in consultation with the key parties, at least every three years to tie in with the triennial actuarial valuation process.

The administering authority also monitors the financial position of the Fund between actuarial valuations and may review the FSS more frequently if necessary.

**Approved by the Pensions Committee
Somerset County Council Pension Fund
June 2017**

Investment strategy statement

1. Introduction

The Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016 require administering authorities to formulate and to publish a statement of its investment strategy, in accordance with guidance issued from time to time by the Secretary of State.

The regulations provide a prudential framework, within which administering authorities are responsible for setting their policy on asset allocation, risk and diversity. The Investment Strategy Statement will therefore be an important governance tool for the Somerset Fund as well as providing transparency in relation to how Fund investments are managed.

The Somerset CC Pension Fund's primary purpose is to provide pension benefits for its members. The Fund's investments will be managed to achieve a return that will ensure the solvency of the Fund and provide for members' benefits in a way that achieves long term cost efficiency and effectively manages risk. The Investment Strategy Statement therefore sets out a strategy that is designed to achieve an investment return consistent with the objectives and assumptions set out in the Fund's Funding Strategy Statement.

The Fund aims to be a long term investors, it seeks to invest in productive assets that contribute to economic activity, such as equities, bonds and real assets. The Fund diversifies its investments between a variety of different types of assets in order to manage risk.

The Investment Strategy Statement will set out in more detail:

- The Somerset Fund's assessment of the suitability of particular types of investments, and the balance between asset classes.
- The Somerset Fund's approach to risk and how risks will be measured and managed, consistent with achieving the required investment return.
- The Somerset Fund's approach to pooling and its relationship with the Brunel Pension Partnership.
- The Somerset Fund's policy on how social, environmental or corporate governance considerations are taken into account in its investment strategy, including its stewardship responsibilities as a shareholder and asset owner.

Under the previous regulations the Fund was required to comment on how it complied with the Myners Principles. These were developed following a review of institutional investment by Lord Myners in 2000, and were updated following a review by the National Association of Pension Funds in 2008. While a statement on compliance with the Myners Principles is no longer required by regulation, the Somerset CC Pension Fund considers the Myners Principles to be a standard for Pension Fund investment management. A statement on compliance is included at Annex 1.

This statement will be reviewed by the Pensions Committee at least triennially, or more frequently should any significant change occur.

2. Investment strategy and the process for ensuring suitability of investments

The primary objective of the Fund is to provide pension and lump sum benefits for members on their retirement and/or benefits on death before or after retirement for their dependants, in accordance with LGPS Regulations.

In line with the Fund's Funding Strategy Statement, the committee has set an objective of the fund being at or above a 100% funding level, as calculated by the fund's actuary at the triennial valuation, so that it can meet its current and future liabilities.

In order to meet these overriding objectives the Fund maintains an investment strategy so as to:

- Maximise the returns from investments whilst keeping risk within acceptable levels and ensuring liquidity requirements are at all times met;
- Contribute towards achieving and maintaining a future funding level of 100%;
- Enable employer contribution rates to be kept as stable as possible.

The Fund has the following investment beliefs which help to inform the investment strategy derived from the decision making process.

- Funding, investment strategy and contribution rates are linked.
- The strategic asset allocation is the key factor in determining the risk and return profile of the Fund's investments.
- Investing over the long term provides opportunities to improve returns.
- Diversification across asset classes can help to mitigate against adverse market conditions and assist the Fund to produce a smoother return profile due to returns coming from a range of different sources.
- Managing risk is a multi-dimensional and complex task but the overriding principle is to avoid taking more risk than is necessary to achieve the Fund's objectives.
- Environmental, Social and Governance are important factors for the sustainability of investment returns over the long term. More detail on this is provided in Section 5.
- Value for money from investments is important, not just absolute costs. Asset pooling is expected to help reduce costs over the long-term, whilst providing more choice of investments, and therefore be additive to Fund returns.
- Active management can add value to returns, albeit with higher short-term volatility.

The Pensions Committee annually adopts a target return for the investment funds as a whole. This target return is set with specific reference to the investment return assumed by the actuary as part of the valuation process and therefore explicitly links the Fund's targeted level of return with achieving and maintaining a future funding level of 100%.

In order to translate the above objectives and beliefs into a set of investment mandates for practical management of the investments the Pension Committee have created a customised benchmark for the Fund. The customised benchmark is an amalgamation of specific benchmarks for each investment mandate, which is then given to an investment manager (internal or external) for day to day management.

The customised benchmark sets out the intended long term weighting to various types of investment (or asset classes), such as equities, bonds and property and reflects the Pension Fund's investment strategy. The customised benchmark seeks to balance the affordability of contributions with the risk of different types of investments.

The Investment strategy and customised benchmark are reviewed by the Pensions Committee annually to ensure they continue to meet the Fund's investment objectives.

The Actuary considers the Pension Fund's assets in broad terms – growth assets and stabilising assets. The table below splits the customised benchmark between these categories, along with an overview of the role each asset plays:

Asset Class	Strategic Allocation	Role(s) within the strategy	Geography	Currency
Equities				
Global Passive	23%	Growth Inflation protection	Diversified	Diversified
UK Active	23%	Growth Inflation protection	UK	GBP
US Passive	5%	Growth Inflation protection	US	USD
Europe Active	5%	Growth Inflation protection	Europe ex-UK	Diversified
Japan Active	3%	Growth Inflation protection	Japan	JPY
Far East Active	3%	Growth Inflation protection	Diversified	Diversified
Emerging Market Active	5%	Growth Inflation protection	Diversified	Diversified
Total	67%			
Maximum	100%			

Bonds				
UK Gov't Bonds	4%	Stabilising	UK	GBP
UK Gov't Index linked bonds	4%	Stabilising Inflation protection	UK	GBP
Investment Grade corporate bonds	8%	Stabilising	Diversified	GBP
High yield bonds	3	Stabilising	Diversified	Diversified
Total	19%			
Maximum	100%			
Alternatives				
Property	10%	Growth Inflation protection	UK	GBP
Private equity	3%	Growth	Diversified	Diversified
Total	13%			
Maximum	25%			
Cash				
Cash	1%	Liquidity	UK	GBP
Total	1%			
Maximum	100%			

The Fund's benchmark currently includes a significant holding in 'growth' assets, specifically equities, reflecting its need for higher returns than from government bonds in the long term. These long term returns form part of the Actuary's assumptions and mean that employer contributions can be kept lower.

Actual asset allocation varies over time through the impact of market movements and cash flows. The overall balance is monitored regularly by officers and they have delegated authority to rebalance the assets taking into account market conditions and other relevant factors. The actual asset allocation and the actions taken by officers are reported to the Pensions Committee regularly.

As well as monitoring asset allocation officers also regularly monitor the largest single asset exposures and concentrations to ensure inappropriate exposures do not occur.

As there is a strong internal monitoring mechanism in place it is not deemed necessary to place an upper limit on the exposure of the fund to assets that are readily realisable such as assets listed on a regulated exchange or pooled funds that provide daily dealing. This is reflected in the maximum exposures of 100% quoted in the table above although it is not anticipated that this is likely to occur in anything but the most extreme circumstances. For assets that are illiquid, such as property and private equity funds a limit of 25% of the total value of the fund has been set.

Each manager mandate clearly states what assets can be invested in and where appropriate limits on certain asset types, this is monitored by officers for compliance. The Fund can invest in the following asset types:

- listed stocks, shares and warrants of companies;
- listed government and corporate bonds;
- futures and options;
- spot and forward currency contracts;
- cash deposits with suitable banks and building societies;
- stock-lending arrangements;
- unlisted collective investment schemes such as unit trusts and investment companies;
- limited liability partnerships (LLPs) ; and
- unlisted shares.

3. Risk measurement and management

Successful investment involves taking considered risks, acknowledging that the returns achieved will to a large extent reflect the risks taken. There are short-term risks of loss arising from default by brokers, banks or custodians but the Fund is careful only to deal with reputable counter-parties to minimise any such risk.

Longer-term investment risk includes the absolute risk of reduction in the value of assets through negative returns (which cannot be totally avoided if all major markets fall). It also includes the risk of under-performing the Fund's performance benchmark (relative risk).

Different types of investment have different risk characteristics and have historically yielded different rewards (returns). Equities (company shares) have produced better long-term returns than fixed interest stocks but they are more volatile and have at times produced negative returns for long periods.

In addition to targeting an acceptable overall level of investment risk, the Committee seeks to spread risks across a range of different sources, believing that diversification limits the impact of any single risk. The Committee aims to take on those risks for which a reward, in the form of excess returns, is expected over time.

The key investment risks that the Fund is exposed to are:

- The risk that the Fund's growth assets in particular do not generate the returns expected as part of the funding plan in absolute terms.
- The risk that the Fund's assets do not generate the returns above inflation assumed in the funding plan, i.e. that pay and price inflation are significantly more than anticipated and assets do not keep up.
- That there are insufficient funds to meet liabilities as they fall due.
- That active managers underperform their performance objectives.

At Fund level, these risks are managed through:

- Diversification of investments by individual holding, asset class and by investment managers.
- Explicit mandates governing the activity of investment managers.
- The appointment of an Independent Investment Advisor.

The external investment managers can control relative risk to a large extent by using statistical techniques to forecast how volatile their performance is likely to be compared to the benchmark.

The Fund is also exposed to operational risk; this is mitigated through:

- The use of a Global Custodian for custody of assets.
- Having formal contractual arrangements with investment managers.
- Comprehensive risk disclosures within the Annual Statement of Accounts.
- Internal and external audit arrangements.

The Fund maintains a risk register which is considered by the Pensions Committee regularly and updated as necessary. The risk register considers a number of non-investment risks such as funding risk, employer covenant risk, regulatory risk and operational risks.

The Fund's Funding Strategy Statement specifically covers the risks with respect to Funding and how these are managed by the Fund.

4. Approach to asset pooling

The Somerset Pension Fund is working with nine other administering authorities to pool investment assets through the Brunel Pension Partnership Ltd. (BPP Ltd). This is currently work in progress with the intention of meeting the Government's requirement for the pool to become operational and for the first assets to transition to the pool from April 2018.

Once the Brunel Pension Partnership Ltd. is established the Somerset Pension Fund, through the Pension Committee, will retain the responsibility for setting the detailed Strategic Asset Allocation for the Fund and allocating investment assets to the portfolios provided by BPP Ltd.

The Brunel Pension Partnership Ltd will be a new company which will be wholly owned by the Administering Authorities. The company will seek authorisation from the Financial Conduct Authority (FCA) to act as the operator of an unregulated Collective Investment Scheme. It will be responsible for implementing the detailed Strategic Asset Allocations of the participating funds by investing Funds assets within defined outcome focused investment portfolios. In particular it will research and select the Manager Operated Funds needed to meet the requirements of the detailed Strategic Asset Allocations. These Manager Operated Funds will be operated by professional external investment managers. The Somerset fund will be a client of BPP Ltd and as a client will have the right to expect certain standards and quality of service. A detailed service agreement is being drafted which will set out the duties and responsibilities of BPP Ltd, and the rights of Somerset Fund as a client. It includes a duty of care of BPP to act in its clients' interests.

An Oversight Board will be established. This will be comprised of representatives from each of the Administering Authorities. It will be set up by them according to an agreed constitution and terms of reference. Acting for the Administering Authorities, it will have ultimate responsibility for ensuring that BPP Ltd delivers the services required to achieve investment pooling. It will therefore have a monitoring and oversight function. Subject to its terms of reference it will be able to consider relevant matters on behalf of the Administering Authorities, but will not have delegated powers to take decisions requiring shareholder approval. These will be remitted back to each Administering Authority individually.

The Oversight Board will be supported by the Client Group, comprised primarily of pension investment officers drawn from each of the Administering Authorities but will also draw on Administering Authorities finance and legal officers from time to time. It will have a primary role in reviewing the implementation of pooling by BPP Ltd, and provide a forum for discussing technical and practical matters, confirming priorities, and resolving differences. It will be responsible for providing practical support to enable the Oversight Board to fulfil its monitoring and oversight function.

The proposed arrangements for asset pooling for the Brunel pool have been formulated to meet the requirements of the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016 and Government guidance. Regular reports have been made to Government on progress towards the pooling of investment assets, and the Minister for Local Government has confirmed that the pool should proceed as set out in the proposals made.

Somerset County Council has approved the full business case for the Brunel Pension Partnership. It is anticipated that investment assets will be transitioned across from the Fund's existing investment managers to the portfolios managed by BPP Ltd between April 2018 and March 2020 in accordance with a timetable that will be agreed with BPP Ltd. Until such time as transitions take place, the Fund will continue to maintain the relationship with its current investment managers and oversee their investment performance, working in partnership with BPP Ltd. where appropriate.

Following the completion of the transition plan outlined above (approximately 2020), it is envisaged that all of the Fund's assets except certain cash holdings will be invested through BPP Ltd. However, the Fund has certain commitments to long term illiquid investment funds which will take longer to transition across to the new portfolios to be set up by BPP Ltd. These assets will be managed by the Fund in partnership with BPP Ltd. until such time as they are liquidated, and capital is returned.

5. Social, environmental and corporate governance policy

The Fund has a fiduciary duty to seek to obtain the best financial return that it can for its members. This is a fundamental principle, and all other considerations are secondary. However, the Fund is also mindful of its responsibilities as a long term shareholder, and the Pensions Committee regularly considers the extent to which it wishes to take into account social, environmental or ethical issues in its investment policies. The Fund's policy is to support engagement with companies to effect change, rather than disinvestment.

In the light of that overarching approach the following principles have been adopted:

- The Fund seeks to be a long term responsible investor. The Fund believes that in the long term it will generate better financial returns by investing in companies and assets that demonstrate they contribute to the long term sustainable success of the global economy and society.
- Social, environmental and ethical concerns will not inhibit the delivery of the Fund's investment strategy and will not impose any restrictions on the type, nature of companies/assets held within the portfolios that the Fund invests in. For example, the Fund will not require any form of dis-investment from fossil fuels, tobacco or such like.
- It is recognised, however, that the interests of investors on social etc. grounds may coincide with those solely on investment grounds in which case there will be no conflict of interest. Indeed, the Committee believes that in the long run, socially responsible and fiduciary investment will tend to come together since adverse performance on social, environmental or ethical issues will ultimately be reflected in share prices.
- The Fund will seek to engage (through the Brunel Pension Partnership, its asset managers or other resources) with companies to ensure they can deliver sustainable financial returns over the long-term as part of comprehensive risk analysis. In the example of fossil fuels, this will mean engaging with oil companies on how they are assessing their business strategy and capital expenditure plans to adapt to changes in cost base and regulation that will ensure the continued delivery of shareholder returns in the medium to long term. Engagement with companies is more likely to be successful if the Fund continues to be a shareholder.
- Although social, environmental and ethical issues rarely arise on the agendas of company Annual General Meetings, where an issue does arise the Council's investment managers will vote in accordance with the Fund's interest on investment grounds.
- The Fund recognises the risks associated with social, environmental and governance (ESG) issues, and the potential impact on the financial returns if those risks are not managed effectively. The Fund therefore expects its investment managers to monitor and manage the associated risks. As the Fund moves towards the new arrangements for the pooling of investments it will work with its partners in the Brunel pool and the Brunel Pension Partnership Limited company to ensure that robust systems are in place for monitoring ESG risk, both at a portfolio and a total fund level, and that the associated risks are effectively managed.

6. Policy of the exercise of rights (including voting rights) attaching to investments

The Fund recognises its responsibility as an institutional investor to support and encourage good corporate-governance practices in the companies it invests in. The committee considers that good corporate governance can contribute to business health and success by encouraging boards, shareholders and other stakeholders to answer to each other. Good corporate governance also plays an important part in encouraging corporate responsibility to shareholders, employees and wider society.

The Fund is fully supportive of the UK Stewardship Code, published in July 2010, and the Pensions Committee accepts the rights and responsibilities that attach to being a shareholder and will play an active role in overseeing the management of the companies in which it invests. The Fund is a signatory to the Code and a copy of the Funds most recent Stewardship Statement can be found within the Fund's annual report on the SCC website: <http://www.somerset.gov.uk/information-and-statistics/financial-information/budgets-and-accounts/>

The Funds policy on the exercise of voting rights is:

- To vote on all resolutions at company meetings where the fund holds shares in UK companies and where practically possible for shares in overseas companies.
- To give external investment managers the power to vote on our behalf in line with their own process and policy, which we review, within industry standards and the principles of this statement.
- For the in-house managed funds, to receive external advice from a specialist organisation on voting issues and to follow their recommendations in voting on all resolutions where practically possible. This service is currently provided PIRC Ltd.

External investment managers are required to report on their voting activity as part of their standard quarterly reporting. A summary of the Fund's voting activity is reported to the Pensions Committee twice a year.

The Fund's voting rights are an asset and will be used to further the long-term interests of the Fund's objectives. As a general principle, votes will be used to:

- Protect shareholder rights.
- Reduce, as far as possible, risk to companies from corporate governance failing.
- Improve long-term value.
- Encourage corporate social responsibility.

As part of the Brunel Pension Partnership (BPP) we are actively exploring opportunities to enhance our stewardship activities. More information is on the BPP website:

<https://www.brunelpensionpartnership.org/>

7. Advice taken

This Investment Strategy Statement has been put together by Somerset County Council's professional investment officers, supported by the Fund's Independent Investment Advisor.

The Fund has committed to pooling investments through the Brunel Pension Partnership Limited (BPP Ltd.), and advice from the Brunel Client Officer Group project team has also been taken into account in shaping the Fund's response to the pooling initiative and building an investment strategy that can be implemented via BPP Ltd. once it becomes operational.

The Brunel Client Officer Group has provided support with regard to the impact on strategy of the investment pooling proposals. The group comprises the investment officers from the Avon Pension Fund (Bath and NE Somerset Council), Buckinghamshire CC, Cornwall Council, Devon CC, Dorset CC, Gloucestershire CC, Oxfordshire CC, Somerset CC, Wiltshire Council and the Environment Agency.

8. Arrangements for reviewing this statement

The guidance requires that the Investment Strategy Statement should be revised at least every three years, and when any significant changes are made to the Fund's investment strategy.

This Investment Strategy Statement will be regularly reviewed by the pensions committee, particularly to ensure it continues to meet all regulatory and statutory requirements. Where there is significant change to the Statement the pensions committee will consult relevant stakeholders, particularly the Pension Board, prior to amending the policy.

**Approved by the Pensions Committee
Somerset County Council Pension Fund
June 2017**

Annex 1

Working in line with Myners

In 2000, the UK Government ordered a review of institutional investment in the UK. The review was carried out by Paul Myners, the chairman of a large fund-management group, and his findings were published in March 2001.

Myners sets out a number of principles of best practice and recommends that pension funds should set out what they are doing to apply these principles. In response to Myners' proposals, the Government issued a set of 10 investment principles in October 2001 that it said it would be taking forward. In November 2008, the Government published a revised set of principles, following on from this CIPFA had produced a set of Myner's principles specifically for Local Government Pension Schemes and guidance on how to compare compliance with the principles. The fund's performance against the CIPFA principles and guidance is set out below.

Principle 1: Effective Decision Making

Administering authority should ensure that:

- **decisions are taken by people or organisations with the skills, knowledge, advice and resources necessary to make them effectively and monitor their implementations; and**
- **those persons or organisations have sufficient expertise to be able to evaluate and challenge the advice they receive, and manage conflicts of interest.**

The fund is fully compliant with this principle but must continue to work to ensure that the knowledge base of officers and committee members remains comprehensive and current.

Principle 2: Clear Objectives

An overall investment objective(s) should be set out for the fund that takes account of the scheme's liabilities, the potential impact on local tax payers, the strength of the covenant for non-local authority employers, and the attitude to risk of both the administering authority and scheme employers, and these should be communicated to advisors and investment managers.

The fund is fully compliant with this principle. The fund will look to make additional progress by further consideration of the needs of the disparate employers within the fund and how their differing needs are reflected in the objectives of the fund as a whole.

Principle 3: Risk and Liabilities

In setting and reviewing their investment strategy, administering authorities should take account of the form and structure of the liabilities.

These include the implications for local tax payers, the strength of the covenant for participating employers, the risk of their default and longevity risk.

The fund is fully compliant with this principle.

Principle 4: Performance Assessment

Arrangements should be in place for the formal measurement of performance of the investments, investment managers and advisors.

Administering authorities should also periodically make a formal assessment of their own effectiveness as a decision making body and report on this to scheme members.

The fund is fully compliant with this principle with respect of measurement of investment performance and investment managers. The fund needs to consider more formal arrangements for the measurement of performance of other advisors and particularly formal assessment of the pensions committee's performance.

Principle 5: Responsible Ownership

Administering authorities should:

- **adopt, or ensure their investment managers adopt, the Institutional Shareholders' Committee Statement of Principles on the responsibilities of shareholder and agents**
- **include a statement of their policy on responsible ownership in the statement of investment principles**
- **report periodically to scheme members on the discharge of such responsibilities.**

The fund is fully compliant with this principle.

Principle 6: Transparency and Reporting

Administering authorities should:

- **act in a transparent manner, communicated with stakeholders on issues relating to their management of investment, its governance and risks, including performance against stated objectives**
- **provide regular communication to scheme members in the form they consider most appropriate.**

The fund is fully compliant with this principle.

Financial Reporting Council Stewardship Code Statement

Principle 1 – Institutional investors should publicly disclose their policy on how they will discharge their stewardship responsibilities.

The Somerset County Council Pension Fund takes its responsibilities as a shareholder seriously. It seeks to adhere to the Stewardship Code, and encourages its appointed asset managers to do so too. Stewardship is seen as part of the responsibilities of share ownership, and therefore an integral part of the investment strategy.

In practice the fund's policy is to apply the Code both through its arrangements with its asset managers, its specialist voting advisor and through membership of the Local Authority Pension Fund Forum. The fund believes that it is better to utilise these third parties to undertake its stewardship activities as they have significantly greater experience and resources with which to research stewardship issues and engage with companies.

Principle 2 - Institutional investors should have a robust policy on managing conflicts of interest in relation to stewardship and this policy should be publicly disclosed.

The fund encourages the asset managers it employs to have effective policies addressing potential conflicts of interest. With respect to those equity managers whose own shares fall within the scope of their mandate each has an explicit policy not to invest in their own company's, or eventual parent's, shares.

In respect of conflicts of interest within the fund, pension committee members are required to make declarations of interest prior to committee meetings and a related parties disclosure is made annually in the fund's annual report.

Principle 3 - Institutional investors should monitor their investee companies.

Day-to-day responsibility for managing our equity holdings is delegated to our appointed asset managers, and the fund expects them to monitor companies, intervene where necessary, and report back regularly on activity undertaken. For the in-house managed fund we would expect PIRC, as our specialist voting advisor to monitor companies and engage with them prior to advising us on voting. Reports from our asset managers on voting and engagement activity are received by the fund on a quarterly basis and are augmented by quarterly meetings with officers and regular discussions.

In addition the fund receives an 'Alerts' service from Local Authority Pension Fund Forum which highlights corporate governance issues of concern at investee companies.

Principle 4 - Institutional investors should establish clear guidelines on when and how they will escalate their stewardship activities.

As highlighted above, responsibility for day-to-day interaction with companies is delegated to the fund's asset managers and PIRC, including the escalation of engagement when necessary. Their guidelines for such activities are expected to be disclosed in their own statement of adherence to the Stewardship Code.

However on occasion, the fund may itself choose to escalate activity, principally through engagement activity through the Local Authority Pension Fund Forum.

Principle 5 - Institutional investors should be willing to act collectively with other investors where appropriate.

The fund seeks to work collaboratively with other institutional shareholders in order to maximise the influence that it can have on individual companies. The fund seeks to achieve this through membership of the Local Authority Pension Fund Forum, which engages with companies over environmental, social and governance issues on behalf of its members.

Principle 6 - Institutional investors should have a clear policy on voting and disclosure of voting activity.

In respect of shareholder voting, the fund exercises all votes attaching to its UK equity holdings, and seeks to vote where practical in overseas markets. Responsibility for the exercise of voting rights has been delegated to the fund's appointed asset managers and is undertaken by officers for the in-house managed fund following voting advice from PIRC. This includes consideration of company explanations of compliance with the Corporate Governance Code. Regular reports are received from the asset managers on how votes have been cast, and controversial issues are often discussed with fund managers as they arise.

The fund discloses a summary of voting activity of each of the segregated equity funds twice a year as a committee paper, all of the committee papers are published on the County Council's website. The fund is minded to disclose in full voting activity at a given company meeting on request. A number of our asset managers and PIRC publish their voting activity (advice).

Principle 7 - Institutional investors should report periodically on their stewardship and voting activities.

As noted above under principle 6 fund reports semi-annually on voting and stewardship activity through a report to the Pensions Committee. This includes both fund-specific information and an overview of activity undertaken through the Local Authority Pension Fund Forum.

**Approved by the Pensions Committee
Somerset County Council Pension Fund
June 2017**

Governance Compliance Statement

Introduction

Under Regulation 55 of the Local Government Pension Scheme Regulations 2013 (as amended) an Administering Authority must, after consultation with such persons as it considers appropriate, prepare, publish and maintain a Governance Compliance Statement.

This statement is required to set out:

- (a) whether the Administering Authority delegates its function or part of its function in relation to maintaining a pension fund to a committee, a sub-committee or an officer of the administering authority;
- (b) if the authority does so:-
 - 1 the terms, structure and operational procedures of the delegation,
 - 2 the frequency of any committee or sub-committee meetings,
 - 3 whether such a committee or sub-committee includes representatives of Scheme employers or members, and if so, whether those representatives have voting rights;
- (c) the extent to which a delegation, or the absence of a delegation, complies with guidance given by the Secretary of State and, to the extent that it does not so comply, the reasons for not complying; and
- (d) details of the terms, structure and operational procedures relating to the local pension board established under regulation 53(4) (Scheme managers).

The statement must be revised and published by the Administering Authority following a material change in their policy on any of the matters referred to above.

Delegation of management of Pension Fund

All decision making responsibility of Somerset County Council as administering authority of the Somerset County Council Pension Fund is delegated to the Pensions Committee. The operation of the Pensions Committee is governed by the following Terms of Reference.

**PENSION COMMITTEE OF THE SOMERSET COUNTY COUNCIL
PENSION FUND**

TERMS OF REFERENCE

1. Introduction

- 1.1 This document sets out the terms of reference of the Pensions Committee of Somerset County Council. The Pensions Committee is a committee with delegated decision making powers for the Fund in accordance with Section 101 of the Local Government Act 1972.
- 1.2 The terms of reference will be formally approved by the Council as the Administering Authority and by the Committee itself thereafter.
- 1.3 These terms of reference shall be reviewed by the Council on the advice of the Committee and on an annual basis to ensure that they remain fit for purpose and in accordance with any regulations and guidance issued by the Secretary of State. Any revisions will be agreed by the Council and by the Committee.

2. Definitions

- the Fund - Somerset County Council Pension Fund.
- the Committee – The Pensions Committee of Somerset County Council.
- the Pensions Board – The Pensions Board of Somerset County Council.
- LGPS – The Local Government Pension Scheme

3. Purpose and functions of the Committee

- 3.1 The Committee discharges the functions of the Council in its role as the administering authority of the Somerset County Council Pension Fund as defined in the LGPS Regulations.

- 3.2 The Committee's principal duties are:
- (i) Ensure the fund is run in line with all relevant law, statutory guidance and industry codes of best practice.
 - (ii) Ensure all contributions due are collected from employers.
 - (iii) Ensure that all benefits due are paid correctly and in a timely manner.
 - (iv) Decide the aims of the investment policy.
 - (v) Make arrangements for managing the fund's investments.
 - (vi) Regularly monitor investment performance.
 - (vii) Make arrangements to publish the fund's annual report and accounts.
 - (viii) Consult stakeholders, and publish the funding strategy statement, statement of investment principles and other policies and documents as necessary.
 - (ix) Order actuarial valuations to be carried out in line with the Local Government Pension Scheme Regulations.
 - (x) Consider requests from organisations who want to join the fund as admitted bodies and consider any requests to change the terms of an existing admission agreement.
 - (xi) Make representations to the Government about any planned changes to the Local Government Pension Scheme and all aspects of managing benefits.

4. Membership of the Committee

4.1 The Committee shall consist of 8 members and be constituted as follows:

- (a) Seven employer representatives
 - (i) Four employer representative will be county councillors who are not a member of the Pension Board or Cabinet and will be selected by the Administering Authority having taken account of their relevant experience and their knowledge and understanding of the Local Government Pension Scheme;
 - (ii) One employer representative of the 5 district councils that are members of the Fund to be selected by the district councils collectively having taken account of their relevant experience and their knowledge and understanding of the Local Government Pension Scheme;
 - (iii) One employer representative of the Police and Crime Commissioner for Avon & Somerset to be selected by the Police and Crime Commissioner having taken account of their relevant experience and their knowledge and understanding of the Local Government Pension Scheme;
 - (iv) one employer representative to be nominated by the remaining employers within the Fund who are not represented by (i)-(iii) above having demonstrated their relevant experience, their capacity to represent other scheme employers and their knowledge and understanding of the LGPS. In the event of there being more than one nomination, the Administering Authority will arrange for a voting process of the qualifying employers.
- (b) One scheme member representative:
 - (i) To be nominated by the Unions.

4.2 The Chair will be appointed annually by the Council as Administering Authority.

4.3 Due to the specialist knowledge requirements of Committee members, substitutes to the appointed members of the Committee are not permitted.

4.4 The committee will also be attended by:

- an officer; and
- a specialist independent adviser. In this respect the term independent means:
 - (i) having no current employment, contractual, financial or other material interest in either Somerset County Council or any scheme employer in the Fund; and
 - (ii) not being a member of the LGPS in the Fund.

The independent advisor will be a remunerated position.

5. Responsibilities of the Chair

5.1 The Chair is responsible for:

- (a) ensuring the Board delivers its purpose as set out in the Committee's terms of reference;
- (b) the arrangements for meetings of the Committee;
- (c) ensuring that Committee meetings are productive and effective and that opportunity is provided for the views of all Committee members to be expressed and considered; and
- (d) seeking to achieve the consensus of all Committee members on the business presented to the Committee and ensure that decisions are properly put to a vote when that cannot be reached.

6. Conflicts of interest

6.1 All members of the Committee must declare on appointment and at any such time as their circumstances change any potential conflict of interest arising as a result of their position on the Committee.

6.2 On appointment to the Committee and following any subsequent declaration of potential conflict the conflict must be managed in line with the, the internal procedures of Somerset County Council, the requirements of the Public Service Pensions Act 2013 and the requirements of the Pensions Regulator's codes of practice on conflict of interest for Committee members.

6.3 The Council's Monitoring Officer shall include interests registered by all members of the Committee in the published Members' and Co-opted Members' Register of Interests. All such interests are to be registered with the Monitoring Officer within 28 days of appointment to the Committee.

7. Knowledge and understanding including training

- 7.1 All new members must follow an induction training plan and all members of the Committee will be expected to attend the training provided to ensure that they have the requisite knowledge and understanding to fulfil their role.
- 7.2 The Committee has adopted a training policy and all members of the Committee are expected to meet the requirements of that policy.
- 7.3 Failure to attend training or participate in the processes referred to above may lead to removal from the Board.

8. Term of office and removal from office

- 8.1 The members of the Committee serve for a four year term, subject to the following:
- (a) the representatives of the administering authority shall be appointed annually by the Somerset County Council Annual Council Meeting, but with a view to maintaining stability of membership;
 - (b) the representatives of the district councils and the Police and Crime Commissioner for Avon and Somerset can be replaced by the relevant appointing group at their behest, but with a view to maintaining stability of membership;
 - (c) the members' representative may be replaced by the Unions, but with a view to maintaining stability of membership.
- 8.2 Members of the Committee will be expected to attend all meetings and training sessions. This will be recorded and published.
- 8.3 Other than by ceasing to be eligible for appointment to the Committee, Committee members may only be removed from office during their term of appointment by the unanimous agreement of all of the other members of the Committee at a meeting of the Committee where this is specified as an agenda item or with the agreement of the Council at a Full Council meeting.
- 8.4 Arrangements shall be made for the replacement of Committee members in line with the procedures for their original appointment.

9. Meetings

- 9.1 The frequency of meetings is to be determined by the Committee once it has agreed a workplan, with a minimum of four meetings annually. In addition to this, training sessions will be held as necessary to ensure that Committee members have sufficient knowledge and skills to undertake the role.
- 9.2 The Chair of the Committee may call additional meetings with the consent of other members of the Committee. Urgent business of the Committee between meetings may, in exceptional circumstances, be conducted via communications between members of the Committee including telephone conferencing and emails.
- 9.3 The Committee will meet at the Council's main offices, or another location to be agreed by the Chair. Meetings will be held during normal working hours at times to be agreed by the Chair.
- 9.4 As a committee of the Council, the Rules of Procedure in Section 6 of the Council's constitution apply to meetings of the Committee. Committee meetings will be held in open session with closed sessions where appropriate. The agenda papers will be circulated to members of the Committee and published in advance of meeting in line with Council policy. The minutes of meetings will be recorded and published in line with Council policy.

10. Quorum

- 10.1 The quorum of the Board shall be 3 elected members.

11. Voting rights

- 11.1 Each of the 8 members of the committee will have voting rights. In the event of a tied vote the Chair has the option of having a final casting vote.

12. Code of Conduct

- 12.1 All members of the Board will be required to formally sign up to comply with the Somerset County Council Code of Conduct set out at Part 2, Section C of the Council's constitution.

13. Allowances and Expenses

- 13.1 Any councillor of the Council appointed to the Committee will be entitled to receive allowances in accordance with Part 2, Section D of the Council's constitution (Scheme of Members' Allowances).
- 13.2 Reimbursement of expenses for all members of the Committee will be claimable in line with Somerset County Council's agreed expenses rates.

14. Budget

- 14.1 All costs arising from accommodation and administrative support to conduct its meetings and other business, and the training needs of the Committee will be met by the Fund.
- 14.2 The Council's Community Governance Team will provide the secretariat services to the Committee, the cost of which will be met by the Fund.

15. Accountability and reporting

- 15.1 The Committee is accountable solely to the County Council for the effective operation of its functions.
- 15.3 The Committee shall report annually to Full Council on its work.

16. Data protection and Freedom of Information

- 16.1 For legal purposes the Committee is considered a committee of and part of the administering authority legal entity. Therefore the Committee must comply with the Council's Data Protection and Freedom of Information policies.

Compliance with the guidance

The extent to which a delegation, or the absence of a delegation, complies with guidance given by the Secretary of State and, to the extent that it does not so comply, the reasons for not complying are covered in the following tables.

Statutory Guidance Governance Standards and Principles	Our compliance status	Evidence of compliance and justification for non-compliance
A – Structure		
a) The management of the administration of benefits and strategic management of fund assets clearly rests with the main committee established by the appointing council.	Compliant	Somerset County Council has established the Somerset County Council Pensions Committee for this purpose. The specific terms of reference for the Committee are set within the fund’s Governance Policy Statement.
b) That representatives of participating LGPS employers, admitted bodies and scheme members (including pensioner and deferred members) are members of either the main or secondary committee established to underpin the work of the main committee.	Compliant	The Pensions Committee includes representation of all the participating employers. Scheme Members (active, pensioner and deferred) are represented through a Unison nominated representative on the Pensions Committee.
c) That where a secondary committee or panel has been established, the structure ensures effective communication across both levels.	Not Applicable	There are no secondary committees or panels in place.
d) That where a secondary committee or panel has been established, at least one seat on the main committee is allocated for a member from the secondary committee or panel.	Not Applicable	There are no secondary committees or panels in place.

B – Representation		
a) That all key stakeholders are afforded the opportunity to be represented within the main or secondary committee structure. These include:		
i) employing authorities (including non-scheme employers, e.g., admitted bodies);	Compliant	The Pensions Committee includes representation of all the scheme employers, including the County Council, District Councils, the Police and the Admitted Bodies.
ii) scheme members (including deferred and pensioner scheme members);	Compliant	Scheme Members (active, pensioner and deferred) are represented through a Unison nominated representative on the Pensions Committee.
iii) where appropriate, independent professional observers;	Compliant	The independent investment advisor attends all Pensions Committee Meetings.
iv) expert advisors (on an ad-hoc basis).	Compliant	Our in-house officer expert advisors attend all Pension Committee meetings, including the Chief Financial Officer, investments manager and fund administration manager. The appointed actuary, external auditors and performance advisors also attend on an ad-hoc basis at least once per annum.

<p>b) That where lay members sit on a main or secondary committee, they are treated equally in terms of access to papers and meetings, training and are given full opportunity to contribute to the decision making process, with or without voting rights.</p>	<p>Compliant</p>	<p>All members of the Pensions Committee receive equal access to the papers and training and have equal speaking rights in the consideration and discussion of all matters as part of the decision making processes.</p>
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C – Role of members

<p>a) That Committee or panel members are made fully aware of the status, role and function they are required to perform on either a main or secondary committee.</p>	<p>Compliant</p>	<p>All new members receive regular specific training and access to external training and seminars.</p> <p>On appointment this includes specific time with lead officers to provide an induction into the role and a background to the Fund. Copies of relevant Committee Reports and Annual Reports are also made available.</p> <p>Specific Terms of Reference are also in place as part of the Fund’s Governance Policy Statement and specific legal guidance as to the role of Members has been provided to the Committee by the County Council Monitoring Officer.</p> <p>All Committee Members also understand that they are not there to represent or promote their own personal or political interests, and that they must declare any self-interest or conflicts of interest of a financial or non-financial nature and abstain from participation in that item on the agenda if appropriate.</p>
<p>b) That at the start of any meeting, committee members are invited to declare any financial or pecuniary interest related to specific matters on the agenda.</p>	<p>Compliant</p>	<p>Since the inauguration of the Pension Committee the declaration of interests by members has been a standing item on the agenda.</p>

D – Voting		
a) The policy of individual administering authorities on voting rights is clear and transparent, including the justification for not extending voting rights to each body or group represented on main LGPS committees.	Compliant	All members of the Pensions Committee have full voting rights.
E – Training, facility time and expenses		
a) That in relation to the way in which statutory and related decisions are taken by the administering authority, there is a clear policy on training, facility time and reimbursement of expenses in respect of members involved in the decision-making process.	Compliant	<p>A formal training policy for members has been adopted by the Pensions Committee.</p> <p>The Committee forward work plan provides for specifically tailored training days, together with access to, and support for, external training provision and attendance at appropriate seminars.</p> <p>All members are encouraged to undertake regular training including attendance at the specific training days.</p> <p>All costs in relation to training, including expenses are met from, and reimbursed by, the Pension Fund as appropriate.</p>
b) That where such a policy exists, it applies equally to all members of committees, sub-committees, advisory panels or any other form of secondary forum.	Compliant	All Pensions Committee members have equal access and rights to training and related support.

<p>c) That the administering authority considers the adoption of annual training plans for committee members and maintains a log of all such training undertaken</p>	<p>Compliant</p>	<p>A training policy has been adopted by the Pensions Committee under which attendance at Committee meetings and training undertaken will be reported annually.</p>
<p>F – Meetings (frequency/quorum)</p>		
<p>a) That an administering authority's main committee or committees meet at least quarterly.</p>	<p>Compliant</p>	<p>The Pensions Committee meets on a quarterly basis and forward dates have been agreed for at least twelve months in advance. A forward meeting plan is also in place</p>
<p>b) That an administering authority's secondary committee or panel meet at least twice a year and is synchronised with the dates when the main committee sits.</p>	<p>Not Applicable</p>	<p>There are no secondary committees or panels in place.</p>
<p>c) That an administering authorities who does not include lay members in their formal governance arrangements, provide a forum outside of those arrangements by which the interests of key stakeholders can be represented.</p>	<p>Compliant</p>	<p>The Pensions Committee does include lay members and this allows for the representation of all key stakeholders.</p>

G – Access		
<p>a) That subject to any rules in the council’s constitution, all members of main and secondary committees or panels have equal access to committee papers, documents and advice that falls to be considered at meetings of the main committee.</p>	Compliant	<p>All members of the Pensions Committee receive the same agenda and papers containing advice for each meeting. All our Pensions Committee members can ask questions of our professional advisors who attend the Pensions Committee meetings.</p>
H – Scope		
<p>a) That administering authorities have taken steps to bring wider scheme issues within the scope of their governance arrangements</p>	Compliant	<p>Each meeting of the Pensions Committee receives a report on the performance of our pension fund, progress against the Forward Business Plan and key issues in respect of benefits administration.</p> <p>The Committee also receives regular reports and updates on approved policies including the communications policy statements.</p> <p>There are also annual reports from the appointed actuary, external auditor and performance advisors.</p>

I – Publicity

a) That administering authorities have published details of their governance arrangements in such a way that stakeholders with an interest in the way in which the scheme is governed, can express an interest in wanting to be part of those arrangements.

Compliant

The Governance Arrangements of the Pensions Committee are formally reviewed every four years as part of the Forward Business Plan.

There are procedures in place for the re-appointment of individuals to the Pensions Committee at least every four years.

All of the policies adopted by the Pensions Committee on behalf of the administering authority including the Statement of Investment Principles, Funding Strategy Statement, Governance Policy Statement and Communications Policy Statement are published annually in the Fund’s annual report and financial statement and are available on the County Council’s website. All of the policies and the annual report are available in hard or electronic copy on request.

Local Pensions Board

The operations of the local pension board established under regulation 53(4) (Scheme managers) is governed by the Following Terms of Reference.

PENSION BOARD OF THE SOMERSET COUNTY COUNCIL PENSION FUND

TERMS OF REFERENCE

1. Introduction

- 1.4 This document sets out the terms of reference of the Pension Board of Somerset County Council. The Pension Board is established under Section 5 of the Public Service Pensions Act 2013 and regulation 106 of the Local Government Pension Scheme Regulations 2013 (as amended).
- 1.5 The Board is established by Somerset County Council in its capacity as the Administering Authority of the Somerset County Council Pension Fund and operates independently of the Pensions Committee.
- 1.6 The terms of reference will be formally approved by the Council as the Administering Authority and by the Board itself at its first meeting.
- 1.7 These terms of reference shall be reviewed by the Council on the advice of the Board and on an annual basis to ensure that they remain fit for purpose and in accordance with any regulations and guidance issued by the Secretary of State. Any revisions will be agreed by the Council and by the Board.

2. Definitions

- the Fund - Somerset County Council Pension Fund.
- the Board – The Pensions Board of Somerset County Council.
- the Pensions Committee – The Pensions Committee of Somerset County Council.
- LGPS – The Local Government Pension Scheme

3. Purpose and functions of the Board

- 3.1 The regulations state that the role of the Board is to assist the Administration Authority to:
- (a) secure compliance with:
- the LGPS Regulations;
 - any other legislation relating to the governance and administration of the LGPS; and
 - the requirements imposed by the Pensions Regulator in relation to the LGPS, and
- (b) ensure the effective and efficient governance and administration of the LGPS.
- 3.2 The Board will assist the Administering Authority by making recommendations about compliance, process and governance. The Board does not have a decision making role with regard to strategy or policy and can only challenge decisions made by the Pensions Committee where the Board considers a decision to be in breach of the relevant Regulations (or overriding legislation). The Board's role is to have oversight of the governance process for making decisions and agreeing policy.
- 3.3 In discharging its role, the Board's remit shall cover all aspects of governance and administration of the LGPS, including funding and investments. The Board must have regard to advice issued by the Scheme Advisory Board in accordance with section 7(3) of the Public Service Pensions Act 2013.

- 3.4 The Board will exercise its duties in the following areas:
- (a) monitor compliance with the relevant legislation and Codes of Practice set by The Pensions Regulator;
 - (b) review and ensure compliance of the Fund's:
 - (i) governance compliance statement
 - (ii) funding strategy statement
 - (iii) pension administration strategy statement
 - (iv) discretionary policy statement
 - (v) communications policy statement
 - (vi) statement of investment principles
 - (vii) annual report and accounts
 - (c) review and scrutinise the performance of the Fund in relation to its governance and administration, policy objectives and performance targets;
 - (d) ensure policies and processes are in place so that employers comply with their obligations under the regulations;
 - (e) review the processes for setting strategy, policy and decision-making and ensure they are robust;
 - (f) agree the annual internal audit plan for the Fund;
 - (g) consider the output of any internal audit work carried out on the Fund;
 - (h) consider the external audit report on the Fund's Annual Report and Statement of Accounts;
 - (i) review the Fund's risk register;
 - (j) monitor the Fund's Internal Dispute Resolution Procedures;
 - (k) from time to time the administering authority may consult the Board or ask assistance on specific issues.
- 3.5 Under Regulation 106(8) the Board has the general power to do anything which is calculated to facilitate or is conducive or incidental to, the discharge of its functions.
- 3.6 The Board must always act within its Terms of Reference.

4. Membership of the Board

4.1 The Board shall consist of 6 members and be constituted as follows:

(a) Three employer representatives

- (i) one employer representative will be a county councillor who is not a member of the Pension Committee and will be selected by the Administering Authority having taken account of their relevant experience, their capacity to represent other scheme employers and their knowledge and understanding of the Local Government Pension Scheme;
- (ii) two employer representatives to be nominated by the employers having demonstrated their capacity to represent other scheme employers, their relevant experience and their knowledge and understanding of the LGPS. In the event of there being more than one nomination, the Administering Authority will carry out a selection process.

(b) Three scheme member representatives

- i) two members representatives will be nominated by the recognised trade unions having demonstrated their capacity to represent other scheme employers, their relevant experience and their knowledge and understanding of the LGPS;
- ii) one members representative will be open to all scheme members. The administering authority shall contact scheme members advising them of the role and seeking nominations and asking them to demonstrate their capacity to represent other scheme members, their relevant experience and their knowledge and understanding of the LGPS. In the event of there being more than one nomination, the Administering Authority will carry out a selection process.

4.2 Due to the specialist knowledge requirements of Board members, substitutes to the appointed members of the Board are not permitted.

5. Responsibilities of the Chair

5.1 The Chair is responsible for:

- (e) ensuring the Board delivers its purpose as set out in the Board's terms of reference;
- (f) the arrangements for meetings of the Board;
- (g) ensuring that Board meetings are productive and effective and that opportunity is provided for the views of all Board members to be expressed and considered;
- (h) seeking to achieve the consensus of all Board members on the business presented to the Board and ensure that decisions are properly put to a vote when that cannot be reached.

5.2 The Chair will be appointed annually by Board. The Chair will be rotated around the 6 members of the Board.

6. Conflicts of interest

6.1 All members of the Board must declare on appointment and at any such time as their circumstances change any potential conflict of interest arising as a result of their position on the Board.

6.2 On appointment to the Board and following any subsequent declaration of potential conflict the conflict must be managed in line with the Board's policy on conflicts of interest, the internal procedures of Somerset County Council, the requirements of the Public Service Pensions Act 2013 and the requirements of the Pensions Regulator's codes of practice on conflict of interest for Board members.

6.3 The Council's Monitoring Officer shall include interests registered by all members of the Board in the published Members' and Co-opted Members' Register of Interests. All such interests are to be registered with the Monitoring Officer within 28 days of appointment to the Board.

7. Knowledge and understanding including training

- 7.1 All new members must follow an induction training plan and all members of the Board will be expected to attend the training provided to ensure that they have the requisite knowledge and understanding to fulfil their role.
- 7.2 All members must be prepared to participate in such regular personal training needs analysis or other processes as are put in place to ensure that they maintain the required level of knowledge and understanding to carry out their role.
- 7.3 Failure to attend training or participate in the processes referred to above may lead to removal from the Board.

8. Term of office and removal from office

- 8.1 The members of the Board serve for a four year term, subject to the following:
 - (a) the representatives of the administering authority shall be appointed annually by the Somerset County Council Annual Council Meeting, but with a view to maintaining stability of membership;
 - (b) the two union nominated member representatives can be amended at any time by the unions, but with a view to maintaining stability of membership.
- 8.2 Members of the Board will be expected to attend all meetings and training sessions. This will be recorded and published. The membership of any member who fails to attend for two consecutive meetings or two consecutive training events shall be reviewed by the Board and shall be terminated in the absence of mitigating factors

- 8.3 Subject to 8.4 below, a Board member can be removed from the Board in the following circumstances (but not limited to):
- (a) A poor attendance record;
 - (b) if a member does not undertake training as requested by the administering authority;
 - (c) if a member is In breach of Council's Code of Conduct / Declarations policy;
 - (d) if a member has a conflict of interest that cannot be managed in accordance with the Board's conflicts policy;
 - (e) if a representative member ceases to represent his constituency e.g. leaves the employer so no longer has the capacity to represent the Fund's employers.
- 8.4 Other than by ceasing to be eligible for appointment to the Board, Board members may only be removed from office during their term of appointment by the unanimous agreement of all of the other members of the Board at a meeting of the Board where this is specified as an agenda item or with the agreement of the Council at a Full Council meeting.
- 8.5 Arrangements shall be made for the replacement of Board members in line with the procedures for their original appointment.

9. Meetings

- 9.1 The frequency of meetings is to be determined by the Board once it has agreed a workplan, with a minimum of two meetings annually. In addition to this, training sessions will be held as necessary to ensure that Board members have sufficient knowledge and skills to undertake the role.
- 9.2 The Chair of the Board may call additional meetings with the consent of other members of the Board. Urgent business of the Board between meetings may, in exceptional circumstances, be conducted via communications between members of the Board including telephone conferencing and emails.
- 9.3 The Board will meet at the Council's main offices, or another location to be agreed by the Chair. Meetings will be held during normal working hours at times to be agreed by the Chair.
- 9.4 As a committee of the Council, the Rules of Procedure in Section 6 of the Council's constitution apply to meetings of the Board. Board meetings will be held in open session with closed sessions where appropriate. The agenda papers will be circulated to members of the Board and published in advance of meeting in line with Council policy. The minutes of meetings will be recorded and published in line with Council policy.

10. Quorum

- 10.1 The quorum of the Board shall be 3 to include the Chair. The quorum must include one employer representative and one member representative.

11. Voting rights

- 11.1 Each of the 6 members of the committee will have voting rights. In the event of a tied vote the Chair has the option of having a final casting vote.

12. Code of Conduct

- 12.1 All members of the Board will be required to formally sign up to comply with the Somerset County Council Code of Conduct set out at Part 2, Section C of the Council's constitution.

13. Allowances and Expenses

- 13.1 Any councillor of the Council appointed to the Board will be entitled to receive allowances in accordance with Part 2, Section D of the Council's constitution (Scheme of Members' Allowances).
- 13.2 Reimbursement of expenses for all members of the Board will be claimable in line with Somerset County Council's agreed expenses rates.

14. Budget

- 14.1 All costs arising from accommodation and administrative support to conduct its meetings and other business, and the training needs of the Board will be met by the Fund.
- 14.2 The Council's Community Governance Team will provide the secretariat services to the Board, the cost of which will be met by the Fund.
- 14.3 The Board will have open access to all officers involved in the running of the Fund and any advisors already employed by the Fund (e.g. the Fund's Actuary).
- 14.4 The Board may make requests to the Section 151 Officer to approve any additional expenditure required to fulfil its obligations which will then be charged to the Fund. This would include any officer resources not already employed by the Fund.

15. Accountability and reporting

- 15.1 The Board is accountable solely to the County Council for the effective operation of its functions.
- 15.2 The Board shall report to the Pensions Committee as often as the Board deems necessary and at least annually on:
- (a) a summary of the work undertaken;
 - (b) the work plan for the next 12 months;
 - (c) areas raised to the Board to be investigated and how they were dealt with;
 - (d) any risks or other areas of potential concern it wishes to raise;
 - (e) details of training received and planned; and
 - (f) details of any conflicts of interest and how they were dealt with.
- 15.3 The Board shall report annually to Full Council on its work. It will also and as necessary from time to time report to Full Council any breach in compliance, or other significant issue, which has not been resolved to the satisfaction of the Board within a reasonable time of being reported to the Pensions Committee.
- 15.4 The Board shall report to the Scheme Advisory Board:
- (a) any areas of persistent non-compliance;
 - (b) any areas of non-compliance with the LGPS Regulations that have been reported to the Pensions Committee and full council but persist to be of a material concern.
- 15.5 The Board shall report to the Pensions Regulator all material breaches of the Pensions Regulator regulatory guidance, following notification to full council and the Pensions Committee.

16. Data protection and Freedom of Information

- 16.1 For legal purposes the Board is considered a committee of and part of the administering authority legal entity. Therefore the Board must comply with the Council's Data Protection and Freedom of Information policies.

Arrangements for reviewing this policy

This policy statement will be regularly reviewed by the pensions committee. If we need to make any significant changes, we will consult all employers whose employees are members of the fund and publish the amended policy.

**Approved by the Pensions Committee
Somerset County Council Pension Fund
June 2017**

Pensions Committee Scheme of Delegation

Introduction

In order to meet its obligations from time to time the Pensions Committee will find it necessary to delegate certain functions to officers. This document provides a clear framework around standard operating functions as to what decisions and operations have been delegated to officers and what has been retained by the Committee.

All references in this document to the Chief Financial Officer means the most senior finance officer and appointed Section 151 Officer of Somerset County Council, it does not refer to a job title for that individual. Where committee delegates tasks to the Chief Financial Officer they are then free to assign tasks to other officers at their discretion.

In practice the majority of tasks relating to benefits administration are delegated to Peninsula Pensions, a shared administration team with Devon County Council, and the majority of investment decisions are delegated to the internal Investments team.

When delegating the Chief Financial Officer must ensure that the officers undertaking the delegated tasks have sufficient knowledge and experience to undertake those tasks.

This scheme of delegation will refer in turn to each of the main responsibilities of the Committee as laid out in the Committee's terms of reference.

Ensure the fund is run in line with all relevant law, statutory guidance and industry codes of best practice.

The Chief Financial Officer is responsible for ensuring the legal operation of the fund and will bring matters of significance to the attention of the Committee.

The Chief Financial Officer will make arrangements for the completion of all necessary regulatory documents, statistical returns, tax documents and other documents as appropriate.

Ensure all contributions due are collected from employers.

The Chief Financial Officer will maintain procedures to ensure relevant employers pay contributions and that these contributions meet the requirements set by the fund's actuary.

Where relevant the Chief Financial Officer will decide if interest should be levied for late payment as permitted by the regulations.

Ensure that all benefits due are paid correctly and in a timely manner.

The Chief Financial Officer will maintain procedures to ensure the correct calculation and payment of benefits by the fund.

Decide the aims of the investment policy.

Committee agree the aims of the investment policy and publish this in the form of the funding strategy statement and investment strategy statement having regard to advice provided by officers and advisors as appropriate.

As part of agreeing the strategy the Committee will agree the Fund's strategic asset allocation and the investment mandates necessary to deliver the strategy. The Chief Financial Officer will make all necessary arrangements for the implementation of the agreed strategy.

The Committee will decide the fund's voting, engagement and socially responsible investment policies. The Chief Financial Officer will make arrangements for the implementation, monitoring and any necessary reporting against the agreed policies.

Make arrangements for managing the fund's investments.

The strategic asset allocation of the fund is set by the Committee. Once agreed by Committee the Chief Financial Officer is responsible for the implementation of the strategy and monitoring of the investment assets against the strategic asset allocation and periodically rebalancing of the fund to optimise the balancing of risk and return. All investment decisions regarding the precise timing and amounts of rebalancing are delegated to the Chief Financial Officer and there are no restrictions placed on this discretion. The Chief Financial Officer will report on all actions in this regard to the Committee at each formal meeting.

The Committee will advise the Chief Financial Officer of their preferences when appointing external fund managers, under County Council contract standing orders all contracts must be awarded and managed by officers. The Committee will advise the Chief Financial Officer if they wish a fund manager's contract to be terminated.

The Chief Financial Officer is responsible for the appointment of a global custodian for the fund, the management of this contract and any related investment decisions.

Where the Committee decide that assets will be managed in-house the Chief Financial Officer will make suitable arrangements for these assets in accordance with any guidelines provided by Committee. All investment decisions with respect to in-house managed funds are taken by officers.

The Chief Financial Officer is responsible for the day to day monitoring and recording of the investment assets.

Regularly monitor investment performance.

The Chief Financial Officer will put in place procedures for the calculation and monitoring of investment performance.

The Chief Financial Officer will review the performance of all fund managers and the fund as a whole monthly and officers will meet with external fund managers regularly, typically quarterly, to discuss performance.

The Committee will review the performance of all fund managers and the fund as a whole quarterly. The Committee will meet with external fund managers periodically at their discretion to discuss performance.

Make arrangements to publish the fund's annual report and accounts.

The Chief Financial Officer will make arrangements for the production and audit of the fund's annual report and accounts. The Committee will adopt the completed annual report.

Consult stakeholders, and publish the funding strategy statement, investment strategy statement and other policies and documents as necessary.

The Chief Financial Officer will make arrangements for the drafting of all policies and statements and undertake consultations as applicable. The Committee will be responsible for approving all policies and statements after receiving feedback from any consultations undertaken and advice from officers and advisors as appropriate.

Order actuarial valuations to be carried out in line with the Local Government Pension Scheme Regulations.

The Chief Financial Officer will appoint a suitable actuary for the fund and undertake all necessary tasks and discussions with the actuary in order to allow the actuary to complete the valuation.

The Committee will meet with the actuary at least annually to receive an update.

Consider requests from organisations who want to join the fund as admitted bodies and consider any requests to change the terms of an existing admission agreement.

The Chief Financial Officer will make all necessary arrangements for the consideration of requests for admitted body status and changes to any existing admission agreements including the negotiation and signing of the necessary admission agreements.

The Committee will receive an update at each formal meeting of all activity in this regard.

Make representations to the Government about any planned changes to the Local Government Pension Scheme and all aspects of managing benefits.

The Committee will instruct the Chief Financial Officer on what it wishes to be included in any representations, which they will then draft and send accordingly.

Contract Standing Orders

The Contract Standing Orders of Somerset County Council apply to the operation of the Somerset County Council Pension Fund, however the Contract Standing Orders contain the ability for the Pensions Committee to exempt the fund from clauses where it is deemed this is necessary by Pensions Committee. The following sections of Contract Standing Orders will not apply to Contracts relating to the Fund and will be replaced by the provisions given below.

General clarification:

Where Contract Standing Orders require authorisation or approval in accordance with the Council's Scheme of Delegation approval must be sought from the Chief Financial Officer, who will consult the Pensions Committee at their discretion.

Section 24.7

Exempt in full. The pension fund does not use purchase orders.

Section 43.1

Table to be amended such that contract values over £500,000 to be approved by the Chief Financial Officer and such decisions are Non-Key Decisions.

Section 44.2

Section to be amended to remove any reference to, or need for, a purchase order.

**Approved by the Pensions Committee
Somerset County Council Pension Fund
December 2017**

Pensions Committee Training Policy

Introduction

The 2004 Pensions Act requires that trustees of occupational pension schemes should be trained and have knowledge and understanding of the law relating to pensions and role of trustees, the principles of scheme funding and investment, and the management and administration of pension scheme benefits. Members of the Pensions Committee are not legally trustees and are not bound by this law, however they should aspire to reach a similar standard.

Within the Local Government Pension Scheme (LGPS) the statutorily required Governance Compliance Statement requires the fund to compare its practice to the following statement:

“That in relation to the way in which statutory and related decisions are taken by the administering authority, there is a clear policy on training, facility time and reimbursement of expenses in respect of members involved in the decision-making process.”

Pension Committee members will be expected to undertake regular training to ensure they have sufficient knowledge of the LGPS, pension benefits and investment issues to make informed decisions for the benefit of all stakeholders.

CIPFA Knowledge and Skills Framework

The Chartered Institute of Public Finance and Accountancy (CIPFA) in 2010 published a Pensions Finance Knowledge and Skills Framework and accompanying guidance for elected representatives, non-executives and officers.

The fund has formally adopted the framework, will assess all relevant individuals against the suggested standards of knowledge and ensure relevant training is made available.

An assessment of competence against the framework and training undertaken by relevant individuals will be provided in the fund’s annual report as required by the framework.

Annual Training Commitment

Pension Committee members are encouraged to undertake training within the following guidelines:

Level 1 - New Pensions Committee members 1st year of office

New members should have 1-3 days training via:

- Receiving 1/2 day in-house induction training on the LGPS and its benefits, the membership and role of the Committee and the current investment structure of the fund.
- Reading the Pension Committee Members Handbook containing key documents such as the Fund Members guide, the Fund Annual Report and Financial Statement and background reading and knowledge building for 1/2 day.
- Attending at least one days external training on relevant topics.
- Attending the annual employers communications meeting.

Level 2 – Members 2nd and 3rd year of office

Should undergo 1 or 2 days a year personal training to build their knowledge and skills in specific topics in greater depth such as:

- Investing in specific asset classes
- Fund manager performance measurement
- SRI, corporate governance, and activism
- Actuarial valuation
- Fund accounting and taxation
- Third party pensions administration

Level 3 - Member serving longer than 3 years

Should seek to have at least 2 days a year of "updating and refreshment" personal training and/or more advanced training in specialist topics, on either fund investment or pensions administration.

The training undertaken by each member of the committee in each financial year will be reported annually in the fund's annual report and financial statement along with their attendance record at Committee Meetings.

Suitable Events

It is anticipated that at least 1 days annual training will be arranged and provided by officers to address specific training requirements to meet the Committee's forward business plan, all members will be encouraged to attend this event.

A number of specialist courses are run by bodies such as the Local Government Employers and existing fund manager partners, officers can provide details of these courses.

There are a number of suitable conferences run annually, officers will inform members of these conferences as details become available. Of particular relevance are the National Association of Pension Funds (NAPF) Local Authority Conference, usually held in May, the LGC Local Authority Conference, usually held in September, and the Local Authority Pension Fund Forum (LAPFF) annual conference, usually held in December.

All direct costs and associated reasonable expenses for attendance of external courses and conferences will be met by the fund.

**Approved by the Pensions Committee
Somerset County Council Pension Fund
June 2017**

Pension Board Training Policy

Introduction

The 2004 Pensions Act requires that trustees of occupational pension schemes should be trained and have knowledge and understanding of the law relating to pensions and role of trustees, the principles of scheme funding and investment, and the management and administration of pension scheme benefits.

As a result a member of the pension board of a public service pension scheme must be conversant with:

- the rules of the scheme, and
- any document recording policy about the administration of the scheme which is for the time being adopted in relation to the scheme.

A member of a pension board must have knowledge and understanding of:

- the law relating to pensions, and
- any other matters which are prescribed in regulations.

The degree of knowledge and understanding required is that appropriate for the purposes of enabling the individual to properly exercise the functions of a member of the pension board.

These legal responsibilities begin from the date that Pension Board members take up their role on the Board and as such they should immediately start to familiarise themselves with the relevant documents and the law relating to pensions.

In accordance with the Act, the knowledge and understanding requirement applies to every individual member of a Local Pension Board rather than to the members of a Local Pension Board as a collective group.

Key Documents

In accordance with the LGPS statutory guidance on the creation and operation of Pension Boards the following is a suggested list of the documents that Pension Board members should make themselves familiar:

- Member booklets, announcements and other key member and employer communications, which describe the Fund's policies and procedures (including any separate AVC guides) including documents available on the Fund's website;
- Any relevant policies of the Administering Authority and/or Pension Committee, for example policies on:
 - conflicts of interests
 - record-keeping
 - data protection and freedom of information
 - internal dispute resolution procedure.
- The Administering Authority's governance compliance statement;
- The Administering Authority's funding strategy statement;
- The Administering Authority's pension administration statement;
- The Administering Authority's discretionary policy statement;
- The Administering Authority's communications policy statement;
- The Administering Authority's statement of investment principles;
- The Administering Authority's internal controls risk register;
- The Fund's actuarial valuation report and rates and adjustment certificate;
- The Fund's annual report and accounts;
- Any accounting requirements relevant to the Fund;
- Any third party contracts and service level agreements;
- Any internal control report produced by third party service providers and investment managers;
- The Fund's standard form of admission agreement and bond and related policies and guidance.

This list should be viewed as a suggestion and not a definitive list of all the relevant documents.

Wider Background Knowledge

In addition to the list of key documents the statutory guidance provides examples of the knowledge that is relevant to the role of Pension Board members. Again the list is not intended to be exhaustive. The examples are as follows:

Background and Understanding of the Legislative Framework of the LGPS

- Differences between public service pension schemes like the LGPS and private sector trust-based schemes;
- Role of the IPSPC and its recommendations;
- Key provisions of the 2013 Act;
- The structure of the LGPS and the main bodies involved including the Responsible Authority, the Administering Authority, the Scheme Advisory Board, the Local Pension Board and the LGPS employers;
- An overview of local authority law and how Administering Authorities are constituted and operate; and
- LGPS rules overview (including the Regulations, the Transitional Regulations and the Investment Regulations).

General pensions legislation applicable to the LGPS

An overview of wider legislation relevant to the LGPS including:

- Automatic Enrolment (Pensions Act 2008);
- Contracting out (Pension Schemes Act 1993);
- Data protection (Data Protection Act 1998);
- Employment legislation including anti-discrimination, equal treatment, family related leave and redundancy rights;
- Freedom of Information (Freedom of Information Act 2000);
- Pensions sharing on divorce (Welfare Reform and Pensions Act 1999);
- Tax (Finance Act 2004); and
- IORP Directive.

Role and responsibilities of the Local Pension Board

- Role of the Local Pension Board;
- Conduct and conflicts;
- Reporting of breaches;
- Knowledge and understanding; and
- Data protection.

Role and responsibilities of the Administering Authority

- Membership and eligibility;
- Benefits and the payment of benefits;
- Decisions and discretions;
- Disclosure of information;
- Record keeping;
- Internal controls;
- Internal dispute resolution;
- Reporting of breaches; and
- Statements, reports and accounts.

Funding and Investment

- Requirement for triennial and other valuations;
- Rates and adjustments certificate;
- Funding strategy statement;
- Bulk transfers;
- Permitted investments;
- Restrictions on investments;
- Statement of investment principles;
- CIPFA guidance;
- Appointment of investment managers; and
- Role of the custodian.

Role and responsibilities of Scheme Employers

- Explanation of different types of employers;
- Additional requirements for admission bodies;
- Automatic Enrolment;
- Deduction and payment of contributions;
- Special contributions;
- Employer decisions and discretions;
- Redundancies and restructuring (including the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006); and
- TUPE and outsourcing (including Fair Deal and the Best Value Authorities Staff Transfers (Pensions) Direction 2007).

Tax and Contracting Out

- Finance Act 2004
- Role of HMRC
- Registration
- Role of 'scheme administrator'
- Tax relief on contributions
- Taxation of benefits
- Annual and lifetime allowances
- Member protections
- National Insurance
- Contracting out (Pensions Scheme Act 1993)
- Impact of abolition of contracting out in 2016
- VAT and investments

Role of advisors and key persons

- Officers of the Administering Authority
- Fund actuary
- Auditor
- Lawyers
- Investment managers
- Custodians
- Administrators – in house v. third party
- Procurement of services
- Contracts with third parties

Key Bodies connected to the LGPS

An understanding of the roles and powers of:

- Courts
- Financial Services Authority
- HMRC
- Information Commissioner
- Pensions Advisory Service
- Pensions Ombudsman
- The Pensions Regulator (including powers in relation to Local Pension Boards)

Annual Training Commitment

Pension Committee members are encouraged to undertake training within the following guidelines:

Level 1 - New Pensions Committee members 1st year of office

New members should have 1-5 days training via:

- Receiving 1/2 day in-house induction training on the LGPS and its benefits, the membership and role of the Committee and the current investment structure of the fund.
- Reading the Pension Committee Members Handbook containing key documents such as the Fund Members guide, the Fund Annual Report and Financial Statement and background reading and knowledge building.
- Attending at least one day of training on relevant topics.
- Attending the annual employers communications meeting.

Level 2 – Members 2nd and 3rd year of office

Should undergo 1 or 2 days a year personal training to build their knowledge and skills in specific topics in greater depth

Level 3 - Member serving longer than 3 years

Should seek to have at least 2 days a year of "updating and refreshment" personal training and/or more advanced training in specialist topics, on either fund investment or pensions administration.

The training undertaken by each member of the Board in each financial year will be reported annually in the fund's annual report and financial statement along with their attendance record at Board Meetings.

Suitable Events

It is anticipated that at least 1 day of annual training will be arranged and provided by officers to address specific training requirements to meet the Board's requirements, all members will be encouraged to attend this event.

A number of specialist courses are run by bodies such as the Local Government Employers and existing fund manager partners, officers can provide details of these courses.

There are a number of suitable conferences run annually, officers will inform members of these conferences as details become available.

All direct costs and associated reasonable expenses for attendance of external courses and conferences will be met by the fund.

Approved by the Pension Board
Somerset County Council Pension Fund
July 2015

Communication policy statement

Introduction

Under the Local Government Pension Scheme Regulations 2013 [SI 2013/2356], each administering authority in England and Wales must prepare, maintain and publish a statement setting out their policy on communicating with members, members' representatives, future members and employers whose employees are members in the fund.

This document represents the communication policy based on good custom and practice that has developed over many years. This policy will be continually reviewed to make sure it provides for effective and efficient communication with the range of stakeholders in the Somerset County Council Pension Fund.

Peninsula Pensions is a shared service with Devon County Council and provides the administration of the LGPS on behalf of Somerset County Council Pension Fund. Communication may be from/with Peninsula Pensions or Somerset County Council as appropriate.

Scheme members

The fund will communicate with scheme members in the following ways.

- Peninsula Pensions issues statutory notifications to new scheme members on a monthly basis, including information about how to access a full scheme guide and other documents.
- Peninsula Pensions will issue annual benefit statements confirming the current value of benefits and estimated retirement benefits to all current scheme members and deferred members.
- Peninsula Pensions will send newsletters to current scheme members and pensioners once a year.
- Peninsula Pensions will run presentations for scheme members as and when requested by employers.
- Information about the scheme, including a full scheme guide, is available on the Peninsula Pensions website www.peninsulapensions.org.uk.
- Member self-service is available via the Peninsula Pensions website for current and deferred scheme members, allowing members to view their record, update their address and run simple estimates.

It is also important to recognise that not all individuals who are eligible to join the scheme will be aware of the benefits of being a member. The fund will on occasion contact people who are non-members to remind them of the benefits and the process for joining the scheme. Information about the scheme for prospective joiners is available on the Peninsula Pensions website.

Scheme employers

The employers whose employees are members of the Somerset County Council Pension Fund are key stakeholders. The fund needs to communicate with them effectively so we can build the partnerships needed to manage the scheme efficiently and effectively.

Communication provided will include:

- an annual meeting to give an update on the investment and administration of the fund, together with key developments affecting the LGPS (this will include details of the current actuarial position of the fund);
- a meeting twice a year for employers about administration;
- a quarterly e-zine covering updates and administrative matters;
- site visits to employers when requested;
- formal consultation on regulatory issues with employers;
- training seminars for employers; and
- employer forms and guides available on the Peninsula Pensions website.

Elected members

This includes communicating with the members of the pensions committee and the county council as administering authority.

- The pensions committee meeting is made up of elected members from both the county council and employing authorities. These meetings are open to all stakeholders and members of the public.
- The fund will provide specific technical training sessions.

Miscellaneous

The fund will communicate with a range of stakeholders in the following ways.

- The fund will issue an annual report and accounts to employing authorities, elected members and other interested stakeholders.
- The fund will review and maintain a funding strategy statement after consulting employing authorities.
- The fund will review and maintain the statement of investments principles after consulting employing authorities.
- Peninsula Pensions is working towards providing all communications electronically (including newsletters and annual benefit statements) and will contact all scheme members about this in due course. The option to continue to receive communications via post will remain available.

Arrangements for reviewing this policy

This policy statement will be regularly reviewed by the pensions committee. If we need to make any significant changes, we will consult all employers whose employees are members of the fund and publish the amended policy.

**Approved by the Pensions Committee
Somerset County Council Pension Fund
June 2017**

Pension administration strategy

1. Introduction

Peninsula Pensions is a shared pension administration service, run by Devon County Council, providing the Local Government Pension Scheme (LGPS) administration for both Devon and Somerset administering authorities.

The shared service started on 1 September 2013 with both teams coming together in one office in February 2014.

The Devon and Somerset Pension Funds and their Committees remain independent from each other with each Administering Authority retaining Investment responsibility. Both the Devon and Somerset Pension Fund Committees, have agreed to the implementation of a Pension Administration Strategy (PAS). Although there will be one strategy per fund, the contents will be the same for both, to ensure an equal, efficient and quality service for all stakeholders.

The Pensions Administration Strategy supports the pension fund on behalf of its employing authorities and the administering authority. The objective of the strategy is to define the roles and responsibilities of the Administering Authority and the employing authorities under the LGPS regulations.

In no circumstances does this strategy override any provision or requirement of the regulations set out below nor is it intended to replace the more extensive commentary provided by the Employers' Guide and website for day-to-day operations.

The Fund will review and revise this policy statement if policies which relate to strategy matters change. Employers will be consulted and informed of the changes and a revised statement will be supplied to the Secretary of State.

2. The Regulations

In accordance with Regulation 59 of the Local Government Pension Scheme (Administration) Regulations 2013:

- 1) An administering authority may prepare a written statement of the authority's policies in relation to such of the matters mentioned in paragraph (2) as it considers appropriate ("its pension administration strategy") and, where it does so, paragraphs (3) to (7) apply.
- 2) The matters are:
 - a) procedures for liaison and communication with Scheme employers in relation to which it is the administering authority ("its Scheme employers");
 - b) the establishment of levels of performance which the administering authority and its Scheme employers are expected to achieve in carrying out their Scheme functions by:
 - (i) the setting of performance targets,
 - (ii) the making of agreements about levels of performance and associated matters, or
 - (iii) such other means as the administering authority considers appropriate;
 - c) procedures which aim to secure that the administering authority and its Scheme employers comply with statutory requirements in respect of those functions and with any agreement about levels of performance;
 - d) procedures for improving the communication by the administering authority and its Scheme employers to each other of information relating to those functions;
 - e) the circumstances in which the administering authority may consider giving written notice to any of its Scheme employers under regulation 70 (additional costs arising from Scheme employer's level of performance) on account of that employer's unsatisfactory performance in carrying out its Scheme functions when measured against levels of performance established under sub-paragraph (b);
 - f) the publication by the administering authority of annual reports dealing with:
 - (i) the extent to which that authority and its Scheme employers have achieved the levels of performance established under sub-paragraph (b), and
 - (ii) such other matters arising from its pension administration strategy as it considers appropriate; and
 - g) such other matters as appear to the administering authority after consulting its Scheme employers and such other persons as it considers appropriate, to be suitable for inclusion in that strategy.

3) An administering authority must:

a) keep its pension administration strategy under review; and

b) make such revisions as are appropriate following a material change in its policies in relation to any of the matters contained in the strategy.

4) In preparing or reviewing and making revisions to its pension administration strategy, an administering authority must consult its Scheme employers and such other persons as it considers appropriate.

5) An administering authority must publish:

a) its pension administration strategy; and

b) where revisions are made to it, the strategy as revised.

6) Where an administering authority publishes its pension administration strategy, or that strategy as revised, it must send a copy of it to each of its Scheme employers and to the Secretary of State as soon as is reasonably practicable.

7) An administering authority and its Scheme employers must have regard to the pension administration strategy when carrying out their functions under these Regulations.

8) In this regulation references to the functions of an administering authority include, where applicable, its functions as a Scheme employer.

3. The Administration Strategy

This strategy formulates the administrative arrangements between the pension fund and the participating employing authorities. It recognises that both fund employers and Peninsula Pensions have a shared role in delivering an efficient and effective pension fund to its scheme members and this can only be achieved by co-operation.

With the introduction of this framework, the aim is to enhance the flow of data by having clear channels of communication in place, so that each authority is fully aware of its role and responsibilities within this process, as outlined by the LGPS provisions.

An annual report will be issued by Peninsula Pensions to illustrate the extent to which the standard of performance established under this strategy has been achieved and such other matters arising from the strategy as appropriate.

4. Liaison and Communication

The delivery of a high quality, cost-effective administration service is not the responsibility of just the administering authority, but depends on the administering authority working with a number of individuals in different organisations to make sure that members and other interested parties receive the appropriate level of service and ensure that statutory requirements are met.

Peninsula Pensions will have an Employer Liaison Officer who will be the main contact for any administration query relating to the correct interpretation of the LGPS regulations, employer responsibilities and help when completing interfaces and forms.

Each employing authority will designate named individual(s) to act as a **Pensions Liaison Officer** the primary contact with regard to any aspect of administering the LGPS. The Pension Liaison Officer(s) will be given a user name and password to access the employer section of the Peninsula Pensions website

Peninsula Pensions will employ a multi-channel approach in liaising and communicating with employing authorities to ensure that all requirements are consistently met.

The various channels of communication employed by the fund include:

1. **Peninsula Pensions website** – the main communication tool for both employers and scheme members.
 - **Employers** – Dedicated and secure employer section where employers can access procedure guides, information on courses run by the fund, access back copies of the Pensions Line, access Employer Self Service and Interface information.
 - **Electronic communication** – unless agreed separately all employers will be required to provide data through the Employer Self Service Portal and/or Interfaces.
 - **Scheme members** – access to up-to-date information about all aspects of the LGPS. Member Self service area where member's can update personal details, review annual benefit statements and newsletters and do their own pensions estimates.
 - **Contact Details** – All Peninsula Pension Staff roles and contact information together with both Funds Investment Team contact details
2. **Scheme members** who have chosen to opt out of the Member Self Service will continue to receive postal communication. They will still be able to access up-to-date information about all aspects of the LGPS via our website.
3. **Periodic newsletters** issued to scheme members and all employing authorities and placed on Peninsula Pensions website.
4. **Induction and pre-retirement workshops** undertaken upon request to develop both employer and scheme member understanding, minimum number of attendees 10 required
5. **Pension surgeries** held for scheme members upon employer request to resolve any individual or collective issues that members may have.
6. **Quarterly E-zine** sent directly to employer representatives to provide notification of any scheme / administrative updates and developments.
7. **Employer seminars and training groups** held when required to review scheme developments, or to resolve any training needs that employers may have.
8. **Annual Consultative Meeting** held to review the investment and administrative issues that the pension fund has experienced during the preceding 12 months, and also to look forward at the challenges that lie ahead for the next 12 months.
9. **Employer representatives** distribute information supplied by the pension fund to scheme members within their organisation, such as scheme guides and factsheets.

Note: Peninsula Pensions are not responsible for verifying the accuracy of any information provided by the employer for the purpose of calculating benefits under the provisions of the Local Government Pension Scheme and the Discretionary Payments Regulations. That responsibility rests with the employer.

Payroll providers – where an employer delegates responsibility to a payroll provider, for the provision of information direct to Peninsula Pensions, a delegation form needs to be completed confirming which areas you are allowing them to act on your behalf for. If the information received from the payroll provider results in wrong information/benefit being paid the responsibilities under the Local Government Pension Regulations rest with the Employer.

5. Standards of Performance - Employers

Expectation is to complete 90% of cases within the timescale quoted.

Employer Responsibility	Timescale to inform Peninsula Pensions using Employer Self Service or other agreed methods
To ensure that all employees subject to automatic admission are brought into the scheme from the date of appointment. Determine their pensionable pay and contribution rate.	1 month
Update Peninsula Pensions with changes to scheme members details such as change of hours or name.	1 month
Deduct scheme member contributions including APCs and pay over to the fund.	As stipulated by your pension fund
To deduct from a members pay and pay over any Additional Voluntary Contributions (AVCs) to the in-house AVC provider	Before the 19 th of the following month after deducted from pay
On cessation of membership determine reason for leaving, final pay for calculating pre 2014 benefits and CARE pay for post 2014 benefits as appropriate.	Retirees preferably at least 1 month before date of leaving. All within 5 working days of final payday. Leavers under age 55 within 1 month from final payday.
Where a member dies in service determine final pay for calculating pre 2014 benefits and CARE pay for post 2014 benefits as appropriate.	Preferably within 2 weeks of date of death. All within 5 working days of final payday.
Provide monthly CARE data within required format	Within 2 weeks of pay run
Provide end-of-year data within required format	30 April each year

Publishing a policy relating to the key employing authority discretions required by the LGPS regulations	Within 1 month of publication
Under Data Protection Act 1998 an employer will protect information relating to a member contained in any item issued by Peninsula Pensions from improper disclosure. They will only use information supplied or made available by Peninsula Pensions for the LGPS.	Ongoing requirement
There will be a regular exercise to review the membership to the employers' website and employing authority contacts in general; Pension Liaison Officers will be expected to assist the Employer Liaison Officer in this exercise by confirming details Peninsula Pensions hold are correct .	Annually

6. Level of Performance – Peninsula Pensions

Expectation is to complete 90% of cases within timescale quoted based on all relevant information being received from the scheme employer.

Peninsula Pensions Responsibility	Timescale
To provide guidance on Employer Self Service and interfaces for recording any key information, such as starters, changes and leavers or, if agreed with the employer, to provide a document for the provision of information.	Ongoing support
Provide the Employer Liaison Officer and/or representatives with information and assistance on the LGPS, its administration and technical requirements.	Ongoing support
To accurately record and update member records on pension administration systems.	10 working days
To produce a statutory notification and forward to member's home address, together with information relating to the LGPS including how to request a transfer, inform us of previous service, and complete an expression of wish form.	1 month of notification
To process employer year-end contribution returns and provide consolidated and grouped error reports for action by employers.	3 months
To produce annual benefit statements for all active members as at the preceding 31 March and notify electronically or by post to member's home address.	Sent out/available on MSS by 31 August
To produce annual benefit statements for all preserved members, as at the preceding 31 March, and notify electronically or by post to member's home address.	Sent out/available on MSS by 30 June
To provide information and quotations to scheme member with regard to additional voluntary contribution (AVC) options.	Within 10 working days
To provide information and quotations to a scheme member on the option of making Additional Pension Contributions (APCs).	Within 10 working days

To produce retirement estimates for employers, once in receipt of all of the necessary information.	Within 10 working days
To accurately record and update member records on pension administration systems for those members leaving the scheme, without entitlement to immediate payment of benefits. Provide them with the options available and deferred benefit entitlement.	Within 1 month
To accurately calculate and inform the member of the options available to them upon retirement.	10 working days from receiving all information from employer
Upon receipt of members completed retirement forms finalise pension records, and authorise payment of lump sum and set up of payroll record.	Within 5 working days
Under the Data Protection Act 1998 Peninsula Pensions will protect information relating to a member contained on any item issued by them or received by them from improper disclosure.	Ongoing requirement, online security within databases regularly reviewed.
Each Administering Authority is responsible for exercising the discretionary powers given to it by the regulations. The Administering Authority is also responsible for publishing its policy to its members in respect of the key discretions as required by the regulations.	Peninsula Pensions will maintain links to these discretions on their website.
Notification of Pension Fund Triennial Valuation results including contributions rates	Assuming information provided by Actuaries provisional results December following valuation, with final results the following March

7. Financial Information

Contributions (but not Additional Voluntary Contributions) should be paid monthly to the pension fund by BACS unless we have agreed payment by cheque.

The employer must submit an advice with their payment stating the month and the amount of the payment split between pre-2014 membership, post-2014 50/50 membership, and post-2014 100/100 membership for both employee and employer contributions.

Employer contribution rates are not fixed. Employers are required to pay whatever is necessary to ensure that the portion of the fund relating to their organisation is sufficient to meet its liabilities as determined and certified by the fund actuary.

Administration fees and other charges

Interest on late payments

- In accordance with the LGPS regulations, interest will be charged on any amount overdue from an employing authority by more than one month.
- Interest will be calculated at 1% above base rate on a day-to-day basis from the due date to the date of payment and compounded with three-monthly rests.

The employer is reported to The Pensions Regulator where contributions are received late in accordance with the regulators code of practice.

Any over-payment resulting from inaccurate information supplied by the employer shall be recovered from the employer.

In the event of the pension fund being levied by The Pensions Regulator, the charge will be passed on to the relevant employer where that employer's action or inaction (such as the failure to notify a retirement within the time limits described above, for example) cause the levy.

Where additional costs have been incurred by the pension fund because of the employing authority's level of performance in carrying out its functions under the LGPS, the additional costs will be recovered from that employing authority.

The pension fund will give written notice to the employing authority stating:

- the reasons for the additional cost incurred
- that the employing authority should pay the additional costs incurred by that authority's level of performance
- the basis on which the specified amount is calculated, and
- the relevant provisions of the Pension Administration Strategy under which the additional costs have arisen.

Any disagreement regarding the amount of additional cost being recovered will be decided by the Secretary of State who will have regard to:

- the provisions of the pension administration strategy that are relevant to the case, and
- the extent to which the pension fund and the employing authority have complied with those provisions in carrying out their functions under these regulations.

The pension fund has an actuarial valuation undertaken every three years by the fund's actuary. The actuary balances the fund's assets and liabilities in respect of each employer, and assesses the appropriate contribution rate for each employer to be applied for the subsequent three year period.

The costs associated with the administration of the scheme are charged directly to the pension fund, and the actuary takes these costs into account in assessing the employers' contribution rates.

Note: If an employer wishes to commission the fund actuary to undertake any additional work, the cost will be charged to the employer.

New admission agreements – the setting up of admission agreements requires input from the scheme administrator, their legal representative and the actuary. There will be a charge to the employer who commissions the outsourcing.

Please note charges are set out separately within the attached appendix.

**Approved by the Pensions Committee
Somerset County Council Pension Fund
June 2017**

APPENDIX

Administration Fee – Peninsula Pensions will charge employers outsourcing services a Fee of £750 to cover both the pension administration and legal work necessary in the setting up of an Admission Agreement. The Fee will become payable once we have issued the draft admission agreements to relevant parties. If the outsourcing is of a complex nature the Fee may be renegotiated with the employer concerned. This is in addition to any actuary work required

Actuary Fixed Fee Menu for Standard Work up to 31/12/2015 (revised annually)

Funding Updates (roll forward approach)

Annual Funding update	£1,755
Quarterly Funding update	£1,175
Monthly Funding update	£760
Employer Funding update	As per FRS17 Scale

Employer Work

New Employer (no previous interest in Fund) Contribution Rate *	£1,395
New Employer Bond and Contribution *	£1,470
Single Bond review - ER Strain Only *	£960
Single Bond review - ER Strain and Deficit *	£2,060
Cessation Valuation *	£2,060
Cessation Valuation Update	£885
Projected Cessation Valuation with sensitivities *	£2,930

Cessation roll forward from valuation to payment date	£265
Closure Valuation *	£2,060
Combined Closure/cessation valuation *	£2,930
New employer deficit assessment and ctbn rate (academies etc)	£1560
	£1480
New pooled employer deficit assessment and ctbn rate (academies etc)	£530
Pooled Free School ctbn rate	
Review of GAD Broadly Comparable Report	£1,120
Internal Bulk Transfer *	£950
Valuation of unfunded pensions and report *	£1,395
Miscellaneous Work	
Actuarial Statement for Accounts	£585
Individual Member Calculation (excl tax calcs)	£320
Review of FSS/SIP	£1,470
Projected cashflow report	£3,715

FRS17/IAS19 Work

Audit letter	£365
Rerun report (amended data - eg conts)	£180
Own assumptions - extra charge	£300
Rerun report (different assumptions)	£300
Full valuation of unfunded pensions	£885
Projected Service Costs per employer	£185
IAS 26 report whole fund	£750
Additional Sensitivity table other than 0.1%	£265
Employer Monthly Update	£530
First time FRS17/IAS19 report (non roll forward approach)	£1,675
First time FRS17/IAS19 report (roll forward approach)	£835
Early report (pre accounting date)	£835
Early report (post accounting date) - scale fee plus	£185

FRS17/IAS19 Reports (roll forward approach)

First Employer	£1,400
Next 9 employers	£485
Next 20 employers	£285
Thereafter	£165
Minimum fee per roll forward report	£360
Maximum fee per roll forward report	£770

Actuary Notes

Assumes between 10 and 500 members. If less than 10 members then a discount of 20% will apply. If more than 500 members then fee is increased by 10%

If the nature of the work changes due to regulatory changes then we may want to review the level of fee

Some work may need to be customised to meet any specific requests - any additional fee will be quoted in advance

FRS17/IAS19 roll forward fees increase by 10% in year following triennial valuation

Interim Director of Finance's report

Investment activity

During the 2018-2019 financial year, the planned-asset allocation of the fund was not changed. We have now started the process of transferring the management of the vast majority of our investment assets to our chosen LGPS pool, Brunel. During the year we have moved 2 mandates covering 44% of the assets to management by Brunel.

Further details regarding the investment objectives of the fund can be found in the Investment Strategy Statement, a copy of which can be found earlier in this annual report.

The current planned asset allocation is shown in the table below:

31 March 2018	Asset class	31 March 2019
Target %		Target %
23	Passive global equity	23
23	UK equity	23
5	US equity	5
5	European equity	5
3	Japanese equity	3
3	Far East equity	3
5	Emerging market equity	5
67	Total listed equity	67
4	UK government gilts	4
4	UK government index-linked bonds	4
8	Sterling corporate bonds	8
3	High yield Corporate bonds	3
19	Total listed bonds	19
10	Property	10
3	Private Equity	3
13	Total alternatives	13
1	Cash	1
<hr/> 100 <hr/>		<hr/> 100 <hr/>

Further details are contained in the section earlier in this report describing the fund managers. The actual holdings of the fund at the start and end of the year are detailed as part of the financial statements, which can be found later in this annual report.

Investment market background

Interest rates

During the year the Bank of England raised official UK base rate once in August from 0.5% to 0.75%.

Investment returns

Returns for the year were positive for the whole fund over the whole year. Returns from equities were mixed with strong returns in the US and to a lesser extent in the UK. Japanese and emerging market equities produced negative returns. Returns on foreign equities were boosted substantially by the weakness of the British Pound. Bond returns for the year were positive but relatively muted. UK property returns were positive.

Key market indicators

	Start of year	End of year	Percentage change for the year
Base rate	0.50%	0.75%	
Strength of sterling			
against US dollars	1.40	1.30	-7%
euro	1.14	1.16	2%
yen	148.95	144.44	-3%
Stock markets (quoted in local currency)			
FTSE 100 (UK)	7,057	7,279	3%
FTSE All Share (UK)	3,894	3,978	2%
Dow Jones (USA)	24,103	25,929	8%
S&P 500 (USA)	2,641	2,834	7%
FTSE Eurofirst 300 ex UK (Europe)	1,702	1,734	2%
Nikkei 225 (Japan)	21,454	21,206	-1%
MSCI Emerging Market	1,171	1,058	-10%

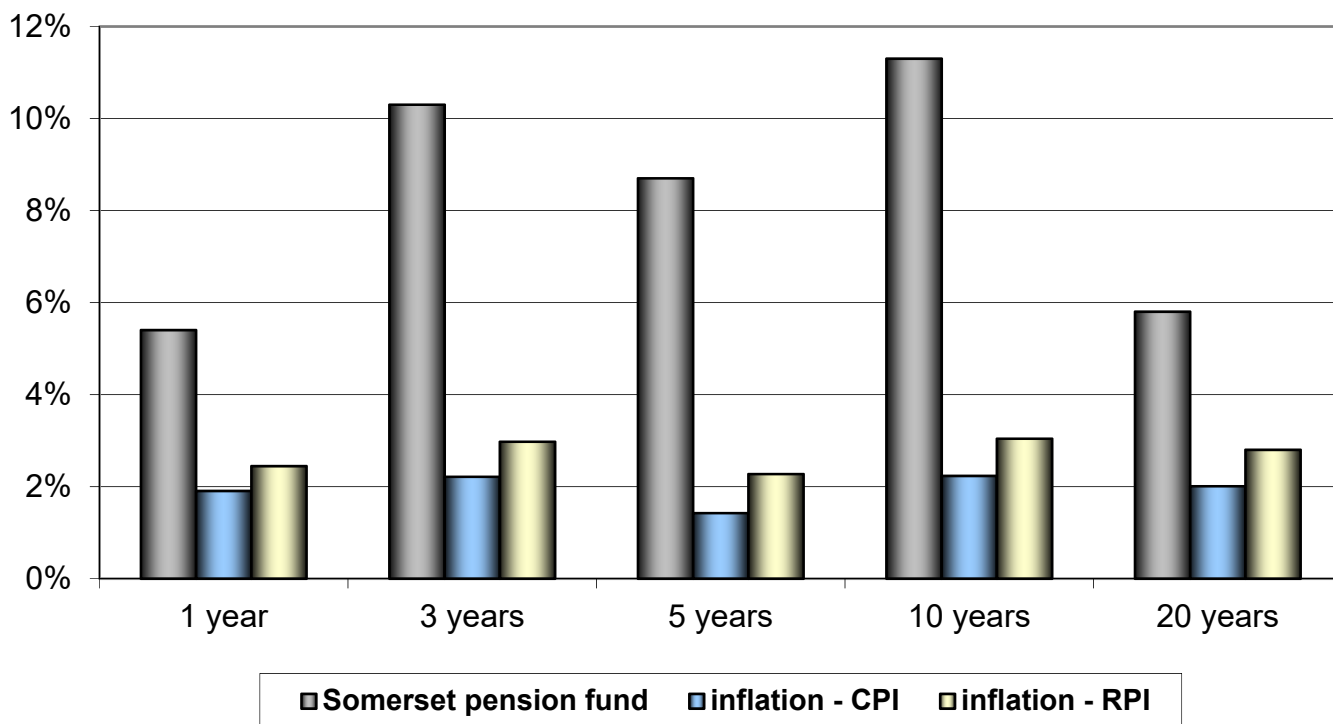
Source: Bank of England
Bloomberg

Investment performance

The success or failure of a pension fund depends largely on the performance of its investments. Benefits are worked out based on final salary, and these benefits are 'index-linked' to protect their value over time. Taking the above into account, there is one simple but important comparison that can be made. This is to compare the growth in value of the fund with the rate of inflation.

For 2018/2019, the fund had an acceptable return and this return was above inflation. Looking back over five-, 10- and 20-year periods, we can see from the chart below that the fund has grown more strongly than inflation over the longer term.

Annualised fund investment performance in relation to inflation



Source: Somerset CC
Bloomberg

Overall fund performance

The fund's total return was positive for the financial year at a return of 5.4%. We measure how good we think this figure is against our scheme-specific benchmark. This benchmark is basically a combination of the benchmarks we give to the individual asset managers. The return on our scheme-specific benchmark was 6.8% and the fund underperformed against this by 1.4%. The performance of each of the fund managers and the whole fund is shown in the table below net of all fees and charges.

1 year fund performance

Manager	Asset class	Fund	Benchmark	Fund relative to benchmark
Somerset County Council	Passive global equity	10.8%	11.8%	-1.0%
Brunel	Passive global equity	Initial investment in July 2018		
Aberdeen Standard	UK equity	-0.1%	6.4%	-6.5%
Brunel	UK equity	Initial investment in November 2018		
Somerset County Council	Passive US equity	18.1%	17.9%	0.2%
Jupiter	European equity	6.5%	2.6%	3.9%
Nomura	Japanese equity	-3.5%	-1.8%	-1.7%
Maple-Brown Abbott	Far East equity	3.1%	4.8%	-1.7%
Amundi	Emerging market equity	-15.3%	-0.3%	-15.0%
Aberdeen Standard	Bonds	4.2%	4.7%	-0.5%
LaSalle	Property	3.9%	4.8%	-0.9%
Neuberger Berman	Global private equity	17.3%	0.7%	16.6%
Technology Venture Partners	Venture capital	0.0%	0.7%	-0.7%
Somerset County Council	Cash	0.9%	0.7%	0.2%
Whole Fund		5.4%	6.8%	-1.4%

Source: Somerset CC

3 year (annualised) fund performance

Manager	Asset class	Fund	Benchmark	Fund relative to benchmark
Somerset County Council	Passive global equity	14.6%	15.0%	-0.4%
Brunel	Passive global equity	Initial investment in July 2018		
Aberdeen Standard	UK equity	7.7%	9.5%	-1.8%
Brunel	UK equity	Initial investment in November 2018		
Somerset County Council	Passive US equity	18.1%	17.3%	0.8%
Jupiter	European equity	14.0%	11.0%	3.0%
Nomura	Japanese equity	11.4%	12.2%	-0.8%
Maple-Brown Abbott	Far East equity	13.8%	13.6%	0.2%
Amundi	Emerging market equity	7.7%	14.4%	-6.7%
Aberdeen Standard	Bonds	6.4%	6.3%	0.1%
LaSalle	Property	5.4%	6.2%	-0.8%
Neuberger Berman	Global private equity	15.0%	0.5%	14.5%
Technology Venture Partners	Venture capital	0.0%	0.5%	-0.5%
Somerset County Council	Cash	0.6%	0.5%	0.1%
Whole Fund		10.3%	10.5%	-0.2%

Source: Somerset CC

5 year (annualised) fund performance

Manager	Asset class	Fund	Benchmark	Fund relative to benchmark
Somerset County Council	Passive global equity	12.5%	12.7%	-0.2%
Brunel	Passive global equity	Initial investment in July 2018		
Aberdeen Standard	UK equity	4.1%	6.1%	-2.0%
Brunel	UK equity	Initial investment in November 2018		
Somerset County Council	Passive US equity	16.9%	16.5%	0.4%
Jupiter	European equity	13.0%	7.1%	5.9%
Nomura	Japanese equity	10.7%	11.9%	-1.2%
Maple-Brown Abbott	Far East equity	Initial investment in July 2014		
Amundi	Emerging market equity	4.5%	8.9%	-4.4%
Aberdeen Standard	Bonds	7.0%	7.1%	-0.1%
LaSalle	Property	7.7%	9.1%	-1.4%
Neuberger Berman	Global private equity	15.5%	0.4%	15.1%
Technology Venture Partners	Venture capital	0.0%	0.4%	-0.4%
Somerset County Council	Cash	0.6%	0.4%	0.2%
Whole Fund		8.7%	9.0%	-0.3%

Source: Somerset CC

10 year (annualised) fund performance

Manager	Asset class	Fund	Benchmark	Fund relative to benchmark
Somerset County Council	Passive global equity	13.7%	14.0%	-0.3%
Brunel	Passive global equity	Initial investment in July 2018		
Aberdeen Standard	UK equity	10.7%	11.1%	-0.4%
Brunel	UK equity	Initial investment in November 2018		
Somerset County Council	Passive US equity	Initial investment in December 2011		
Jupiter	European equity	16.2%	10.7%	5.5%
Nomura	Japanese equity	Initial investment in March 2010		
Maple-Brown Abbott	Far East equity	Initial investment in July 2014		
Amundi	Emerging market equity	6.2%	10.0%	-3.8%
Aberdeen Standard	Bonds	8.8%	8.8%	0.0%
LaSalle	Property	7.2%	8.4%	-1.2%
Neuberger Berman	Global private equity	Initial investment in March 2010		
Technology Venture Partners	Venture capital	0.0%	0.4%	-0.4%
Somerset County Council	Cash	0.8%	0.4%	0.4%
Whole Fund		11.3%	11.1%	0.2%

Source: Somerset CC

Investment cost transparency

Direct investment management fees and transaction costs are included in note 8 of the Statement of Accounts. However, there has been an increasing focus on investment management costs, and a recognition that there are significant further costs that in the past have been hidden. The cost transparency agenda aims to ensure full disclosure of all costs involved in investment, as unless costs are identified they cannot be effectively managed. The effective management of investment costs should improve investment returns. The move toward investment fee transparency and consistency is seen by the LGPS Scheme Advisory Board as an important factor in the LGPS being perceived as a value led and innovative scheme.

The following table summarises investment management costs for 2018/19. It has been compiled from templates completed by each of the Fund's investment managers. The "Direct" costs column reconciles to the costs disclosed in note 8 within the Statement of Accounts, while "Indirect" costs are those costs that do not meet the criteria for inclusion in the accounts but do represent significant underlying costs to the Fund's investments.

The table above has been produced on a best efforts basis. Not all fund managers provided information to the same standard, it is likely that the total is understated because of this. Also, not all fund managers produced data for the correct time period, fund officers have aggregated time periods or done pro-rata calculations as applicable.

	Brunel asset pool				Non-asset pool				Whole fund	
	Direct £ m	Indirect £ m	Total £ m	bps	Direct £ m	Indirect £ m	Total £ m	bps	Total £ m	bps
Management fees										
Ad valorem	0.336		0.336	6.5	3.673		3.673	22.7	4.009	18.8
Performance			0.000	0.0	1.027		1.027	6.4	1.027	4.8
Research			0.000	0.0		0.239	0.239	1.5	0.239	1.1
Other charges	0.029		0.029	0.6			0.000	0.0	0.029	0.1
Asset pool shared costs	0.566		0.566	11.0			0.000	0.0	0.566	2.7
Transaction costs										
Taxes and stamp duty		0.091	0.091	1.8	0.367	0.267	0.634	3.9	0.725	3.4
Broker commission		0.132	0.132	2.6	0.121	0.835	0.956	5.9	1.088	5.1
Implicit costs		0.018	0.018	0.3		0.815	0.815	5.0	0.833	3.9
Entry/exit charges			0.000	0.0			0.000	0.0	0.000	0.0
Indirect transaction costs		-0.070	-0.070	-1.4		0.110	0.110	0.7	0.040	0.2
Custody	0.012		0.012	0.2	0.047	0.114	0.161	1.0	0.173	0.8
Other										
Stock lending			0.000	0.0	-0.339	-0.037	-0.376	-2.3	-0.376	-1.8
Other costs			0.000	0.0		0.003	0.003	0.0	0.003	0.0
Total	0.943	0.171	1.114	21.6	4.896	2.346	7.242	44.8	8.356	39.2

The different types of costs itemised in the above table are defined below:

- **Ad valorem** Fees are the management fees charged by the external fund managers based on the value of funds under their management. These may be invoiced or encashed from units held in pooled funds. Those shown as indirect relate to where fees are taken from underlying funds. All of these fees appear in note 8.
- **Performance fees** are fees based on the fund manager having achieved a level of performance that warrants additional fees. These will be based on the manager having achieved performance above a hurdle rate, either an absolute return or relative to a benchmark, and then being entitled to a share of the profit from the return achieved above the hurdle rate.
- **Other charges** comprise all payments made to parties providing services to the pooled fund other than the manager such as, but not limited to, the depositary, custodian, auditor, property related expenses, to the extent these are not included under transaction costs, and any other fees or levies deducted from the pooled fund.
- **Asset pool shared costs** comprise the charges levied by the Brunel Pension Partnership to meet the costs of running the company.
- **Taxes and stamp duty** comprise any taxes charged on asset transaction.
- **Broker commission** comprises payments for execution of trades. Levies, such as exchange fees, settlement fees and clearing fees are included within broker commissions.
- **Implicit costs** represent the loss of value implied by the difference between the actual transaction price and the mid-market value of the asset. The precise methodologies for calculating implicit costs are still being deliberated by regulators. The costs included in the table are based on the recommendation that firms may calculate implicit costs by reference to appropriate measures of market spread and portfolio turnover.
- **Entry/exit charges** may arise when a holding in a pooled fund is bought or sold. The amount reported will be the actual amount incurred for each transaction and will include any dilution levies made in addition to the price and any amounts representing the difference between the transaction price and the net asset value per unit calculated by reference to the mid-market portfolio valuation.
- **Indirect transaction costs** are transaction costs incurred within pooled funds when they buy and sell their underlying investments.
- **Custody** – the costs levied by the Fund’s custodian.
- **Other costs** represent any additional charges that do not fit in any other category above.

As well as being transparent around costs the LGPS is striving to be more transparent about the effect of fund manager fees on investment performance. The following table shows, for each type of asset managed the performance gross of fund manager fees (the ad valorem fees and performance fees as per the definition above) and net of these fees. All of this performance is net of the transaction costs referred to above.

Asset class	1 year			3 year			5 year		
	Gross	Net	Benchmark	Gross	Net	Benchmark	Gross	Net	Benchmark
Brunel asset pool managed investments									
Passive global equity *	1.8%	1.8%	1.8%						
UK equity *	6.1%	6.0%	5.9%						
Non-asset pool managed investments									
Passive global equity	10.9%	10.8%	11.8%	14.6%	14.6%	15.0%	12.5%	12.5%	12.7%
UK equity	0.1%	-0.1%	6.4%	7.9%	7.7%	9.5%	4.3%	4.1%	6.1%
Passive US equity	18.1%	18.1%	17.9%	18.1%	18.1%	17.3%	16.9%	16.9%	16.5%
European equity	7.5%	6.5%	2.6%	14.8%	14.0%	11.0%	13.8%	13.0%	7.1%
Japanese equity	-2.9%	-3.5%	-1.8%	11.9%	11.4%	12.2%	11.2%	10.7%	11.9%
Far East equity	3.5%	3.1%	4.8%	14.2%	13.8%	13.6%	8.3%	8.0%	9.8%
Emerging market equity	-15.0%	-15.3%	-0.3%	8.1%	7.7%	14.4%	4.8%	4.5%	8.9%
Bonds	4.4%	4.2%	4.7%	6.6%	6.4%	6.3%	7.2%	7.0%	7.1%
Property	4.1%	3.9%	4.8%	5.6%	5.4%	6.2%	7.9%	7.7%	9.1%
Global private equity	18.5%	17.3%	0.7%	16.3%	15.0%	0.5%	16.8%	15.5%	0.4%
Venture capital	1.4%	0.0%	0.7%	1.4%	0.0%	0.5%	1.4%	0.0%	0.4%
Cash	0.9%	0.9%	0.7%	0.6%	0.6%	0.5%	0.6%	0.6%	0.4%

The marked asset classes (*) have been managed for less than a year. Where the fund is invoiced for fees a full calculation has been done to remove the exact fees charged. Where the management fee has been deducted from a pooled fund the performance has been adjusted by adding back the percentage fee charged to the net performance.

Financial statements

Our responsibilities

As the administration authority of the fund, Somerset County Council must:

- appoint an officer to manage the fund's financial affairs – for us, that officer is the Interim Director of Finance; and
- manage the fund's affairs to protect its assets and make sure resources are used economically, efficiently and effectively.

Responsibilities of the Interim Director of Finance

The Interim Director of Finance is responsible for preparing the pension fund's statement of accounts which, in terms of the CIPFA Code of Practice on Local Authority Accounting in Great Britain ('the code'), must give a true and fair view on the financial position of the pension fund at the accounting date and its income and spending for the year ended 31 March 2019.

In preparing this statement of accounts, the Interim Director of Finance has:

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that were reasonable and cautious; and
- followed the code.

The Interim Director of Finance has also:

- kept proper accounting records which were up to date; and
- taken reasonable steps to prevent and detect fraud and other irregularities.

Fund Account

2017/2018		2018/2019		
£ millions	£ millions	£ millions	£ millions	Notes
Restated				
Contributions and other income				
20.720		Contributions from employees	20.909	4
78.667		Contributions from employers	85.071	4
2.713		Recoveries from member organisations	2.699	4
5.312		Transfer values received	5.672	5
107.412			114.351	
Less benefits and other payments				
-71.213		Recurring pensions	-76.008	4
-16.535		Lump sum on retirement	-17.761	4
-2.646		Lump sum on death	-2.088	4
-4.205		Transfer values paid	-5.951	5
-0.288		Refund of contributions to leavers	-0.383	6
-94.887			-102.191	
12.525		Net additions from dealings with members		12.160
Management Expenses				
-1.113		Administrative expenses	-1.170	7
-5.706		Investment management expenses	-6.178	8
-0.800		Oversight and governance expenses	-0.608	9
-7.619			-7.956	
4.906		Net additions including management expenses		4.204
Investment income				
50.757		Investment income received	42.212	10
8.975		Investment income accrued	4.714	10
-1.217		Less irrecoverable tax	-1.214	
58.515			45.712	
Change in market value of investments				
48.913		Realised profit or loss	286.389	13
-23.594		Unrealised profit or loss	-215.868	13
25.319			70.521	
83.834		Net return on investments		116.233
88.740		Net increase in the net assets available for benefits during the year		120.437

Table continued on next page

Fund Account (continued)

2017/2018		2018/2019		
£ millions	£ millions	£ millions	£ millions	Notes
Restated				
		Change in actuarial present value of promised retirement benefits		
-58.239		Vested benefits	-141.173	14
<u>16.602</u>		Non-vested benefits	<u>6.887</u>	14
	-41.637	Net change in present value of promised benefits	-134.286	
	47.103	Net increase/(decrease) in the fund during the year	-13.849	
	-1,764.470	Add net liabilities at beginning of year	-1,717.367	
	<u>-1,717.367</u>	Net liabilities at end of year	<u>-1,731.216</u>	

The prior period statement above has been restated. This corrects an error in the prior period accounts as presented last year where some of the sub totals and the final total did not correctly sum the component parts of the Fund Account.

Net Asset Statement

On 31 March 2018 £ millions		On 31 March 2019 £ millions	Notes
	Investment assets and liabilities		
2,046.769	Investment assets	2,168.578	11
-0.043	Investment liabilities	-0.376	11
7.656	Other investment balances	4.681	15
	Current assets		
5.588	Contributions due from employers	5.609	
0.246	Cash at bank	0.489	
1.079	Other debtors	2.657	
	Current liabilities		
0.000	Unpaid benefits	0.000	
0.000	Bank overdraft	0.000	
-2.356	Other creditors	-2.262	
2,058.939	Net assets of the scheme available to fund benefits at end of year	2,179.376	
	Actuarial present value of promised retirement benefits		
-3,639.877	Vested benefits	-3,781.050	14
-136.429	Non-vested benefits	-129.542	14
-1,717.367	Net liabilities at end of year	-1,731.216	

Notes to the Accounts

Note 1: Description of the fund

The Somerset County Council pension fund is a defined benefit pension plan for the employees of the County Council and other employers in Somerset. The fund is part of the Local Government Pension Scheme (LGPS). The LGPS is governed by the Public Service Pensions Act 2013. The fund is administered in accordance with the following secondary legislation:

- the Local Government Pension Scheme Regulations 2013 (as amended);
- the Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014 (as amended); and
- the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016.

The fund receives contributions and investment income to meet pension benefits and other liabilities related to the majority of the County Council's employees. It does not cover teachers (whose pensions are managed through the Government's Department for Education). The fund also extends to cover employees of district councils, civilian employees of the Avon and Somerset Police (police officers have a separate scheme) and employees of other member bodies. A full list of employers who paid into the fund during the financial year is contained in note 4 of the accounts.

Contributions by employees are based on nine-tiered contribution bands dependent on the individual employee's pay, the nine contribution bands range from 5.5% to 12.5%. Nationally the Government estimate the average employee contribution is 6.3%.

All employers' contribution rates are decided by the fund's actuary every three years as part of this valuation of the fund. The rates for the 2018-2019 financial year were the second year covered by the valuation of the fund as at 31 March 2016. For Somerset County Council, for example, the employer's contribution rate for the three years covered by this valuation is 15.5% for each of the years from 2017 to 2020 plus a fixed sum of £12.21m for 2017/2018, £12.51m for 2018/2019 and £12.81m for 2019/2020. This compares with a rate of 13.5% and a lump sum of £9.86m for the 2016/2017 year set under the 2013 valuation. A common contribution rate will, in the long term, be enough to meet the liabilities of the fund assessed on a full-funding basis – this was 22.9% at the 2016 valuation (20.4% at the 2013 valuation). This common contribution rate can be split into amounts that meet new service and an amount needed to make up the deficit in the fund, the common rate of 22.9% is made up of a rate of 15.0% for new service and 7.9% for deficit funding. As part of the 2016 valuation all employers except academy schools have agreed to meet the deficit funding portion by paying a fixed monetary amount rather than a percentage of pensionable pay (as demonstrated by the example of Somerset County Council above). The aim of this is to remove the volatility caused by changing staff levels. At the valuation the actuary estimated that the fund's assets covered 77% of the fund's liabilities.

The pension and lump-sum payments that employees receive when they retire are linked to their final year's salary for pre-31 March 2014 service and to career average re-valued earnings (CARE) for service since 1st April 2014, along with how long they have worked for an employer within the fund. Increases in pension payments linked to inflation come out of the fund.

Note 2: Basis of preparation

The statement of accounts summarises the fund's transactions for the 2018/19 financial year and its financial position at 31 March 2019. The accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2018/19 (the Code) which is based upon International Financial Reporting Standards (IFRS), as amended for the UK public sector.

The accounts have been prepared on a going concern basis.

Note 3: Accounting policies

The Fund account is prepared on a full accrual basis, with the exception of transfer values. As a result the following apply:

- investments and financial assets are included at fair value;
- the majority of listed investments are stated at the bid price or the last traded price, depending on the convention of the stock exchange on which they are quoted, at the date of the net assets statement;
- fixed interest securities are valued excluding accrued income;
- pooled investment vehicles are stated at bid price for funds with bid/offer spreads, or single price (typically net asset value) where there are no bid/offer spreads, as provided by the investment manager of the respective pooled investment vehicle;
- forward foreign exchange contracts are valued using the foreign exchange rate at the date of the net asset statement;
- The Neuberger Berman Crossroads 2010 fund, Neuberger Berman Crossroads XX fund, Neuberger Berman Crossroads XXI fund and Neuberger Berman Crossroads XXII fund are valued using data supplied by the funds quarterly;
- the South West Regional Venture Fund is valued at cost;
- the fund's holding in the shares of Brunel Pension Partnership Ltd is valued at cost;
- contributions and benefits are accounted for in the period in which they fall due;
- interest on deposits and fixed interest securities are accrued if they are not received by the end of the financial year;
- interest on investments are accrued if they are not received by the end of the financial year;

- all dividends and interest on investments are accounted for on 'ex-dividend' dates;
- all settlements for buying and selling of investments are accrued on the day of trading;
- transfer values are accounted for when money is received or paid;
- the fund has significant investments overseas. The value of these investments in the net asset statement is converted into sterling at the exchange rates on 31 March. Income receipts, and purchases and sales of overseas investments, are normally converted into sterling at or about the date of each transaction and are accounted for using the actual exchange rate received. Where the transaction is not linked to a foreign exchange transaction to convert to sterling the exchange rate on the day of transaction is used to convert the transaction into sterling for accounting purposes; and
- Cash and cash equivalents on the Net Asset statement are restricted to 'cash at bank' and 'bank overdraft'. All cash (overdraft) not in the pensions fund's standard bank account with NatWest is treated as an Investment asset and is shown in note 11.

Note 4: Contributions and benefits

2018/2019	Somerset County Council £ millions	Other scheduled employers £ millions	Admitted employers £ millions	Total £ millions
Employees' contributions				
- Normal	7.225	11.347	1.977	20.549
- Additional	<u>0.121</u>	<u>0.210</u>	<u>0.029</u>	0.360
Total	<u>7.346</u>	<u>11.557</u>	<u>2.006</u>	20.909
Employers' contributions				
- Normal	18.014	26.104	5.314	49.432
- Augmentation	1.841	3.622	1.008	6.471
- Deficit funding	<u>12.552</u>	<u>13.660</u>	<u>2.956</u>	29.168
Total	<u>32.407</u>	<u>43.386</u>	<u>9.278</u>	85.071
Recurring pension and lump sum payments	-44.966	-40.377	-10.514	-95.857
Money recovered from member organisations	1.529	1.156	0.014	2.699
	<u>-3.684</u>	<u>15.722</u>	<u>0.784</u>	<u>12.822</u>

2017/2018	Somerset County Council £ millions	Other scheduled employers £ millions	Admitted employers £ millions	Total £ millions
Employees' contributions				
- Normal	7.314	10.812	2.246	20.372
- Additional	<u>0.155</u>	<u>0.184</u>	<u>0.009</u>	0.348
Total	<u>7.469</u>	<u>10.996</u>	<u>2.255</u>	20.720
Employers' contributions				
- Normal	18.098	24.853	5.991	48.942
- Augmentation	1.585	0.680	0.186	2.451
- Deficit funding	<u>12.215</u>	<u>12.814</u>	<u>2.245</u>	27.274
Total	<u>31.898</u>	<u>38.347</u>	<u>8.422</u>	78.667
Recurring pension and lump sum payments	-44.960	-37.518	-7.916	-90.394
Money recovered from member organisations	1.534	1.165	0.014	2.713
	<u>-4.059</u>	<u>12.990</u>	<u>2.775</u>	<u>11.706</u>

Note 4: Contributions and benefits (continued)

	Employees' contributions £ millions	Employers' contributions £ millions	Total £ millions
County council			
Somerset	7.346	32.407	39.753
Police & Crime Commissioner			
Avon & Somerset	4.785	13.698	18.483
District councils			
Mendip	0.272	1.405	1.677
Sedgemoor	0.591	3.090	3.681
South Somerset	0.710	3.382	4.092
Taunton Deane	1.057	6.298	7.355
West Somerset	0.000	0.516	0.516
Parish and town councils			
Axbridge Town Council	0.001	0.004	0.005
Berrow Parish Council	0.001	0.002	0.003
Burnham & Highbridge Town Council	0.011	0.035	0.046
Burnham & Highbridge Burial Board	0.007	0.028	0.035
Castle Cary Town Council	0.003	0.009	0.012
Chard Town Council	0.013	0.045	0.058
Cheddar Parish Council	0.002	0.007	0.009
Coleford Parish Council	0.001	0.002	0.003
Creech St Michael Parish Council	0.001	0.002	0.003
Crewkerne Town Council & Burial Board	0.009	0.032	0.041
Frome Town Council	0.034	0.108	0.142
Glastonbury Town Council	0.011	0.036	0.047
Iminster Town Council	0.005	0.019	0.024
Langport Town Council	0.002	0.007	0.009
Lower Brue Drainage Board	0.040	0.126	0.166
Minehead Town Council	0.004	0.013	0.017
Nether Stowey Parish Council	0.001	0.005	0.006
Parret Drainage Board	0.005	0.015	0.020
Shepton Mallet Town Council	0.003	0.010	0.013
Somerton Town Council	0.005	0.014	0.019
Street Parish Council	0.005	0.016	0.021
Watchet Town Council	0.001	0.005	0.006
Wellington Town Council	0.001	0.004	0.005
Wells Burial Board & Parish Council	0.027	0.052	0.079
Williton Parish Council	0.001	0.006	0.007
Wincanton Town Council	0.004	0.012	0.016
Yeovil Town Council	0.013	0.040	0.053
Other bodies			
Avon and Somerset Magistrates Courts	0.000	1.123	1.123
Exmoor National Park	0.118	0.407	0.525

Table continued on next page

Note 4: Contributions and benefits (continued)

	Employees' contributions £ millions	Employers' contributions £ millions	Total £ millions
Further-education colleges			
Bridgwater College	0.737	2.384	3.121
Richard Huish Sixth Form College	0.148	0.407	0.555
Strode College	0.154	0.482	0.636
Yeovil College	0.188	0.519	0.707
Academies			
Ansford Academy	0.030	0.105	0.135
Ashill Primary Academy	0.002	0.009	0.011
Avishayes Academy	0.020	0.074	0.094
Axbridge Academy	0.012	0.046	0.058
Bath & Wells Academy Trust	0.270	0.976	1.246
Bishop Fox's Academy	0.057	0.188	0.245
Blackbrook Primary School	0.003	0.012	0.015
Bridgwater College Academy	0.118	0.355	0.473
Brookside Academy	0.058	0.207	0.265
Bruton Sexey's School	0.057	0.189	0.246
Brymore Academy	0.057	0.199	0.256
Buckland St. Mary Church of England School	0.004	0.014	0.018
Buckler's Mead Academy	0.052	0.168	0.220
Castle Academy	0.066	0.232	0.298
Castle Primary School	0.009	0.034	0.043
Chilton Trinity Academy	0.044	0.114	0.158
Countess Gytha Primary School	0.002	0.008	0.010
Courtfields Academy	0.046	0.159	0.205
Crispin Academy	0.048	0.159	0.207
Danesfield Academy	0.022	0.081	0.103
East Brent School	0.005	0.019	0.024
Enmore Academy	0.006	0.021	0.027
Hambridge Primary School	0.011	0.041	0.052
Hamp Academy	0.019	0.069	0.088
Hatch Beauchamp Primary School	0.001	0.004	0.005

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Note 4: Contributions and benefits (continued)

	Employees' contributions £ millions	Employers' contributions £ millions	Total £ millions
Academies (continued)			
Hayesdown Academy	0.015	0.056	0.071
Haygrove Academy	0.060	0.209	0.269
Hemington Primary School	0.002	0.007	0.009
Holy Trinity Church of England School	0.028	0.105	0.133
Holyrood Academy	0.066	0.230	0.296
Horrington Primary School	0.007	0.027	0.034
Hugh Sexey's School	0.028	0.102	0.130
Huish Academy	0.024	0.089	0.113
Huish Episcopi Academy	0.083	0.288	0.371
Huish Episcopi Primary Academy	0.010	0.036	0.046
King Alfred School	0.028	0.098	0.126
King Edward Road Nursery	0.011	0.040	0.051
King Ina (Monteclefe)	0.018	0.070	0.088
Kings of Wessex Academy	0.061	0.200	0.261
Kings of Wessex Leisure	0.016	0.039	0.055
Kingsmead Academy	0.053	0.188	0.241
Leigh On Mendip First School	0.003	0.010	0.013
Lympsham School	0.014	0.034	0.048
Maiden Beech Academy	0.026	0.090	0.116
Manor Court Primary School	0.026	0.103	0.129
Mark Academy	0.011	0.042	0.053
Mendip School	0.026	0.099	0.125
Middlezoy Primary School	0.004	0.014	0.018
Minehead First School	0.025	0.093	0.118
Minehead Middle School	0.052	0.178	0.230
Minerva Primary School	0.012	0.043	0.055
North Town Academy	0.033	0.120	0.153
Northgate Primary School	0.009	0.034	0.043
Nunney First School	0.004	0.013	0.017
Oakfield Academy	0.037	0.129	0.166
Old Cleeve Academy	0.010	0.037	0.047

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Note 4: Contributions and benefits (continued)

	Employees' contributions £ millions	Employers' contributions £ millions	Total £ millions
Academies (continued)			
Othery Primary School	0.004	0.016	0.020
Otterhampton Primary School	0.005	0.018	0.023
Pen Mill Academy	0.017	0.060	0.077
Preston Academy	0.044	0.158	0.202
Preston C of E Primary School	0.032	0.115	0.147
Primrose Lane Primary School	0.009	0.034	0.043
Priorswood Academy	0.014	0.054	0.068
Puriton Primary School	0.009	0.032	0.041
Redstart Academy	0.032	0.113	0.145
Ruishton Primary School	0.004	0.015	0.019
Selwood Academy	0.035	0.123	0.158
Selworthy School	0.015	0.056	0.071
St. Dunstan's Academy	0.017	0.063	0.080
St. Cuthbert's Academy	0.012	0.043	0.055
St. Michael's Academy	0.022	0.081	0.103
St. Michael's Church of England School	0.010	0.039	0.049
St. Peter's Academy	0.012	0.046	0.058
Stanchester Academy	0.037	0.133	0.170
Steiner Academy, Frome	0.028	0.099	0.127
Tatworth Academy	0.007	0.027	0.034
Taunton Academy	0.043	0.158	0.201
The Blue School, Wells	0.099	0.316	0.415
Weare Academy	0.011	0.038	0.049
Wedmore Academy	0.021	0.064	0.085
Wellesley Park Primary School	0.018	0.068	0.086
West Monkton Primary School	0.010	0.032	0.042
West Somerset Community College	0.036	0.132	0.168
Westfield Academy	0.057	0.193	0.250
Westover Green Academy	0.036	0.136	0.172
Whitstone Academy	0.033	0.120	0.153
Willowdown Academy	0.022	0.080	0.102
Woolavington Academy	0.014	0.053	0.067
Total other scheduled employers	11.557	43.386	54.943

Table continued on next page

Note 4: Contributions and benefits (continued)

	Employees' contributions £ millions	Employers' contributions £ millions	Total £ millions
Admitted bodies			
Aster Communities Ltd	0.029	0.331	0.360
BAM FM	0.005	0.023	0.028
Capita	0.008	0.033	0.041
Care Focus Somerset Ltd	0.000	0.000	0.000
Churchill Contract Services	0.005	0.023	0.028
Dimensions	0.811	3.179	3.990
Edward and Ward Ltd	0.007	0.024	0.031
Glen Cleaning Company Ltd	0.002	0.007	0.009
Greenwich Leisure	0.070	0.133	0.203
Homes in Sedgemoor	0.106	0.329	0.435
ICM	0.002	0.009	0.011
Idverde Ltd	0.029	0.083	0.112
Learning South West	0.000	0.000	0.000
Leisure East Devon	0.012	0.023	0.035
Magna West Somerset Housing Association	0.059	0.220	0.279
Mama Bear's	0.002	0.005	0.007
May Gurney Ltd	0.020	0.210	0.230
MD Building Services	0.028	0.083	0.111
MITIE	0.004	0.016	0.020
National Autistic Society	0.009	0.065	0.074
NSL Ltd	0.021	0.000	0.021
1610 Ltd	0.005	0.117	0.122
SASP	0.011	0.017	0.028
Society of Local Council Clerks	0.031	0.096	0.127
Somerset Care Ltd	0.029	0.368	0.397
Somerset Skills & Learning	0.092	0.263	0.355
South West Audit Partnership	0.131	0.564	0.695
South West Heritage	0.061	0.142	0.203
South West Provincial Councils	0.033	0.294	0.327
Taylor Shaw Ltd	0.001	0.004	0.005
Wyvern Nursery Ltd	0.005	0.011	0.016
Yarlington Housing Group	0.378	2.606	2.984
Total admitted employers	<u>2.006</u>	<u>9.278</u>	<u>11.284</u>
Total	<u><u>20.909</u></u>	<u><u>85.071</u></u>	<u><u>105.980</u></u>

Note 5: Transfer values

2017/2018 £ millions		2018/2019 £ millions
0.000	Group transfer values received	0.000
5.312	Individual transfer values received	5.672
<u>5.312</u>		<u>5.672</u>
0.000	Group transfer values paid	0.000
-4.205	Individual transfer values paid	-5.951
<u>-4.205</u>		<u>-5.951</u>

Note 6: Refunds

2017/2018 £ millions		2018/2019 £ millions
-0.240	Contributions refunded to members who leave service	-0.351
-0.005	Interest accumulated on refunds agreed in the past	-0.006
<u>-0.245</u>		<u>-0.357</u>
-0.053	Deductions from contributions equivalent premium	-0.029
0.010	Less payments to Department for Work and Pensions contributions equivalent premium	0.003
<u>-0.288</u>		<u>-0.383</u>

Note 7: Administrative expenses

2017/2018 £ millions		2018/2019 £ millions
0.000	Benefits administration costs charged by Somerset CC	0.000
<u>-1.106</u>	Benefits administration costs charged by Devon CC	<u>-1.170</u>
-1.106		-1.170
0.000	Legal advice costs charged by Somerset CC	0.000
<u>-0.007</u>	External legal advice	<u>0.000</u>
-0.007		0.000
0.000	Other expenses	0.000
<u>-1.113</u>		<u>-1.170</u>

Note 8: Investment management expenses

2017/2018 £ millions		2018/2019 £ millions
	Fund manager fees	
-0.311	Aviva	-0.316
-0.962	Jupiter*	-1.566
-0.218	Maple-Brown Abbott*	-0.220
-0.288	Amundi	-0.255
-0.040	Somerset County Council	-0.040
-1.458	Aberdeen Standard*	-1.127
-0.721	Other fund managers	-0.821
-3.998		-4.345
	Other expenses	
-1.022	Transaction costs	-0.488
-0.058	Custody fees	-0.047
-0.628	Property unit trust managers' fees	-0.355
-1.708		-0.890
	Pooling	
0.000	Brunel Fees	-0.566
0.000	3rd Party Fund Manager Fees	-0.336
0.000	Custody fees	-0.012
0.000	Other costs	-0.029
0.000		-0.943
-5.706		-6.178

The "other fund manager" fees identified above is an estimate of fund management fees that are deducted from within investments held by the pension fund but not invoiced to the fund.

*The fund manager fees for these managers may include performance related fees. The total performance related fees attributable to the 2018/2019 financial year are £1,027,000 (£483,000 in 2017/2018).

The pooling category above includes fees directly invoiced by Brunel as well as costs deducted directly from pooled investments provided by Brunel.

The transaction costs shown above are broken down as follows:

2017/2018				2018/2019	
£ millions	£ millions			£ millions	£ millions
Broker				Broker	
comm-	Taxes and		Asset Class	comm-	Taxes and
issions	Fees	Manager		issions	Fees
Purchase Costs					
0.011	0.015	Somerset County Council	Passive global equity	0.006	0.013
0.111	0.598	Aberdeen Standard	UK equity	0.031	0.241
0.002	0.000	Somerset County Council	Passive US equity	0.003	0.000
0.014	0.075	Jupiter	European equity	0.009	0.001
0.000	0.000	Nomura	Japanese equity	0.000	0.000
0.022	0.003	Maple-Brown Abbott	Far East equity	0.019	0.004
0.000	0.000	Amundi	Emerging market equity	0.000	0.000
0.000	0.000	Aberdeen Standard	Bonds	0.000	0.000
0.000	0.000	LaSalle	Property	0.000	0.000
0.000	0.000	Neuberger Berman	Global private equity	0.000	0.000
0.000	0.000	TVP	UK venture capital	0.000	0.000
0.000	0.000	Somerset County Council	Cash	0.000	0.000
<u>0.160</u>	<u>0.691</u>			<u>0.068</u>	<u>0.259</u>
Sales Costs					
0.011	0.008	Somerset County Council	Passive global equity	0.008	0.102
0.113	0.000	Aberdeen Standard	UK equity	0.022	0.000
0.003	0.000	Somerset County Council	Passive US equity	0.002	0.001
0.012	0.000	Jupiter	European equity	0.008	0.000
0.000	0.000	Nomura	Japanese equity	0.000	0.000
0.015	0.009	Maple-Brown Abbott	Far East equity	0.013	0.005
0.000	0.000	Amundi	Emerging market equity	0.000	0.000
0.000	0.000	Aberdeen Standard	Bonds	0.000	0.000
0.000	0.000	LaSalle	Property	0.000	0.000
0.000	0.000	Neuberger Berman	Global private equity	0.000	0.000
0.000	0.000	TVP	UK venture capital	0.000	0.000
0.000	0.000	Somerset County Council	Cash	0.000	0.000
<u>0.154</u>	<u>0.017</u>			<u>0.053</u>	<u>0.108</u>
<u>0.314</u>	<u>0.708</u>			<u>0.121</u>	<u>0.367</u>
	<u>1.022</u>				<u>0.488</u>

In addition to these costs, indirect costs are incurred through bid/offer spread on investment purchases. No attempt has been made to quantify these amounts.

No attempt has been made to estimate transaction costs incurred within pooled funds.

Note 9: Oversight and governance expenses

2017/2018 £ millions		2018/2019 £ millions
-0.010	Committee services costs charged by Somerset CC	-0.010
-0.239	Investments administration costs charged by Somerset CC	-0.224
-0.249		-0.234
-0.101	Actuary's fees	-0.102
0.054	Recharge of Actuary's fees to employers	0.051
-0.047		-0.051
-0.024	External audit fees	-0.018
0.004	Fee rebate	0.000
-0.020		-0.018
0.000	Internal audit costs charged by South West Audit Partnership	0.000
-0.073	Professional services and subscriptions	-0.079
-0.155	IT systems	-0.160
0.000	Performance measurement fees	0.000
-0.005	External legal advice	0.000
-0.024	Voting advice fees	-0.025
-0.217	Pooling costs	-0.032
-0.010	Other expenses	-0.009
-0.800		-0.608

The pooling costs referred to in this note are costs that are related to pooling but not paid to Brunel or regarding anything that Brunel provides. Typically this is legal and other consulting work regarding pooling.

Note 10: Investment income

2017/2018		2018/2019
£ millions		£ millions
9.676	Bonds	9.452
0.501	Index linked bonds	0.475
20.358	UK equities	15.389
18.341	Overseas equities	13.074
10.120	Property unit trusts	7.207
0.381	Cash invested internally	0.990
0.000	Private equity	0.000
0.355	Stock lending	0.339
<u>59.732</u>		<u>46.926</u>

Note 11: Investment Assets & Liabilities

31 March 2018				31 March 2019			
£ millions	£ millions	%	%	£ millions	£ millions	%	%
UK equities							
470.890		23.0		1.973		0.1	
0.000		0.0		441.543		20.4	
10.094		0.5		9.499		0.4	
480.984		23.5		453.015		20.9	
Overseas equities							
396.173		19.3		135.332		6.2	
228.258		11.1		156.774		7.2	
46.870		2.3		2.763		0.1	
87.974		4.3		60.138		2.8	
0.665		0.0		0.000		0.0	
3.746		0.2		3.838		0.2	
0.000		0.0		517.100		23.9	
65.426		3.2		63.140		2.9	
95.913		4.7		81.518		3.8	
925.025		45.1		1,020.603		47.1	
Bonds							
42.893		2.1		50.161		2.3	
83.099		4.1		84.912		3.9	
10.428		0.5		8.921		0.4	
0.000		0.0		0.409		0.0	
74.688		3.6		73.527		3.4	
25.959		1.3		28.331		1.3	
70.923		3.5		72.760		3.4	
0.000		0.0		0.772		0.0	
1.313		0.1		1.870		0.1	
309.303		15.2		321.663		14.8	
Property							
197.874		9.7		184.268		8.5	
0.316		0.0		0.079		0.0	
198.190		9.7		184.347		8.5	
Private equity							
13.709		0.7		9.900		0.5	
11.634		0.6		13.347		0.6	
11.516		0.6		15.409		0.7	
2.765		0.1		8.857		0.4	
1.640		0.1		1.640		0.1	
0.840		0.0		0.840		0.0	
42.104		2.1		49.993		2.3	

Table continued on next page

Note 12: Analysis of pooled fund investments

31 March 2018 £ millions		31 March 2019 £ millions
	Unit trusts	
133.265	UK property funds	122.174
	Unitised insurance policies	
0.000	Brunel passive global equity fund	517.100
10.094	Standard Life smaller companies fund	9.499
9.895	UK property funds	0.000
19.989		526.599
	Limited liability partnerships	
5.330	UK property funds	0.082
0.063	Overseas property funds	0.053
13.709	Neuberger Berman Crossroads 2010 fund	9.900
11.634	Neuberger Berman Crossroads XX fund	13.347
11.516	Neuberger Berman Crossroads XXI fund	15.409
2.765	Neuberger Berman Crossroads XXII fund	8.857
1.640	South West regional venture fund	1.640
46.657		49.288
	Other managed funds	
0.000	Brunel UK equity fund	441.543
65.426	Nomura Japan fund	63.140
95.913	Amundi emerging markets fund	81.518
49.384	UK property funds	62.013
0.253	Overseas property funds	0.026
210.976		648.240
410.887	Total	1,346.301

Note 13: Movement in investment assets

Manager	Asset class	Investment assets as at 1 April £ millions	Change in cash invested internally £ millions	Purchases £ millions	Sales proceeds £ millions	Realised profit or loss £ millions	Unrealised profit or loss £ millions	Investment assets as at 31 March £ millions
2017/2018	Total	1,966.472	-21.885	1,061.084	-984.264	48.913	-23.594	2,046.726
Somerset County Council	Global equity	488.558	0.000	24.690	-522.007	260.789	-219.200	32.830
Aberdeen Standard	UK equity	454.900	0.000	58.906	-470.860	-7.063	-26.384	9.499
Somerset County Council	US equity	100.231	0.000	16.477	-16.074	3.088	10.962	114.684
Jupiter	European equity	140.953	0.000	22.315	-13.971	-4.674	6.659	151.282
Nomura	Japanese equity	65.426	0.000	0.000	0.000	0.000	-2.286	63.140
Maple-Brown Abbott	Far East equity	60.028	0.000	13.856	-8.177	-2.475	-1.210	62.022
Amundi	Emerging Market equity	95.913	0.000	0.000	0.000	0.000	-14.395	81.518
Aberdeen Standard	Bonds	309.303	0.000	122.528	-110.820	0.675	-0.023	321.663
Aberdeen Standard	Derivatives	0.335	0.000	1,127.800	-1,127.505	0.243	-1.238	-0.365
LaSalle	Property	198.190	0.000	14.174	-29.505	4.625	-3.137	184.347
LaSalle	Currency	0.004	0.000	1.639	-1.639	0.000	-0.001	0.003
Neuberger Berman	Global private equity	39.624	0.000	8.780	-6.276	0.793	4.592	47.513
TVP	UK venture capital	1.640	0.000	0.000	0.000	0.000	0.000	1.640
Brunel	Private equity	0.840	0.000	0.000	0.000	0.000	0.000	0.840
Brunel	UK Equity	0.000	0.000	436.495	-20.000	-0.057	25.105	441.543
Brunel	Global Equity	0.000	0.000	1,020.200	-512.438	4.676	4.662	517.100
Somerset County Council	Cash	90.781	22.367	0.000	0.000	25.769	0.026	138.943
2018/2019	Total	2,046.726	22.367	2,867.860	-2,839.272	286.389	-215.868	2,168.202

The £840,000 investment shown as Brunel above refers to the value of the shares the fund holds in Brunel Pension Partnership Ltd. (BPP Ltd.). As disclosed in the accounting policies section of these accounts this investment is valued at cost. This value is not the value of assets managed by BPP Ltd, which as at 31 March 2019 was £958,643,000. This investment is also disclosed separately from any other investment in note 11, note 16 and note 30 and a written disclosure is made in note 24 with regard to related parties.

Note 14: Actuarial present value of promised retirement benefits

The present value of promised retirement benefits is an estimate of the value of the lump sums and pensions that the fund will pay in the future. The estimate has been calculated by the fund's actuary and has been prepared in accordance with International Accounting Standard (IAS) 26. In calculating the disclosed numbers the actuary has adopted methods and assumptions that are consistent with IAS19.

To assess the value of the Fund's liabilities at 31 March 2019, the actuary has rolled forward the value of the Fund's liabilities calculated for the funding valuation as at 31 March 2016

The estimation of the present value of promised retirement benefits is subject to significant variances based on changes to the underlying assumptions. In accordance with IAS 19 the assumptions used to make the calculations are set with reference to market conditions at the net asset statement date. The assumptions used are as follows:

31 March 2018	31 March 2019
Financial assumptions	
3.3% RPI increases	3.4%
2.3% CPI increases	2.4%
3.8% Salary increases	3.9%
2.3% Pension increases	2.4%
2.6% Discount Rate	2.4%
Life expectancy (from age 65)	
24.0 Retiring today - Males	22.9
25.2 - Females	24.0
26.2 Retiring in 20 years - Males	24.6
27.5 - Females	25.8

The Retail Prices Index (RPI) increase assumption is set using a Single Equivalent Inflation Rate (SEIR) approach. The single inflation rate derived is that which gives the same net present value of the cashflows, discounted using the annualised Merrill Lynch AA rated corporate bond yield curve, as applying the BoE implied inflation curve. The Merrill Lynch AA rated corporate bond yield spot curve is assumed to be flat beyond the 30-year point and the BoE implied inflation spot curve is assumed to be flat beyond the 40-year point. This is consistent with the approach used at the last accounting date.

CPI is assumed to be 1.0% below RPI. This is a reasonable estimate for the future differences in the indices, based on the different calculation methods. This is consistent with the approach used at the last accounting date.

Salaries are assumed to increase at 1.5% p.a. above CPI in addition to a promotional scale. However, the actuary has allowed for a short-term overlay from 31 March 2016 to 31 March 2020 for salaries to rise in line with CPI. This is consistent with the approach used at the last accounting date.

An estimate of the Fund's future cashflows is made using notional cashflows based on the estimated duration of 21 years. These estimated cashflows are then used to derive a Single Equivalent Discount Rate (SEDR). The discount rate derived is such that the net present value of the notional cashflows, discounted at this single rate, equates to the net present value of the cashflows, discounted using the annualised Merrill Lynch AA rated corporate bond yield curve (where the spot curve is assumed to be flat beyond the 30-year point). This is consistent with the approach used at the last accounting date.

A sensitivity analysis of the present value of promised retirement benefits to changes in these assumptions is provided in the table below.

	£ millions	£ millions
Actuarial present value of promised retirement benefits	3,910.592	
Sensitivity to	+0.1%	-0.1%
Discount rate	3,833.002	3,989.831
Salary increase	3,918.936	3,902.313
CPI increases	3,981.408	3,841.206
Sensitivity to	+ 1 year	- 1 year
Life expectancy assumptions	4,055.001	3,771.486

The table below shows a breakdown of the change in the present value of promised retirement benefits that occurred during the year.

2017/2018 £ millions		2018/2019 £ millions
118.555	Current service cost	107.326
103.742	Interest cost	95.425
-117.912	Change in financial assumptions	192.656
0.000	Change in demographic assumptions	-222.639
0.000	Experience loss/(gain) on defined benefit obligations	0.000
0.000	Liabilities assumed/(extinguished) on settlements	0.000
-88.083	Estimated benefits paid net of transfers in	-96.212
6.289	Past service costs, including curtailments	39.666
19.046	Contributions by scheme members	18.064
41.637		134.286

The total liability has been adjusted to include an estimate of the increased liability resulting from a Supreme Court ruling to refuse permission for the Government to appeal the Court of Appeals December 2018 judgment in the case of McCloud, which found that protections provided to those within 10 years of retirement as part of transition regulations when the scheme was changed constituted discrimination on age grounds. Although the case is not directly related to the Local Government Pension Scheme (LGPS), similar protections were given when the LGPS moved to a new scheme in 2014. The pension fund actuary has estimated the impact on an IAS 19 basis to be £30.295m as at 31st March 2019, and the total liability has been increased to include this element.

Note 15: Other investment balances

31 March 2018 £ millions		31 March 2019 £ millions
Assets		
8.906	- Accrued income	4.714
1.290	- Payments due on investments sold	0.546
0.000	- Cash collateral provided	0.716
<u>10.196</u>		<u>5.976</u>
Liabilities		
-2.077	- Payments not made on purchases and losses due on sales	-1.285
-0.463	- Cash collateral held	-0.010
<u>-2.540</u>		<u>-1.295</u>
<u>7.656</u>		<u>4.681</u>

Note 16: Management structure

31 March 2018		Manager	Asset class	31 March 2019	
£ millions	%			£ millions	%
488.558	24	Somerset County Council	Passive global equity	32.830	2
454.900	22	Aberdeen Standard	UK equity	9.499	0
100.231	5	Somerset County Council	Passive US equity	114.684	5
140.953	7	Jupiter	European equity	151.282	7
65.426	3	Nomura	Japanese equity	63.140	3
60.028	3	Maple-Brown Abbott	Far East equity	62.022	3
95.913	5	Amundi	Emerging market equity	81.518	4
309.638	15	Aberdeen Standard	Bonds	321.298	15
198.194	10	LaSalle	Property	184.350	9
39.624	2	Neuberger Berman	Global private equity	47.513	2
1.640	0	Technology Venture Partners	UK venture capital	1.640	0
0.840	0	Brunel	UK venture capital	0.840	0
90.781	4	Somerset County Council	Cash	138.943	6
2,046.726	100	Not-pooled sub total		1,209.559	56
0.000	0	Brunel	UK Equity	441.543	20
0.000	0	Brunel	Global Equity	517.100	24
0.000	0	Pooled sub total		958.643	44
2,046.726	100	Net investment assets		2,168.202	100

The £840,000 investment shown as Brunel above refers to the value of the shares the fund holds in Brunel Pension Partnership Ltd. (BPP Ltd.). As disclosed in the accounting policies section of these accounts this investment is valued at cost. This value is not the value of assets managed by BPP Ltd, which as at 31 March 2019 was £958,643,000. This investment is also disclosed separately from any other investment in note 11, note 13 and note 30 and a written disclosure is made in note 24 with regard to related parties.

Following a merger with Aberdeen Investments, Standard Life Investments changed its name to Aberdeen Standard Investments. This change is reflected throughout these accounts.

During the year Aviva investors sold the part of the business that manages our property investments to LaSalle Investment Management. This change is reflected throughout these accounts.

Note 18: Net gains and losses on financial instruments

2017/2018 £ millions		2018/2019 £ millions
25.319	Fair value through profit and loss	70.521
0.000	Amortised cost - realised gains (losses) on derecognition	0.000
0.000	Amortised cost - unrealised gains (losses)	0.000
<u>25.319</u>		<u>70.521</u>

Note 19: Major holdings

31 March 2018			Description	31 March 2019	
Rank	£ millions	Stock		Rank	£ millions
-	0.000	Brunel passive global equity fund	Pooled fund of developed market equities	1	517.100
-	0.000	Brunel UK equity fund	Pooled fund of UK equities	2	441.543
1	95.913	Amundi Emerging Market Equity Fund	Pooled fund of emerging market equities	3	81.518
2	65.426	Nomura Japan Fund	Pooled fund of Japanese equities	4	63.140
6	22.409	Schroders UK PUT	Pooled fund of UK property	5	22.927
7	21.251	CBRE UK Property Fund	Pooled fund of UK property	6	21.539
10	19.536	THRE UK Property Fund	Pooled fund of UK property	7	20.294
12	18.516	Blackrock UK PUT	Pooled fund of UK property	8	18.810
8	20.781	IPIF	Pooled fund of UK property	9	16.110
25	11.516	Neuberger Berman Crossroads XXI fund	Private equity fund	10	15.409
20	12.490	THRE Central London Office Fund	Pooled fund of UK property	11	15.362
22	11.634	Neuberger Berman Crossroads XX fund	Private equity fund	12	13.347
27	11.185	Novo Nordisk	Danish pharmaceutical company	13	12.575
28	11.077	Amadeus IT	Spanish IT company	14	12.542
21	12.078	Lothbury	Pooled fund of UK property	15	12.471
19	12.551	RELX	UK publishing company	16	12.366
35	10.230	Wirecard	German financial services company	17	12.098
23	11.630	Deutsche Boerse	German financial services company	18	11.809
24	11.520	Grenke	German financial services company	19	11.283
-	0.000	AEW Real Return Fund	Pooled fund of UK property	20	10.144

The largest two holdings of the fund make up more than 5% of the net investment assets each. The largest holding (Brunel passive global equity fund) makes up 23.8% of the net investment assets. The Brunel UK equity fund makes up 20.4% of the net investment assets

Note 20: Derivatives

Investment in derivative instruments may only be made if they contribute to a reduction of risk or they facilitate more efficient portfolio management.

During the year the fund used forward foreign exchange contracts and bond futures.

The year end value of derivatives is as follows:

31 March 2018 £ millions				31 March 2019 £ millions		
Asset	Liability	Net value		Asset	Liability	Net value
Forward foreign-exchange contracts						
0.378	-0.043	0.335	Aberdeen Standard fixed Interest	0.011	-0.376	-0.365
0.004	0.000	0.004	LaSalle	0.003	0.000	0.003
0.382	-0.043	0.339		0.014	-0.376	-0.362
Government bond futures						
0.000	0.000	0.000	UK gilt future	0.000	0.000	0.000
0.000	0.000	0.000	European bond future	0.000	0.000	0.000
0.000	0.000	0.000	Australian bond future	0.000	0.000	0.000
0.000	0.000	0.000	Canadian bond future	0.000	0.000	0.000
0.000	0.000	0.000	US treasury future	0.000	0.000	0.000
0.000	0.000	0.000		0.000	0.000	0.000
0.382	-0.043	0.339		0.014	-0.376	-0.362

Aberdeen Standard hold forward foreign exchange contracts to hedge the foreign exchange risk of holding investments that are not valued in sterling in their fixed income portfolio. The non-sterling bonds are either government bonds or corporate bonds. Typically Aberdeen Standard chose to hedge 100% of their currency risk.

LaSalle also hold forward foreign exchange contracts to hedge the foreign exchange risk of holding investments that are not valued in sterling in their property portfolio. The non-sterling investments are 2 funds that invest in European property and are priced in euros. Typically LaSalle chose to hedge 100% of their currency risk.

The fair value of these contracts at year end is based on market foreign exchange rates at the year end date. All forward foreign exchange contracts are over the counter trades.

The bond futures are used by Aberdeen Standard to gain exposure to overseas government bonds with lower trading costs and better liquidity than trading the underlying bonds themselves. There are significant restrictions in how Aberdeen Standard may use bond futures to ensure they do not increase the overall risk of the portfolio they are managing. The bond futures are exchange traded contracts.

The gross exposure values (the value of the assets bought and sold within the derivatives contracts) are shown in the following table.

31 March 2018 £ millions				31 March 2019 £ millions		
Asset exposure value	Liability exposure value	Net value		Asset exposure value	Liability exposure value	Net value
Forward foreign-exchange contracts						
36.234	-35.899	0.335	Aberdeen Standard fixed Interest	37.860	-38.225	-0.365
0.275	-0.271	0.004	LaSalle	0.081	-0.078	0.003
36.509	-36.170	0.339		37.941	-38.303	-0.362
Government bond futures						
1.598	-1.598	0.000	UK gilt future	2.017	-2.017	0.000
0.000	0.000	0.000	European bond future	9.634	-9.634	0.000
0.766	-0.766	0.000	Australian bond future	0.603	-0.603	0.000
0.000	0.000	0.000	Canadian bond future	0.560	-0.560	0.000
2.288	-2.288	0.000	US treasury future	7.122	-7.122	0.000
4.652	-4.652	0.000		19.936	-19.936	0.000
41.161	-40.822	0.339		57.877	-58.239	-0.362

The exposure currencies of the forward foreign exchange contracts held by Aberdeen Standard and LaSalle are shown in the table below.

31 March 2018				31 March 2019		
£ millions				£ millions		
Asset exposure value	Liability exposure value	Net value		Asset exposure value	Liability exposure value	Net value
Aberdeen Standard fixed Interest						
34.685	-1.558	33.127	GB Pound	36.453	-1.398	35.055
1.022	-26.471	-25.449	Euro	0.947	-29.402	-28.455
0.000	-1.338	-1.338	New Zealand Dollar	0.000	0.000	0.000
0.527	-6.532	-6.005	US Dollar	0.460	-7.425	-6.965
36.234	-35.899	0.335		37.860	-38.225	-0.365
LaSalle						
0.275	0.000	0.275	GB Pound	0.081	0.000	0.081
0.000	-0.271	-0.271	Euro	0.000	-0.078	-0.078
0.275	-0.271	0.004		0.081	-0.078	0.003
36.509	-36.170	0.339		37.941	-38.303	-0.362

Note 21: Stock Lending

The fund's investment strategy sets the parameters for its stock-lending programme. The value of investments on loan as at 31 March 2019 is shown in the table below. These assets continue to be recognised in the fund's financial statements. No liabilities are associated with the loaned assets.

Counterparty risk is managed through holding collateral at the fund's custodian bank. Collateral consists of acceptable securities and government debt. Stock-lending commissions are remitted to the fund via the custodian. The value and type of collateral held at year end is shown in the table below.

During the period the stock is on loan, the voting rights of the loaned stock pass to the borrower.

31 March 2018 £ millions		31 March 2019 £ millions
134.491	Value of stock on loan	43.280
147.336	Value of collateral held against loaned stock	47.620

31 March 2018 %		31 March 2019 %
	Form of collateral provided	
12.0	UK Government debt	13.6
5.5	US Government debt	11.0
17.8	Euro area Governments debt	24.5
0.0	US\$ denominated corporate debt	0.0
0.0	€ denominated corporate debt	0.0
6.5	UK equities	9.1
58.2	Overseas equities	41.8
0.0	Other	0.0
100.0		100.0

Note 22: Membership Statistics

As at 31 March	2013	2014	2015	2016	2017	2018	2019
Active scheme members	19,446	21,057	22,020	22,649	21,550	21,151	20,485
Pensioners							
Current (in payment)	12,636	12,460	13,871	14,779	15,421	16,322	17,326
Deferred (future liability)	15,823	17,006	17,280	20,452	22,268	25,119	26,741
Undecided leavers	3,135	3,147	3,754	2,507	3,778	2,617	2,337
Total (active plus pensioners)	51,040	53,670	56,925	60,387	63,017	65,209	66,889
Active members for each current pensioner	1.54	1.69	1.59	1.53	1.40	1.30	1.18

Note 23: Additional voluntary contributions

During the year some members of the fund paid additional voluntary contributions (AVCs) to Equitable Life and Prudential to buy extra pension benefits when they retire. The pension fund accounts, in accordance with regulation 5 (2)(C) of the Pension Scheme (Management and Investment of Funds) Regulations 1998 do not include AVC transactions. The contributions for the year and the outstanding value of assets invested via AVCs at 31 March are shown in the following table.

31 March 2018 £ millions	31 March 2019 £ millions
Value of additional voluntary contributions	
4.518 Prudential	4.405
0.252 Equitable Life	0.201
<u>4.770</u>	<u>4.606</u>

2017/2018 £ millions	2018/2019 £ millions
Additional voluntary contributions paid during the year	
0.353 Prudential	0.396
0.000 Equitable Life	0.000
<u>0.353</u>	<u>0.396</u>

Note 24: Related Parties

Committee members Gordon Bryant and Mark Simmonds were active members of the scheme during the year and Committee member Sarah Payne was a deferred member of the scheme during the year. Committee member Richard Parrish's wife is a member of the scheme.

Pensions Committee member Sarah Payne has personal investments that are managed by Jupiter Asset Management.

Pension Board members Paul Deal and Nigel Behan were active members of the scheme during the year.

The fund holds shares in a number of companies that Somerset County Council and the other member bodies have commercial dealings with. Decisions about the suitability of companies for the fund to invest in are taken by Aberdeen Standard, Jupiter Asset Management, Nomura Asset Management, Amundi Asset Management and LaSalle for their parts of the fund, without referring to the county council, its officers or other member bodies. This is also the case for the fund managers that Brunel employee within the pooled funds we invest in. Decisions about suitable investments for the in-house funds are made based only on the recommendations of a quantitative analysis system, so officers do not have the power to include or exclude specific companies.

Payments made to Somerset County Council by the fund for administration and related services are disclosed in notes 7, 8 and 9.

Brunel Pension Partnership Ltd (Company number 10429110)

Brunel Pensions Partnership Ltd (BPP Ltd) was formed on the 14th October 2016 and will oversee the investment of pension fund assets for Avon, Buckinghamshire, Cornwall, Devon, Dorset, Environment Agency, Gloucestershire, Oxfordshire, Somerset, and Wiltshire Funds.

Each of the 10 local authorities, including Somerset County Council own 10% of BPP Ltd.

The fund paid BPP Ltd £566,000 in fees for services in the 2018-2019 financial year as disclosed in note 8. The fund paid for fees in the 2019-2020 financial year before the end of the current year and as such £220,000 is within the other debtors amount of £2,657,000 shown on the Net Asset Statement.

During the year the fund did not add to the £840,000 paid for its shares in BPP Ltd during the 2017-2018 financial year. These accounts show this investment valued at cost and is disclosed separately from any other investment in note 11, note 13, note 16 and note 30.

No other related party transactions other than normal contributions, benefits and transfers occurred during the year. In note 4 we analyse the total contributions we were due to receive and benefits the fund paid for scheduled and admitted bodies.

Note 25: Remuneration

No staff are directly employed by Somerset County Council Pension Fund. All officers who undertake work on behalf of the fund are employed by Somerset County Council and then costs, including pay where appropriate, are charged to the fund. The total cost of these charges is shown in notes 7, 8 and 9 of these accounts.

The total actual salary and benefits paid for the financial year ended 31 March 2019 of any officer who undertake work for the fund and receives salary of greater than £50,000 is shown in the table below. This represents their full salary and benefits from Somerset County Council and does not represent the costs of the work this officer undertakes for the pension fund.

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Year to 31 March 2019							Total wages and benefits but not including pensions contributions	Total wages and benefits including pensions contributions
Post title	Salary (including fees and allowances)	Compensation for loss of office	Benefits in kind	2018/19	Employer's pension contributions	2018/19	2018/19	
	£	£	£	£	£	£	£	
Director of Finance and Performance								
- officer employed	33,400	-	-	33,400	4,600	38,000		
- provided through consultancy	178,800	-	-	178,800	-	178,800		

The member of staff employed as Director of Finance and Performance left the authority part way through the year. The annualised cost of the post (including employers pension) is £120,100. The post was filled through consultancy staff for the remainder of the year.

For comparison purposes the equivalent disclosure for the financial year ended 31 March 2018 is shown in the table below.

Year to 31 March 2018						
Post title	Salary (including fees and allowances) £	Compensation for loss of office £	Benefits in kind £	Total wages and benefits but not including pensions contributions 2017/18 £	Employer's pension contributions £	Total wages and benefits including pensions contributions 2017/18 £
Director of Finance and Performance	104,000	-	-	104,000	16,100	120,100

Note 26: Investment Strategy Statement

We have prepared an Investment Strategy Statement, which explains the strategies and policies that we use in the administration of the pension fund's investments. The full statement is published in the Pension Fund Annual Report and Financial Statement and is also available on the County Council website.

Note 27: Contingent liabilities

There were no contingent liabilities as at 31 March 2019.

Note 28: Post balance sheet events

There were no post balance sheet events as at 30 July 2019.

Note 29: Nature and Extent of Risks Arising from Financial Instruments

As a result of the adoption of IFRS the fund is required to make disclosures of the risks arising from holding Financial Instruments. For the purpose of this disclosure, financial instruments means all of the fund's investment assets and investment liabilities as shown in note 11 of these accounts, the approximation of the fair value of the net of these assets and liabilities at 31 March 2019 being £2,168m.

The main risks from the fund's holding of financial instruments are market risk, credit risk and liquidity risk. Market risk includes price risk, interest rate risk and currency risk.

The fund's assets are managed by a mixture of officers and external fund managers as described in note 16 of these accounts. A management agreement is put in place with each external fund manager which clearly states the type of investments they are allowed to make for the fund, asset allocation ranges and any further restrictions we believe are necessary.

To make investments as secure as they can be, where possible, external investments are maintained under the control of a safe custodian. Only cash holdings and a small number of unit trusts stay under the control of officers.

Because the fund adopts a long term investment strategy, the high level risks described below will not alter significantly during the year unless there are significant strategic or tactical changes in the portfolio.

Market Risk

Market risk represents the risk that the fair value of a financial instrument will fluctuate because of changes in the market prices of assets or currencies where the assets are priced in currencies other than British pounds.

The fund is exposed to market risk on all of its investment assets with the exception of the cash holdings in British pounds. The aim of the investment strategy is to manage and control market risk within acceptable parameters, while optimising the return from the investment portfolio over the long term.

The fund holds a diversified portfolio of different assets, which are managed by a variety of fund managers which have a variety of investment styles. This diversification is the most effective way of managing market risk.

The fund particularly manages the effect of market movements on exchange rates by hedging a portion of its foreign currency exposure using currency forwards. Details of this are given in note 20 of these accounts.

The sensitivity of the fund's investments to changes in market prices have been analysed using the volatility of returns experienced by asset classes. The volatility data used is broadly consistent with a one-standard deviation movement. The volatility is measured by the (annualised) estimated standard deviation of the returns of the assets relative to the liability returns. Such a measure is appropriate for measuring "typical" variations in the relative values of the assets and liabilities over short time periods. It is not appropriate for assessing longer term strategic issues.

Movements in market prices would have increased or decreased the investment assets valued at 31 March 2019 by the amounts shown below.

Asset class	Value of Assets £ millions	Volatility	Increase in Assets £ millions	Decrease in Assets £ millions
UK equities	453.015	17.90%	81.090	-81.090
Overseas equities	1020.603	15.30%	156.152	-156.152
UK bonds	143.994	7.70%	11.088	-11.088
Overseas bonds	104.137	13.20%	13.746	-13.746
UK index-linked bonds	73.532	7.20%	5.294	-5.294
Property	184.347	6.20%	11.430	-11.430
Cash	138.943	0.00%	0.000	0.000
Others	49.631	7.50%	3.722	-3.722
Net investment assets	<u>2,168.202</u>		<u>282.522</u>	<u>-282.522</u>

Credit Risk

Credit risk represents the risk that the counterparty to a financial instrument will fail to meet an obligation and cause the fund to incur a financial loss. This is often referred to as counterparty risk.

The fund is subject to credit risk within its general debtors although none of these would represent a material risk to the fund.

The fund has credit risk to each of its employer bodies in that they could become insolvent and default on a pension deficit owed to the fund. The majority of the employers in the fund are statutory bodies backed to a greater or lesser extent by the UK government. For the admitted bodies the credit risk is mitigated and managed by the holding of guarantee bonds or having their deficit guaranteed by one of the statutory bodies within the fund.

Bankruptcy or insolvency of the custodian may affect the fund's access to its assets. However, all assets held by the custodian are ring-fenced as "client assets" and therefore cannot be claimed by creditors of the custodian. The fund manages its risk by monitoring the credit quality and financial position of the custodian.

A source of credit risk is the cash balances held to meet operational requirements or by the managers at their discretion and cash deposits with various institutions. Internally held cash is managed on the fund's behalf by the Council's Treasury Management Team in line with the fund's Counterparty Policy which sets out the permitted counterparties and limits. The exposure within the cash management part of the portfolio to a single entity is limited to £8m and all counterparties must be rated at least "BBB+" or higher by the three major rating agencies. In this context the fund's cash balances (including the cash held at bank or net of bank overdraft) of £138.9m is subject to credit risk.

Through its securities lending activities, the fund is exposed to the counterparty risk of the collateral provided by borrowers against the securities lent. This risk is managed by restricting the collateral permitted to high grade sovereign debt and baskets of liquid equities. Details of the collateral held are provided within note 21 of these accounts.

Forward foreign exchange contracts are subject to credit risk in relation to the counterparties of the contracts, which are primarily banks. The maximum credit exposure on foreign currency contracts is the full amount of the contractual settlement should the counterparty fail to meet its obligations to the fund when it falls due. The fair value and full exposure levels of the forward foreign exchange contracts held are provided in note 20 of these accounts. During the year the exposure on some forward foreign exchange contracts moved to having collateral provided against this exposure. As at 31 March 2019 we held £10,000 of cash collateral and paid £716,000 has been provided to counterparties as collateral by the fund and these are included within the investment balances in note 11. As it is collateral we have a liability to pay this sum back unless the counterparty fails or receive it back where we have provided the collateral, as a result we have declared an equal liability or asset in other investment balances in note 15.

It is arguable that the fund has significant exposure to credit risk within its bond holdings, the reality is that as the perception of the credit quality of the bond issuer varies through time the market price of the bond varies accordingly, this means that the market risk of these holdings effectively encompasses the counterparty risk.

Liquidity risk

Liquidity risk represents the risk that the fund will not be able to meet its financial obligations as they fall due. The fund mitigates this risk by monitoring and projecting its cash flow to enable it to have cash resources as they are required and maintains a cash balance to meet working requirements.

A substantial portion of the fund's investments consist of cash and readily realisable securities, in particular equities and fixed income investments that are listed on exchanges. This gives the fund access to in excess of £900m of assets which could be realistically liquidated into cash in less than a week.

The main liability of the fund is the benefits payable, which fall due over a long period and the investment strategy reflects the long term nature of these liabilities. The estimated present value of these obligations is shown on the net asset statement of these accounts and the value of these benefits that fell due in the past financial year is shown on the fund account of these accounts.

The forward foreign exchange contracts held by the fund do give rise to a liquidity risk as they must be settled at a prescribed date agreed at the time of placing the contract. The exact size of this liability varies in line with foreign exchange prices on an on-going basis. The furthest date at which some of these contracts expire is never more than 6 months and the cash flows involved are regularly monitored to ensure we can meet these liabilities as they fall due. The fair value and full exposure levels of the forward foreign exchange contracts held are provided in note 20 of these accounts.

The bond futures have daily margin calls and no cash liability beyond these. The size of the daily margin calls are typically around £20,000 and on occasion as large as £75,000 and therefore do not pose a significant liquidity risk to the fund.

Note 30: Fair Value Hierarchy

The fund measures fair values using the following hierarchy that reflects the significance of the inputs used in making the measurements:

- Level 1: Unadjusted quoted prices in an active market for identical assets or liabilities that the fund has the ability to access at the measurement date.
- Level 2: Inputs other than quoted prices under Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: Unobservable inputs for the assets or liability used to measure fair value that rely on the fund's own assumptions concerning the assumptions that market participants would use in pricing an asset or liability.

The basis for the valuation of each class of investment asset is set out below.

Description of Asset	Fair Value Hierarchy	Basis of Valuation	Observable and unobservable inputs	Key sensitivities affecting the valuation provided
Market quoted equities and bonds	Level 1	Published closing bid prices ruling at year end	Not required	Not required
Pooled equity funds	Level 1	Published single price ruling at year end	Not required	Not required
Exchange traded futures and forward foreign exchange contracts	Level 1	Published exchange prices at the year end	Not required	Not required

Table continued on next page

Description of Asset	Fair Value Hierarchy	Basis of Valuation	Observable and unobservable inputs	Key sensitivities affecting the valuation provided
Brunel pooled funds	Level 2	Closing bid price where bid and offer prices are available Closing single price where single price available	Quoted prices of underlying holdings of the assets held within the pooled fund	Not required
Pooled property funds	Level 2	Closing bid price where bid and offer prices are available Closing single price where single price available	NAV-based pricing set on a forward pricing basis	Not required
Private equity limited liability partnerships	Level 3	Valued using a number of different market and income valuation methods as well as comparable market transaction prices	Market transactions, market outlook, cash flow projections, last financings and multiple projections	Valuations could be affected by material events occurring between the date of the financial statements provided and the pension fund's own reporting date, by changes to expected cashflows, and by any differences between audited and unaudited accounts
Unquoted equity	Level 3	Brunel share capital is valued at book cost	Earnings and revenue multiples, discount for lack of marketability, control premium	Valuations could be affected by material events occurring between the date of the financial statements provided and the pension fund's own reporting date, by changes to expected cashflows, and by any differences between audited and unaudited accounts

The table below analyses the fund's investment assets at 31 March 2019 into the 3 levels of the fair value hierarchy.

Asset Class	Level 1 £ millions	Level 2 £ millions	Level 3 £ millions	Total £ millions
UK equities	11.472			11.472
Overseas equities	503.503			503.503
Brunel pooled equity funds		958.643		958.643
Bonds	321.663			321.663
Property funds		184.347		184.347
Private Equity funds			49.993	49.993
Forward foreign-exchange contracts	-0.362			-0.362
Government bond futures	0.000			0.000
Cash	138.943			138.943
Net investment assets	<u>975.219</u>	<u>1,142.990</u>	<u>49.993</u>	<u>2,168.202</u>

For comparison purposes the equivalent disclosure for the financial year ended 31 March 2017 is shown in the table below.

Asset Class	Level 1 £ millions	Level 2 £ millions	Level 3 £ millions	Total £ millions
UK equities	480.984			480.984
Overseas equities	925.025			925.025
Brunel pooled equity funds				0.000
Bonds	309.303			309.303
Property funds		198.190		198.190
Private Equity funds			42.104	42.104
Forward foreign-exchange contracts	0.339			0.339
Government bond futures	0.000			0.000
Cash	90.781			90.781
Net investment assets	<u>1,806.432</u>	<u>198.190</u>	<u>42.104</u>	<u>2,046.726</u>

There have been no transfers of assets between levels within the fair value hierarchy during the financial year ended 31 March 2019.

The following table shows a reconciliation of the movement in level 3 investments during the financial year ended 31 March 2019.

Asset class	Fair Value as at 31 March 2018 £ millions	Transfers into Level 3 £ millions	Transfers out of Level 3 £ millions	Purchases £ millions	Sales proceeds £ millions	Realised profit or loss £ millions	Unrealised profit or loss £ millions	Fair Value as at 31 March 2019 £ millions
Global private equity	39.624	0.000	0.000	8.780	-6.276	0.793	4.592	47.513
UK venture capital	1.640	0.000	0.000	0.000	0.000	0.000	0.000	1.640
Brunel	0.840	0.000	0.000	0.000	0.000	0.000	0.000	0.840
Total	<u>42.104</u>	<u>0.000</u>	<u>0.000</u>	<u>8.780</u>	<u>-6.276</u>	<u>0.793</u>	<u>4.592</u>	<u>49.993</u>

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The £840,000 investment shown as Brunel above refers to the value of the shares the fund holds in Brunel Pension Partnership Ltd. (BPP Ltd.). As disclosed in the accounting policies section of these accounts this investment is valued at cost. This value is not the value of assets managed by BPP Ltd, which as at 31 March 2019 was £958,643,000. This investment is also disclosed separately from any other investment in note 11, note 13 and note 16 and a written disclosure is made in note 24 with regard to related parties.

Note 31: Disclosures

Under IFRS the fund must disclose what consideration it has given to accounting standards that have not been adopted. For the 2018-19 accounts there are no current standards that the authority has yet to adopt.

A handwritten signature in black ink, appearing to read 'SD Collins'.

Sheila Collins
Interim Finance Director
30 July 2019

Actuary's statement as at 31 March 2019

Introduction

The last full triennial valuation of the Somerset County Council Pension Fund was carried out as at 31 March 2016 as required under Regulation 62 of the Local Government Pension Scheme Regulations 2013 (the Regulations) and in accordance with the Funding Strategy Statement of the Fund. The results were published in the triennial valuation report dated 31 March 2017.

Asset value and funding level

The results for the Fund at 31 March 2016 were as follows:

- The smoothed market value of the Fund's assets as at 31 March 2016 for valuation purposes was £1,582m.
- The Fund had a funding level of 77% i.e. the assets were 77% of the value that they would have needed to be to pay for the benefits accrued to that date, based on the assumptions used. This corresponded to a deficit of £461m.

Contribution rates

The employer contributions rates, in addition to those paid by the members of the Fund, are set to be sufficient to meet:

- The annual accrual of benefits allowing for future pay increases and increases to pensions in payment when these fall due;
- plus an amount to reflect each participating employer's notional share of the Fund's assets compared with 100% of their liabilities in the Fund, in respect of service to the valuation date.

The primary rate of contribution on a whole Fund level was 15.0% of payroll p.a. The primary rate as defined by Regulation 62(5) is the employer's share of the cost of benefits accruing in each of the three years beginning 1 April 2017.

In addition each employer pays a secondary contribution as required under Regulation 62(7) that when combined with the primary rate results in the minimum total contributions. This secondary rate is based on their particular circumstances and so individual adjustments are made for each employer.

Details of each employer's contribution rate are contained in the Rates and Adjustment Certificate in the triennial valuation report.

Assumptions

The assumptions used to value the liabilities at 31 March 2016 are summarised below:

Assumption	31 March 2016
Discount rate	5.4% p.a.
Pension increases	2.4% p.a.
Salary increases	In line with CPI until 31 March 2020 and 3.9% p.a. thereafter
Pension increases on GMP	Funds will pay limited increases for members that have reached SPA by 6 April 2016, with the Government providing the remainder of the inflationary increase. For members that reach SPA after this date, we have assumed that Funds will be required to pay the entire inflationary increases.
Mortality	S2PA tables with a multiplier of 85% for males and 95% for females, with projected improvements in line with the 2015 CMI model allowing for a long term rate of improvement of 1.5% p.a.
Retirement	Each member retires at a single age, weighted based on when each part of their pension is payable unreduced
Commutation	Members will convert 50% of the maximum possible amount of pension into cash

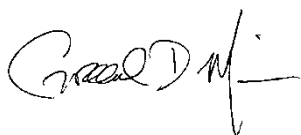
Full details of the demographic and other assumptions adopted as well as details of the derivation of the financial assumptions used can be found in the relevant actuarial valuation report.

Updated position since the 2016 valuation

Since 31 March 2016, investment returns have been higher than assumed at the 2016 triennial valuation. The value placed on the liabilities will, however, have also increased due to the accrual of new benefits as well as a decrease in the real discount rate underlying the valuation funding model.

Overall, we estimate that the funding position should have improved when compared on a consistent basis to 31 March 2016 but the final position will depend on the assumptions adopted as part of the 2019 valuation process. The 31 March 2019 actuarial valuation is currently underway and we will be reviewing assumptions and methodologies.

There is currently uncertainty surrounding the benefit structure of the LGPS and the cost cap management process which was meant to bring in any revised benefit changes from 1 April 2019 has been paused. Therefore it is difficult to say with any certainty what the funding position will be as at 31 March 2019. The 2019 valuation process will result in any revised contribution rates required to be paid by the employers from 1 April 2020.

A handwritten signature in black ink, appearing to read 'Graeme D Muir'.

Graeme D Muir FFA
Partner, Barnett Waddingham LLP
17 May 2019

Independent auditor's report to the members of Somerset County Council on the pension fund financial statements

Opinion

We have audited the financial statements of Somerset Pension Fund (the 'pension fund') administered by Somerset County Council (the 'Authority') for the year ended 31 March 2019 which comprise the Fund Account, the Net Assets Statement and notes to the pension fund financial statements. The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC code of practice on local authority accounting in the United Kingdom 2018/19.

In our opinion, the financial statements:

- give a true and fair view of the financial transactions of the pension fund during the year ended 31 March 2019 and of the amount and disposition at that date of the fund's assets and liabilities,
- have been prepared properly in accordance with the CIPFA/LASAAC code of practice on local authority accounting in the United Kingdom 2018/19; and
- have been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Authority in accordance with the ethical requirements that are relevant to our audit of the pension fund's financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Chief Financial Officer's use of the going concern basis of accounting in the preparation of the pension fund's financial statements is not appropriate; or
- the Chief Finance Officer has not disclosed in the pension fund's financial statements any identified material uncertainties that may cast significant doubt about the Authority's ability to continue to adopt the going concern basis of accounting for the pension fund for a period of at least twelve months from the date when the pension fund's financial statements are authorised for issue.

Other information

The Chief Finance Officer is responsible for the other information. The other information comprises the information included in the Annual Financial Report and Statement of Accounts 2018/19 and the Annual Report, other than the pension fund's financial statements, our auditor's report thereon and our auditor's report on the Authority's financial statements. Our opinion on the pension fund's financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the pension fund's financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the pension fund's financial statements or our knowledge of the pension fund obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the pension fund's financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matter required by the Code of Audit Practice published by the National Audit Office on behalf of the Comptroller and Auditor General (the Code of Audit Practice)

In our opinion, based on the work undertaken in the course of the audit of the pension fund's financial statements and our knowledge of the pension fund the other information published together with the pension fund's financial statements in the Annual Financial Report and Statement of Accounts, and the Annual Report for the financial year for which the financial statements are prepared is consistent with the pension fund's financial statements.

Matters on which we are required to report by exception

Under the Code of Audit Practice, we are required to report to you if:

- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make a written recommendation to the Authority under section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make an application to the court for a declaration that an item of account is contrary to law under Section 28 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we issue an advisory notice under Section 29 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make an application for judicial review under Section 31 of the Local Audit and Accountability Act 2014, in the course of, or at the conclusion of the audit.

We have nothing to report in respect of the above matters.

Responsibilities of the Authority, the Chief Finance Officer and Those Charged with Governance for the financial statements

As explained more fully in the Statement of Responsibilities, the Authority is required to make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this authority, that officer is the Chief Financial Officer. The Chief Finance Officer is responsible for the preparation of the Statement of Accounts, which includes the pension fund's financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC code of practice on local authority accounting in the United Kingdom 2018/19, for being satisfied that they give a true and fair view, and for such internal control as the Chief Finance Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the pension fund's financial statements, the Chief Finance Officer is responsible for assessing the pension fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless there is an intention by government that the services provided by the pension fund will no longer be provided.

The Audit Committee is Those Charged with Governance. Those charged with governance are responsible for overseeing the Authority's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the pension fund's financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the members of the Authority, as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014 and as set out in paragraph 43 of the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited. Our audit work has been undertaken so that we might state to the Authority's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Authority and the Authority's members as a body, for our audit work, for this report, or for the opinions we have formed.

Peter Barber

Peter Barber, Key Audit Partner
for and on behalf of Grant Thornton UK LLP, Local Auditor
Birmingham

31 July 2019

Independent auditor's report to the members of Somerset County Council on the consistency of the Somerset County Council Pension Fund financial statements included in the Pension Fund annual report

Opinion

The pension fund financial statements of Somerset Pension Fund (the 'pension fund') administered by Somerset County Council (the "Authority") for the year ended 31 March 2019 which comprise the Fund Account, the Net Assets Statement and the notes to the pension fund financial statements, including a summary of significant accounting policies are derived from the audited pension fund financial statements for the year ended 31 March 2019 included in the Authority's Statement of Accounts (the "Statement of Accounts").

In our opinion, the accompanying pension fund financial statements are consistent, in all material respects, with the audited financial statements in accordance with proper practices as defined in the CIPFA/LASAAC code of practice on local authority accounting in the United Kingdom 2018/19 and applicable law.

Pension Fund Annual Report – Pension fund financial statements

The Pension Fund Annual Report and the pension fund financial statements do not reflect the effects of events that occurred subsequent to the date of our report on the Statement of Accounts. Reading the pension fund financial statements and the auditor's report thereon is not a substitute for reading the audited Statement of Accounts and the auditor's report thereon.

The audited financial statements and our Report thereon

We expressed an unmodified audit opinion on the pension fund financial statements in the Statement of Accounts in our report dated 31 July 2019.

The Chief Finance Officer's responsibilities for the pension fund financial statements in the Pension Fund Annual Report

Under the Local Government Pension Scheme Regulations 2013 the Chief Finance Officer of the Authority is responsible for the preparation of the pension fund financial statements, which must include the Fund Account, the Net Asset Statement and supporting notes and disclosures prepared in accordance with proper practices. Proper practices for the pension fund financial statements in both the Statement of Accounts and the Pension Fund Annual Report are set out in the CIPFA/LASAAC code of practice on local authority accounting in the United Kingdom 2018/19.

Auditor's responsibility

Our responsibility is to express an opinion on whether the pension fund financial statements in the Pension Fund Annual Report are consistent, in all material respects, with the audited pension fund financial statements in the Statement of Accounts based on our procedures, which were conducted in accordance with International Standard on Auditing 810 (Revised), Engagements to Report on Summary Financial Statements.

Use of our report

This report is made solely to the members of the Authority, as a body, in accordance with Part 5 paragraph 20(5) of the Local Audit and Accountability Act 2014 [and as set out in paragraph 43 of the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited]. Our audit work has been undertaken so that we might state to the Authority's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Authority and the Authority's members as a body, for our audit work, for this report, or for the opinions we have formed.

Peter Barber

Peter Barber, Key Audit Partner
for and on behalf of Grant Thornton UK LLP, Local Auditor
Bristol

4 November 2019

Glossary of terms

Absolute annual investment return

An investment return that is an exact amount, for example 7%, rather than a return compared to a benchmark.

Accrual (to accrue)

An amount to cover income or spending that has not yet been paid but which belongs to that accounting period.

Active members

Members of the pension fund who are currently working and contributing to the fund.

Actuary

An independent consultant who advises the fund and reviews the financial position of the fund every three years.

Actuarial present value of promised retirement benefits

A calculated value for the amount of money needed today to meet the pension payments the fund will make in the future. In calculating this value the actuary takes account of factors such as investment returns, inflation and life expectancy.

Actuarial valuation

A valuation to check that the funding is on track to cover liabilities and review employers' contributions.

Administering authority

The organisation that runs the pension fund.

Admitted organisations

An organisation that takes part in the pension scheme under an 'admission agreement' (that is, an agreement and terms under which they are allowed to join our scheme).

Annualised return

The average yearly return over a period of more than one year.

Asset allocation

The percentage of the fund set aside for each type of investment.

Augmentation

Payments to provide new benefits or improved benefits such as early retirement.

Benchmark

An index (for example, the FTSE 100) or peer group that the fund, or a section of the fund, is measured against to work out whether the fund has performed well.

Bid price

The price at which investments can be sold.

Bid-offer spread

The difference between the bid price and the offer price.

CIPFA

Chartered Institute of Public Finance and Accountancy

Co-investment

Investing alongside someone else in the same investment.

Collateral

Assets placed with a lender as security against a borrower failing to make agreed payments. For example, in the case of a mortgage, the house would usually be the collateral against which the bank lent money to an individual.

Common contribution rate

The normal contributions of member authorities and organisations must meet 100% of benefits. The common contribution rate is the future service cost of members' contributions, including an allowance for expenses.

Corporate governance

The system by which companies are controlled and directed, and the way they respond to their shareholders, employees and society.

Currency hedges

Assets that are owned to reduce the effects of foreign-exchange movements on the fund.

Deferred benefits

Built-up pension rights, for ex-employees, that are kept in the pension fund.

Deferred pension

The pension benefit that is paid from the normal retirement date to a member of the fund who no longer pays contributions as a result of leaving employment or opting out of (leaving) the pension scheme before their retirement age.

Derivatives

A type of investment that is linked to another asset. Examples of derivatives are options, forwards and futures.

Developed markets

Countries that index providers (such as FTSE or MSCI) have decided have strong regulation and large investment markets that are well developed.

Dividend

The distributed profits of a company.

Emerging markets

Countries that index providers (such as FTSE or MSCI) have decided have weak regulation and new or small investment markets.

Employer of sound covenant

An employer who is unlikely to become insolvent (unable to pay its debts).

Engagement

Discussions between investors or their fund managers and companies about corporate governance or socially responsible investment.

Equities

Ordinary shares in a company.

Ethical investments

Investments that are moral and are not linked to companies that, for example, are involved in trading weapons, exploiting developing countries or contributing to climate change.

Ex-dividend

A share is 'ex-dividend' on a date set by a company when current shareholders are entitled to a dividend on their holding. Even if the holding is sold, the previous owner will receive the income. On that date, the market price of a share will be adjusted to reflect the income due to the holder. (For example, a share which goes ex-dividend with a dividend of 10p will see the market price reduce by that amount.) Stock may be sold ex-dividend (without dividend entitlement) or 'cum-div' (with dividend entitlement).

Full-funding basis

When the future value of assets matches the future value of liabilities. At the last actuarial valuation, which was carried out as at 31 March 2007, the fund was 95% funded. This means that the value of the assets was 95% of the estimated value of the liabilities.

Futures or forwards

Buying or selling a package of shares, currency or commodities (for example, coffee or metal) at a specific point in the future at a price agreed when the contract is taken out.

Hedging

A process of reducing or removing the risk of a portfolio by buying or selling assets that act in an opposite way to those already owned.

Historical cost

The amount paid for an investment when it was bought.

Index-linking

When pension benefits are updated in line with inflation.

Liquid assets

Assets that can be sold to provide cash very quickly.

Mandate

An agreement with an investment manager to manage a particular type of asset.

Mid price

The price halfway between the bid price and the offer price.

Myners

Paul Myners was commissioned by the Government to review and report on UK institutional investment.

Option

The right to buy or sell shares within a set timescale at a price confirmed at the time the option is bought.

Over-the-counter trades

A trade for an investment that has not taken place on a stock exchange and has been made to meet the particular needs of the investor.

Passive management or passive investment

Tracking an index and not taking active investment decisions.

Peer group

Other local-authority pension funds.

Pooled investments

Investments where the assets are not held directly by the investors, but are held in a 'pool'. Examples of pooled investments are unit trusts, life funds, open-ended investment companies and limited liability partnerships.

Portfolio

A collection of stocks, shares and other securities.

Preserved benefits

The benefits to which members would be entitled if they left service, based on the service they had completed up to the date they left. As long as members had enough service, the benefits they had earned up to the date they left would be held (preserved) in the fund for them and would be paid when they retired. Between leaving service and retirement, the benefits would be increased broadly in line with price inflation.

Projected unit method

One of the common methods actuaries use to estimate the cost of future benefits from a pension scheme. The method works out the cost of the benefits members are expected to earn over a period (often one year) following the valuation date, allowing for predicted future increases in pay until members retire or leave service. The cost is set out as a percentage of members' contributions. As long as the distribution of members remains stable (that is, new members join the scheme to replace scheme members who have left), the cost is expected to remain stable.

Quantitative analysis system

A computer model to help analyse share holdings and make investment decisions.

Quoted investment

A company listed on a stock exchange.

Realised profit

A realised profit is the profit (or loss) when an investment is sold and is the difference between what it was sold for and what was paid for it.

Recoverable tax

Tax that has been paid but can be claimed back.

Recurring pension

A pension that is paid regularly, usually every month.

Real discount rate

The discount rate is the return that the actuary uses to work out how much money needs to be saved today to pay future liabilities. For example, if the discount rate is 5.25% then you need to save £95 today to have £100 in a year's time. The real discount rate is a discount rate where the effects of inflation have been removed.

Safe custody

The responsibility for keeping the fund's financial assets safe, settling transactions, collecting income, and other procedures relating to investments.

Scheduled organisations

Local-government organisations which have the automatic right to take part in the pension scheme.

Secondary investments

A private equity fund that is bought from an existing investor, rather than being an investor when the fund was first created.

Settle transactions

Swapping money for assets when you buy or sell shares or bonds. Financial assets usually settle two or three days after the trade is agreed.

Shareholder engagement

Where the owners of shares try to influence a company's behaviour by campaigning in the press, voting at company meetings or talking to company managers. Typical issues that might be raised are the company's effect on the environment, their labour standards and pay for the board of managers.

Smoothed market value, smoothing mechanism

Most shares and bonds that the fund owns change value every few minutes and the price can vary quite a lot. The fund's actuary will make an adjustment for this when valuing the fund so that extreme highs and lows are ignored.

Solvency

Whether the assets of the fund are greater than the liabilities.

Specific ethical investment

Investing in companies that do not invest in, for example, the arms trade, third-world exploitation, animal testing or tobacco, or in companies which promote environmentally-friendly products, education and training, waste management and so on.

S&P 500

A broad-based equity index made up of the 500 largest equity stocks quoted in the US.

Statutory instrument

Secondary legislation made by government ministers.

Statutory pension scheme

A pension scheme established by an Act of Parliament and run in line with statutory instruments.

Stock lending or securities lending

Shares owned are lent on the stock market to generate income. The owner keeps all benefits, except for the voting rights.

Tender

A process of assessing and choosing a business to do work on your behalf.

Time-weighted return

Estimating the performance of a fund, taking into account the effect of money coming into, or leaving the fund, during the period of time you are looking at, so those money movements don't give an inaccurate return.

Transfer value

The capital payment made from one pension fund to another when the person paying contributions changes to another pension scheme.

Transition management

Organising the complex movements of assets that happen when a scheme changes its investments or its asset managers.

Unlisted shares

Shares for companies not listed on the stock exchange.

Unrealised loss

An unrealised loss is the loss suggested when an asset was bought for more than it is currently worth, but the loss is not 'available' (or 'realised') until the asset is sold.

Unrealised profit

An unrealised profit is the profit suggested when an asset was bought for less than it is currently worth, but the profit is not 'available' (or 'realised') until the asset is sold.

Venture capital

Investments in small companies that are not listed on a stock exchange.

Vested benefits

Benefits due now and in the future to members of the fund that are already drawing their pension.

WM Company

The company appointed by most local authorities to collect performance statistics.

Yield

The yearly interest paid by a bond divided by its price. When we refer to yields, this usually means the yield on UK government bonds.

Contacts

If you would like more information, please contact one of the following people.

- About the pensions or benefits
Peninsula Pensions
Great Moor House
Bitten Road
Sowton Industrial Estate
Exeter
EX2 7NL
Phone: 01392 383000
E-mail: pensions@devon.gov.uk
- About the investments or accounts
Anton Sweet
Funds and Investments Manager
Somerset County Council Pension Fund
County Hall
Taunton
TA1 4DY
Phone: 01823 359584
E-mail: asweet@somerset.gov.uk
- The actuary
Graeme Muir
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G2 2JJ
Phone: 0141 243 4400
- The auditor
Peter Barber
Grant Thornton UK LLP
Hartwell House
55-61 Victoria Street
Bristol
BS1 6FT
Phone: 01173 057897
E-mail: peter.a.barber@uk.gt.com

Web Links

The following web links provide further information and documents related to the Fund.

Further details relating to member administration, including details of the scheme can be found on Peninsula Pensions website.

www.peninsulapensions.org.uk

Further details relating to Brunel Ltd and how it is helping the Fund achieve its pooling obligations can be found on Brunel's website.

<https://www.brunelpensionpartnership.org/>

The pensions committee page of the Somerset County Council website is available using the following link. You will find all of the committee's papers and minutes on this page.

<http://democracy.somerset.gov.uk/mgCommitteeDetails.aspx?ID=200>

The pension board page of the Somerset County Council website is available using the following link. You will find all of the committee's papers and minutes on this page.

<http://democracy.somerset.gov.uk/mgCommitteeDetails.aspx?ID=226>

These accounts are also available on the internet at.

<https://www.somerset.gov.uk/our-information/pensions/>

These accounts are also available in Braille, in large print, on tape and on CD and we can translate them into different languages.

Somerset County Council

County Council
– 22 January 2020

Annual Report of the Somerset Armed Forces Covenant Partnership

CLlr Rod Williams – Chairman of the Somerset Armed Forces Covenant Partnership

Division and Local Member: All

Author: Chris Phillips, Service Manager – Stronger Communities

Contact Details: (01823) 359243

1. Introduction

- 1.1.** This Report updates the Council on the Somerset Armed Forces Covenant (SAFC) Partnership since the last Annual Report to Full Council in November 2018. The Report is for your information.
- 1.2.** The purpose of the SAFC Partnership is to deliver the Armed Forces Covenant in Somerset. SCC leads the Partnership.
- 1.3.** The Covenant is a Government initiative designed to ensure that members of the Armed Forces community are not disadvantaged compared to members of the civil community. Delivery of the Covenant is aimed at four groups of beneficiary: regulars; reservists; veterans; and their immediate families.
- 1.4.** The definition of the Armed Forces Covenant is

'The Covenant is a promise from the nation to those who serve. It says we will do all we can to ensure they are treated fairly and not disadvantaged in their day-to-day lives. This includes offering injured servicemen and women, and bereaved families, extra support where appropriate.'

2. Background

- 2.1.** SCC pledged its support for the Covenant on 20 February 2012. Since September 2015, SCC officer support for the SAFC Partnership has been provided by Chris Phillips, Service Manager – Stronger Communities.
- 2.2.** In May 2017, Councillor Rod Williams was appointed by the Leader as Chairman of the SAFC Partnership.
- 2.3.** In Autumn 2017, the SAFC Partnership's Executive Group adopted a Partnership Plan for 2017-2021. This four year Plan set out how the Partnership would be governed and how the Partnership would oversee the delivery of the Covenant in Somerset. In 2019, the half-way point of the Plan, it was reviewed, without any need for change.

3. Overview

- 3.1.** Since November 2018, the main activities of the Partnership have been five: continual liaison with partner organisations; responding to national developments; influencing regional developments; Somerset activities; and the annual Partnership Conference.
- 3.2.** These main activities have been underpinned by: careful governance of the Partnership, exercised through twice-yearly Executive Group Meetings; by our year-round effort to communicate well across the Partnership; and by listening to feedback from partner organisations.
- 3.3.** The structure of this Report is:
- national developments;
 - the South West Armed Forces Covenant Partnership;
 - Somerset activities;
 - the annual Partnership Conference;
 - Remembrance activities;
 - other activities;
 - communications;
 - background papers.

4. National Developments

- 4.1. The MOD Veterans Strategy.** In January 2019, SCC's Chairman of the Partnership attended a MOD Veterans Conference in London on the Government's emerging Veterans Strategy. The Conference invited feedback from Local Government partners on the proposed Veterans Strategy. SCC collated feedback to provide a Somerset-wide written response. The Veterans Strategy was produced after cross-government collaboration and focuses on seven key themes for Veterans:
- community and relationships;
 - education and skills;
 - employment;
 - finance and debt;
 - health and wellbeing;
 - making a home in civilian society;
 - veterans and the law.

- 4.2. Renaming of 'Royal Navy and Royal Marines Welfare'.** The former 'Royal Navy and Royal Marines Welfare' has been renamed as 'Naval Service Family and People Support (NS FPS). Somerset locations of NS FPS are RNAS Yeovilton and Norton Manor Camp, Taunton. NS FPS provides advice and support with: accommodation and housing; family support; local facilities; adult education; deployment support; and finance and legal.

5. Formation of a South West Armed Forces Covenant Partnership

- 5.1.** In 2018, Wiltshire Council had been impressed by the regional approach to delivering the Covenant adopted by some Local Authorities in South East England. After much work to assess this, Wiltshire advocated the formation of a South West regional Covenant Partnership. In late 2018 and early 2019, Wiltshire put this to South West Local Authorities, including Somerset.
- 5.2.** Having heard the case put forward by Wiltshire, Somerset had four serious reservations. First, we had to recognise the very different military demographics between the South East, Wiltshire and the other South West Authorities. Second, any new partnership could not be simply another level of management. Third, any new partnership could not reduce the responsibility and authority of SCC to deliver the Covenant in Somerset. Fourth, and perhaps most important, any new partnership must add value for the beneficiaries of the Covenant while still delivering the Covenant with a light touch and bringing negligible extra cost with it.
- 5.3.** After discussing these concerns for most of 2019, Wiltshire accepted that Somerset's reservations had to be satisfied if it was to join the partnership, and perhaps if enough other South West Authorities were to join too. With the principles underpinning a Partnership agreed, including some at Leader level, on 20 November 2019 a meeting was held of the Covenant champions of Bristol City, Cornwall, Devon, Gloucestershire, North Somerset, Somerset and Wiltshire.
- 5.4.** The meeting agreed to form a South West Covenant Partnership to improve delivery of the Covenant across the South West. Specifically, its purpose was to improve outcomes for the four beneficiary groups of the Covenant: regulars, reservists, veterans and their immediate families.
- 5.5.** The meeting agreed to form a Board to steer the Partnership and an officer group to support the Board. The Board would be chaired by Somerset until May 2021, coinciding with the County Council Election.
- 5.6.** The product of the Partnership can be split into 'hard' and 'soft' outputs.
- 5.7.** Hard outputs will include: a film to raise awareness of the challenges facing Service personnel and their families transitioning out of the Armed Forces and into civilian life; an Outreach Vehicle, with an ambassador driver to promote the Covenant; a website to help veterans and families access help; and training support in what help can be provided through the Covenant. The

Outreach Vehicle and driver can be booked for local events on email communities@somerset.gov.uk

- 5.8. The soft outputs will include: better outcomes for more beneficiaries; better policy alignment and sharing of best practice among partner Authorities; better data gathering and sharing to better understand the needs of beneficiaries; and better awareness of the Covenant across the South West.
- 5.9. In sum, my view of the formation of this South West Partnership is that it offers potential to improve our delivery of the Covenant and spread best practice across the South West. However, to realise this potential will require us to tread a delicate balance between avoiding 'mission-creep' but still improving outcomes for Covenant beneficiaries, while maintaining strict control of cost and effort. This will require skilled steering by the Partnership Board. Somerset's chairing of the Board puts us in pole position to ensure that the Partnership does add value for minimal cost and staff effort.

6. Somerset Activities

- 6.1. **Royal Opening of UKHO.** On 25 April 2019, HRH The Princess Royal opened the new headquarters of the UK Hydrographic Office (UKHO), at Admiralty Way, Taunton. UKHO is the most capable Hydrographic Office and marine geospatial information agency in the world. It provides state of the art digitised maritime information to the Royal Navy and merchant marines around the world. On 31 May 2019, Admiral Tim Lowe CBE (the most senior serving officer in Somerset) was appointed Chief Executive and Accounting Officer of the UKHO shortly before retiring from the Royal Navy. Rear Admiral Peter Sparkes has since been appointed the National Hydrographer and Deputy Chief Executive of UKHO.
- 6.2. **Raising of Armed Forces Day Flag.** In a show of Somerset-wide support for the Armed Forces, the Armed Forces Day flag was raised outside Somerset District Council buildings and County Hall on Monday 24th June.
- 6.3. **Armed Forces Day Family Fun Event - 2019.** On Saturday 29th June, the Taunton Veterans Breakfast Club held its first Family Fun Day at Wilton Lands, Vivary Park to celebrate Armed Forces Day. This was a private initiative by Taunton veterans to mark Armed Forces Day with an event that the public would enjoy and would enable them to show their support for the Armed Forces. The event was so well attended and supported by the public that, with encouraging support from Somerset West and Taunton District Council, there will be a similar, but bigger, event in 2020.
- 6.4. **Armed Forces Day Family Fun Event - 2020.** The 2020 event will be on Saturday 4th July 2020 in the whole of Vivary Park. It will be a free family fun day in the heart of our County Town that will show the respect and affection the whole community feels for the men and women who serve in our Armed Forces. The 2020 national Armed Forces Day will be on Saturday 27th June

but towns across the country are holding their own Armed Forces Day event when it best suits local facilities and commitments close to that date.

6.5. The Somerset Wood. Reinforcing the November 2018 message of ‘Somerset Remembers’, the first trees of The Somerset Wood were planted over December 2018 - March 2019. The Somerset Wood will commemorate the 11,281 Somerset men and women who lost their lives in World War One. In November 2018, The Somerset Wood was officially named by Her Majesty’s Lord Lieutenant of Somerset, Mrs Anne Maw, and was blessed by the Archdeacon of Taunton, the Venerable Simon Hill. The Wood will be immediately adjacent to a new Country Park being created near Monkton Heathfield, Taunton. Through a partnership between SCC, Somerset West and Taunton District Council and the two local parishes of Cheriton Fitzpaine and West Monkton, we aim to plant some 14,000 trees by April 2021. Volunteers have queued up to join planting work parties of about 20 and we look forward to resuming planting some 6,000 trees this winter as soon as land agreements have been made.

6.6. 40 Commando Royal Marines. For some years, Norton Manor Camp, Taunton, had been on a list of MOD sites for closure around 2028. Over the last 18 months, a thorough analysis by the MOD had recognised major advantages of the Taunton location and considerable costs and difficulties in finding another suitable site. Some cross-party lobbying took place in favour of the unit staying in Taunton. In February 2019, it was announced in Parliament that Norton Manor Camp had been removed from the list of sites for closure and that 40 Commando RM would remain there beyond 2028. It was an announcement met locally with much delight and some relief.

On 1st April, 40 Commando was presented with the Firmin Sword of Peace, becoming the first British unit ever to be awarded the Sword of Peace four times – a recognition of exceptional humanitarian service. The award was for the unit’s disaster relief in the British Overseas Territories of the Caribbean in 2017. The officer who presented 40 Commando with the Sword of Peace was General Sir Gordon Messenger KCB, DSO, OBE, ADC, the Vice Chief of the Defence Staff and a previous Commanding Officer of 40 Commando.

6.7. Veterans and Healthcare. SCC has joined various partners in healthcare to better recognise the difficulties Veterans can experience in accessing healthcare, including mental healthcare. The joint SCC/NHS meetings are producing a more collaborative approach to reduce these difficulties.

6.8. The Armed Forces Champion for Somerset West and Taunton (SWT). Many of you will have mourned the death on 30th March 2019 of Councillor Bob Bowrah BEM, the Armed Forces Champion for Taunton Deane. Bob served in the Army for 27 years and was Mayor of Taunton Deane in 2009 and of Wellington in 2016. As a Taunton Deane Borough Councillor and a member of Wellington Town Council, he was hugely respected in both communities as a man who gave years of service to the people of Wellington and Taunton. His memorial service in Taunton was packed to the rafters in

appreciation of a man who faithfully served the military and civilian communities, for the benefit of all.

In May 2019, the Leader of SWT appointed Councillor Andy Milne as the Armed Forces Champion for SWT. Andy is a former Royal Marines officer who has already brought understanding and energy to this role.

- 6.9. Partnership Briefings.** A briefing sheet on the Partnership has been produced and is available at www.somerset.gov.uk/forcescovenant. SCC's Cabinet was briefed on the role of SSAFA, the longest established Armed Forces charity, and potential collaboration between SCC's Adult Social Care and SSAFA. Another briefing was given to SCC's Contact Centre (Somerset Direct) on what the Armed Forces Covenant is and the role of SSAFA.
- 6.10 Veterans Breakfast Clubs.** There are several Veterans Breakfast Clubs across Somerset which have arisen from local initiatives by Veterans. Typically meeting once a month, they provide an invaluable forum for Veterans to talk to other Veterans, to acknowledge any problem, and to give and receive mutual support. Some Veterans will acknowledge a need for help only to other Veterans, sometimes from the same regiment or corps. While most Veterans need no help, the Breakfast Clubs can be a means for those who do need help to start asking for the help that is available.

7. The Annual Partnership Conference

- 7.1.** As in 2018, this year's annual Partnership Conference was held to coincide with national Armed Forces Day.
- 7.2.** This year's Conference was held at Norton Manor Camp on 25th June 2019, by kind permission of the Commanding Officer of 40 Commando Royal Marines, Lieutenant Colonel Simon Rogers RM. The Conference was on Veterans welfare. It built on the success of the 2018 Conference and benefitted from our effort in 2018 to capture feedback from those attending. Attendance at this year's Conference was the maximum possible for the venue. Carefully selected speakers gave us their expertise on key areas of the MOD's Veterans Strategy, including mental health and suicide prevention. 97.5% of those attending rated the Conference as 'Good' or 'Excellent'.
- 7.3.** The Conference provided an excellent opportunity for partners to network and generated action afterwards that has improved our service to beneficiaries and strengthened the sense of shared purpose across the Partnership. For example, as a result of links made at the Conference, RNAS Yeovilton hosted Neil Thomas from the NHS to present on suicide prevention and Charlie Hobson from the Rock 2 Recovery charity to explain its work for veterans with mental health issues. Both presenters were invited to speak in subsequent mental health awareness days which produced good progress on how we could increase Service/Community support.

8. Remembrance Activities

- 8.1.** In late 2018, Wincanton hosted the Unveiling of the Poppy of Honour. The Poppy of Honour is a 10 foot high Poppy into which is sealed a named poppy for each individual from Britain and the Commonwealth who lost their life in World War One. In 2019, the Poppy of Honour initiative was developed further with a Garden of Remembrance being created in Wincanton, continued touring to exhibit the Poppy of Honour and further public support for the Poppy as a symbol of Remembrance and support for those servicemen and women who have given their lives in war.
- 8.2.** In November 2019, 40 Commando RM made a particular effort to support local Remembrance services despite most of the unit being on exercise in the USA. 40 Commando's Base Party supported Remembrance services in Taunton, Wellington, Minehead and the parishes closest to Norton Manor Camp. Their presence was much appreciated and admired by the public.

9. Other Activities

- 9.1. Covenant Fund.** The Covenant Fund has replaced the previous Community Covenant Grant Scheme. The Covenant Fund is allocated £10m per year nationally by the Treasury. Further information on the Covenant Fund is at <https://www.gov.uk/government/collections/covenant-fund>
- 9.2. 40 Commando Families Centre and Contact Flat.** 40 Commando's new Families Centre was opened in May 2019 with its new Contact Flat above it. As well as providing a creche, the Centre will hold coffee mornings, offer support and guidance to parents and children, run 'settling-into-school' sessions and family fun days. In late 2018, Somerset successfully bid for a £20,000 contribution towards a two-bedroom Contact Flat to enable 'contact visits'. A contact visit provides affordable, quality time for separated Service parents to share with their children in a family friendly, safe environment.
- 9.3. Archaeology Projects for Veterans.** In 2019, Breaking Ground Heritage successfully bid for just under £15,000 to provide veterans with projects in Archaeology, working with leading heritage bodies.
- 9.4. The Defence Employer Recognition Scheme (DERS).** The DERS recognises employers who support Armed Forces personnel, either by helping employees serve as reservists, by employing veterans, or by other support to the military community. The DERS in Somerset is run by the Wessex Reserve Forces' and Cadets' Association, based in Taunton. The Scheme offers Gold, Silver and Bronze levels of recognition for graduated levels of support. SCC is submitting an application for the Bronze award and is working with each Somerset District Council to promote the DERS.
- 9.5. Wessex Reserve Forces' and Cadets' Association.** Information on the Wessex Reserve Forces' and Cadets' Association is at <https://www.wessex-rfca.org.uk/news/newsletters/>

9.6. Covenant Signatories. Many Somerset businesses have signed the Armed Forces Covenant and have been recognised for their help in delivering the Covenant. As example, in 2019 the Somerset Partnership NHS Foundation Trust was awarded the Silver level of recognition. More information on how supporting the Armed Forces community can benefit a business is available from wx-reed@rfca.mod.uk and wx-reed2@rfca.mod.uk

10. Communications

10.1. Quarterly Updates. We have continued to produce Quarterly Updates for members of the Partnership. These Quarterly Updates are a comprehensive source of news, available support and 'how you can help'. I commend them to you as an easy way to keep in touch with what is going on in SCC's delivery of the Covenant. To receive the Quarterly Updates, please email communities@somerset.gov.uk to be added to the mailing list.

10.2. SCC Communications and Press Team. We thank SCC's Communications and Press team, led by Mark Ford, which has supported our delivery of the Covenant throughout the year with Press Releases and links to TV, radio and print media. For more information visit <https://somersetnewsroom.com/?s=armed+forces>

11. Background Papers

11.1. For more information on the Somerset Armed forces Covenant, including the SAFC Partnership Plan and its Annex A, which shows the matrix of partner organisations and the main areas of Covenant activity, visit www.somerset.gov.uk/forcescovenant

11.2. For more information on the Armed Forces Covenant, visit www.armedforcescovenant.gov.uk/

Somerset County Council

County Council

– 22 January 2020

Report of the Scrutiny for Policies, Adults and Health Committee

Chair: Cllr Hazel Prior-Sankey

Division and Local Member: All

Lead Officer: Julia Jones – Governance Manager

Contact Details: 01823 359000 JJones@somerset.gov.uk

1. Summary

- 1.1** The Scrutiny for Policies, Adults and Health Committee is required by the Constitution to make an annual report to the Council each year and to provide each other meeting of the Council with a summary progress report and outcomes of scrutiny. This report covers the meetings of 11 September, 2 October 2019, 06 November and 4 December.
- 1.2** The Committee agreed their work programme would comprise of items considered directly at meetings plus other items considered or 'commissioned', using flexible arrangements outside of the formal committee structure.
- 1.3** Members of the Council are reminded that:
- all Members have been invited to attend meetings of the three Scrutiny Committees and to contribute freely on any agenda item;
 - any Member could propose a topic for inclusion on the Scrutiny Work Programmes;
 - any Member can be asked by the Committee to contribute information and evidence and to participate in specific scrutiny reviews.
- 1.4** The Committee has 8 elected Members.

2. Background

2.1 Scrutiny Work Programme

At each meeting, the Committee considers and updates its work programme, having regard to the Cabinet's forward plan of proposed key decisions. Members appreciate the attendance of representatives and stakeholders from partner agencies.

2.2 11 September 2019

We considered a report under the Fit for My Future strategy covering a review of the acute mental health inpatient beds for people of working age.

The report set out a vision for mental health services and the future model of care. It updated members of the committee on:

- the engagement undertaken so far to seek stakeholder views on potential options for the future configuration of acute mental health inpatient beds for adults of working age,
- engagement and input from the same stakeholder panel into the design of a public engagement / consultation strategy, and
- next steps in the overall governance process.

The purpose of the Fit for my Future review of this part of the mental health service is not to reduce funding but to arrive at the most effective and efficient model going forward, considering a range of factors including location and proximity to emergency departments. Acute inpatient mental health beds for people of working age are currently provided in four wards over three sites, two in Taunton, and one each in Yeovil and Wells.

The review will not involve a reduction of acute mental health inpatient beds, but the recommendations are that there is a reconfiguration of the location of the beds to take account of the recruitment difficulties and safety concern for the beds based in Wells and the distance from major Hospitals in the event of needing further intervention.

A consultation process has begun to establish the best configuration. As well as including the South West Clinical Senate and NHS England Improvement Quality Assurance there has been wider engagement. Service users have been represented by MIND, Community Council for Somerset, Somerset Village Agents and Talking Cafes. There was a workshop event in Victoria Park Community Centre in Bridgwater.

We considered the proposals and gave our support for the planned consultation.

CCG Integrated Quality and Performance Report

We considered the Integrated Quality, Safety and Performance report from Somerset CCG (Clinical Commissioning Group). The report provided an update on the Somerset CCG Integrated Quality, Safety and Performance.

We heard there were six areas to celebrate:

- Eclipse alerts, antimicrobial stewardship, reducing antipsychotic use in Learning Disabilities (LD) and dementia patients, Rationalising inhaler use, ensuring correct monitoring of direct oral anticoagulant patients, reducing inappropriate opioid prescribing
- Somerset CCG is one of the best performing CCGs against the national low priority measures indicator
- Somerset has achieved all its antimicrobial prescribing performance measures
- Each GP practice has a Sepsis lead and Somerset CCG has raised the profile

of National Early Warning Score (NEWS2) in primary care

- Somerset CCG has also ensured that Somerset has a robust infection control system and root cause analysis follow ups of C. difficile and E.coli cases
- Somerset CCG benchmarks well for high cost drugs, Somerset has consistently achieved early implementation of biosimilars being the best in the country at Taunton and Somerset NHS Foundation Trust (T&S).

We heard there were four areas presenting a challenge:

- A&E and understanding increasing demand: some initial findings from the analysis work undertaken is a theme of increased children's attendances. Work is ongoing to understand the causal effects driving this activity.
- Ambulance handovers: over 30 and 60 minute delays. CCG to initiate a harm review process. In April 2019 T&S > 30mins = 135; > 60mins = 3 Yeovil District Hospital NHS Foundation Trust (YDH) > 30mins = 4
- 52 week waits: root cause and potential harm reviews. A review the effectiveness of the existing process to be completed by September 2019
- Urgent Care Clinical Assurance Committee to undertake Gap analysis for children's urgent care standards – workforce deployment and availability of qualified and trained staff.

We discussed the report and raised some questions. The areas of discussion covered the meaning of 'biosimilars' and the recorded success of Somerset being the best in the country. Biosimilars are medicines with the same molecular make-up but not necessarily high cost branded medicines. We were also interested in Eclipse Alerts. These alerts are sent weekly to GP surgeries and aim to highlight any potential conflicts in prescribing.

We were interested in plans to ensure that there would be adequate supplies should there be any disruption due to the supply of medicines as a result the exit from the European Union. We were assured that there had been South West wide planning. The key message from all this was to request people not to stockpile medicine as this created 'false shortages'. We were informed that the overriding principle was patient safety and cost was not driving the plans.

We were concerned that following an inspection of the Children's Mental Health Services service in Weston the grading changed from 'Outstanding' to 'Inadequate'. We wanted to know how a service could change so dramatically. We were informed that the CQC inspection was 'insightful' and the change in grading was due to the very high staff turnover. In most parts of the NHS a turnover is 12% is expected but in Weston is was 24%.

Another area of ongoing concern was year on year growth in demand for Emergency Admissions to both Yeovil and Taunton hospitals. Demand was up 4% in Taunton and 9% in Yeovil. We discussed ways to educate people to use appropriate primary care, urgent treatment centres, out of hours services and the 111 service. We discussed re-admission rates and asked for these to be examined and details

shared in the next report. These are sometimes increased due to a positive desire for people to be in their own home. In addition, we requested that the results of a deep dive into the Ambulance Service were shared with us when they were available.

Minor Injury Unit Service

We considered a report a report setting out an overview of the pressures faced by the running of seven Minor Injuries Units across Somerset. The report highlighted the current pressures being experienced by the Somerset Minor Injury Unit (MIU) Service, the impact of pressures and the actions being taken to mitigate these. We were informed that the service is currently experiencing a significant rise in demand across the MIUs against a background of local, regional and national shortages of Emergency Nurse Practitioners (ENPs). The report highlighted which areas of the county are being impacted upon currently, and some of the work being undertaken within local communities to try to address the challenges of recruiting and retaining ENPs. There have been some overnight closures in Burnham on Sea and Minehead. This was done to protect Bridgwater MIU which has the greatest demand.

02 October 2019

Somerset Safeguarding Adults Board

We considered a report from the Somerset Safeguarding Adults Board. We discussed the report and were interested in how messages about Safeguarding were shared in the wider community. It was recognised that the term 'Safeguarding' was not the most media friendly. We were informed that Somerset was in the top two counties for social media messaging. The Board also work with Trading Standards to get messages out in the community.

We discussed the way that monitoring was carried out on the training for staff and if the regular training promised was carried out. We were assured it was. We asked about the action taken to address the County Lines criminal activity and were assured that as this cuts across both Adults and Children's Safeguarding it has not been covered in the report for SSAB but nevertheless there is a co-ordinated approach and details will be included in the next report.

We asked about Deprivation of Liberty (DOL) as this has been highlighted as an area of concern. There is due to be further guidance as this is not a local problem but a national one. Later this year there will be a specific scrutiny audit of DOL, we asked that this be brought back for an update once the details are known.

Adult Social Care Performance Update

We had requested a follow-up report following the presentation in June this year. The request was for a general update in addition to a specific update on the results of the Carers Survey. There was a total of 491 responses (167 from carers aged 18-64 and 324 from carers aged 65+). The responses to the various questions are then mapped to 5 Adult Social Care Outcomes Framework (ASCOF) measures which will can be benchmarked nationally and regionally when the figures are published by NHS Digital. The figures were set out in the report but overall the it was disappointing as on all measure the performance had deteriorated.

We discussed the report and the following points were raised. The members heard of a case where a family wanted to continue to support their mother in their own home but were disappointed that there was no financial assistance to do this. Also, that many people who provide care are isolated, feel unsupported and suffer financial hardship while they provide much needed support for family members. We were informed that personalised support was being promoted as this would give allow targeted provision with the appropriate expenditure.

We were concerned about the decline in the satisfaction survey results by Carers in Somerset. There was a 20% recorded drop in carers reporting that they have the social contact they would like. We were informed that this was an area that the County Council wanted to improve performance and proposed to have a Carers Charter within the next 4 – 6 months.

We challenged the Contact Centre target of 60% resolution. It was explained that this target, which had been achieved for the past 8 months meant the more than 60% of callers to the Contact Centre were able to resolve their query at his early stage. Only 40% of people were handed off for more appropriate support. This represented a great service and as such has been awarded Contact Centre of the year. Such is the resilience of the team that following a flood this week the entire unit was relocated and offering the service to callers within two hours.

We asked about recruitment and retention of staff. Like most places it was a challenge to attract people to work in the care sector however, Somerset was in fact bucking the trend and a degree of stability had returned and the greater autonomy and flexibility had started to deliver dividends. We asked that a briefing note be shared with members setting out the recruitment and retentions figures -if they were available - for care workers.

Discovery Report

We had a report which provided scrutiny with an update on the performance of the Discovery contract. It included overall measures of the contract and provided wider information on the delivery of the contract. The summary view is that 'Discovery' have met the formidable challenges over the initial two years of the contract, with the associated challenges and are now implementing the positive changes that are expected as part of the transformation of the service, including changing the offer

of day services to a more modern, community based offer, the offer of supported accommodation as an alternative to residential care across the county.

We had a very detailed discussion which included questions from members of the public. The areas we discussed covered: -

- CQC Inspections
- Employment Services
- Recruitment and retention
- Transformation
- Day Time Support
- A Financial Update

We discussed the report and the public questions that had been raised. We were interested in the methods used to promote the service and to make people aware of the transformation opportunities offered. By contacting Somerset Direct it is possible to access a whole range of services and that an advocacy service is also available for those not able to present their own case.

During the discussion it was confirmed that of the people previously helped by the Six Acres facilities one third had moved to other providers, one third were no longer supported and one third had moved their support to the facility at Albermarle Centre.

We were interested in staff retention and turnover and were informed that they were well within national expectations despite being in competition with other employers offering a similar rate of pay for a much less demanding role.

There were several questions in relation to the Capital Flexibilities and other detailed financial questions. As these were highly technical it was agreed that the answers would be given in the form of a Members Briefing note.

There was also some discussion regarding the recent Employment Tribunal decision and as the final answers in terms of who would be paying and from which budget it was agreed that the information would be made available to all members as soon as it was finalised.

06 November 2019

Mental Health Social Care Scrutiny Update

We were informed that the Adult Social Care (ASC) services that supported people with Mental Health needs was continuing to develop in line with the Somerset County Council Promoting Independence strategy. The service continued to focus on the transformation to ensure that services were well aligned with other ASC services and that opportunities were maximised to promote the independence and mental well-being of the people of Somerset.

All ASC services had a vision which was promoting independence at every opportunity. Within Mental Health, this vision was often translated into the Recovery Model. The recovery model was a person-centered approach to mental health care. At its core are two premises:-

- It is possible to recover from a mental health condition,
- The most effective recovery is person centred.

Mental Health transformation is monitored through the Transformation Board.

Value for Money: Tracker and Social Care Experts Review 2018/19

We heard that the review identified a few areas for further action in strengthening the council's financial resilience for adults and children's social care and management actions had been incorporated into the VFM tracker that was presented to the Audit Committee on 19 September 2019. Progress would be reported to each Audit Committee during 2019/20. A copy of the tracker was attached for consideration. There were two VFM actions being VFMY20011 and VFMY20012 that had specific actions relating to Adults Services which we agreed to consider how we can best review progress against them during the year.

We endorsed and recommended to Full Council that the Council implements a programme of cultural transformation and improvements to its scrutiny arrangements by March 2021, including the provision of additional resources in

We endorsed and recommended to Full Council that the County Council implements a programme of cultural transformation and improvements to its scrutiny arrangements by March 2021, including the provision of additional resources in the Democratic Services Team and members training budgets to deliver the enhanced scrutiny arrangements;

We endorsed 10 of the 11 recommendations within the Centre for Public Scrutiny's 'Supporting governance, scrutiny and member support in Somerset County Council' report as detailed on pages 9 and 10 of Appendix A; The Committee agreed to an alteration to Recommendation 6 within the CfPS report and limit the number of agenda items to an absolute maximum of 4, rather than two as currently recommended, as this more accurately reflected the current position of the Authority and the size of the workload.

We considered and made further recommendations it considered appropriate to include as part of the Scrutiny Review with reference to the Government's new statutory guidance, best practice from other councils and the members workshop held in September 2019;

We supported all recommendations relating to the Scrutiny Review being recommended by Full Council at its next meeting and for the improvements to be taken forward from January 2020 to March 2021;

We agreed there should be a quarterly progress report on the improvements and review of scrutiny arrangements.

12 December 2019

CCG Quality, Safety and Performance Report

We discussed a report that provided an update on the Somerset Clinical Commissioning Group (CCG) Integrated Quality, Safety and Performance. The CCG has established performance monitoring meeting with all providers of healthcare services, this paper gave a summary of the escalation issues for quality, safety and performance against the constitutional and other standards for the period April to September 2019. The report gave detailed information on six key area: -

1. Infection Prevention and Control,
2. Continuing Healthcare (CHC),
3. Somerset Treatment Escalation Plan,
4. Maternity and Neonatal Safety – Supporting the Long-Term Plan,
5. Integrated Urgent Care Service and
6. Ambulance Service Performance

We discussed the report and examined some of the detail. They were interested to know why so many of the local NHS Trusts were reported as being 'Requires Improvement' in the 'Safe' category. We were informed that this was around staffing levels in A&E for specialist staff such as Children's Nurses. We challenged the statement that only 4% of people discuss the type of care they would like in the event of an emergency and it was confirmed that it was 4% of the whole population not 4% of those in a care home.

We were interested to know if the opening of the full service at the Bridgwater Minor Injuries Unit (MIU) had resulted in a reduction in footfall at Musgrove Park Hospital (MPH). We were informed that the number of simple cases had indeed reduced but the result of this was MPH was now dealing with all the more complex cases and as a result the 4-hour target was more challenging without the volume of simple patients helping to keep the average time under this target. This target is being reviewed nationally as it was set some time ago and the data supporting it

does not lead to better treatment. Part of this review will be to understand the relationship between demand on GP appointment, the use of the 111 service and Minor Injuries Units.

Adult Social Care Performance Report

We discussed a report on the performance of Adult Social Care. The report followed on from previous reports provided to Scrutiny Committee and highlighted key performance activity and indicators relating to Adult Social Care. The report was supported by an accompanying appendix which provided further detail in relation to some of those indicators being monitored closely by the service and helps to evidence the improvements and areas for further development identified within the covering report. The update included initial analysis of the 2018/19 Adult Social Care Outcomes Framework (ASCOF) figures, published by NHS Digital on 22 October 2019.

We discussed the report and both the achievements and challenges. We were interested to know what was planned to address the areas where performance was not meeting the targets – such as South Somerset.

We noted that the percentage of people with learning difficulties who are supported into employment was below the national average. We also discussed the indicators from Carers indicating that they did not feel fully supported. It was hoped that the workshop prior to the meeting was a starting point to address this and some positive progress would be made.

Annual Report of the Public Health Director

We had a presentation setting out the annual report for from the Director of Public Health. The focus of the report this year was prevention. The report takes a broad overview of 'prevention'.

Prevention is about Improving Lives, it's about getting on the front foot and preventing or delaying negative circumstances from happening. The report argues that prevention at the 'high' (and expensive) end of need, is the most effective way to improve the lives of those that experience the worst outcomes and free up resources, enabling investment in prevention at lower levels of need. The report gives many case studies of good practice in the county. Above all, it shows that prevention is 'everybody's business'.

The report is to be released in the form of an e-book. Doing it this way will mean it can contain video recordings of case studies and recordings be leaders in Somerset health and care.

We were given a presentation on the benefits of the prevention agenda; shifting the costs from those whose health has deteriorated significantly with preventable complications towards benefitting a larger percentage of the population and supporting them to maintain or improve their health. Initiatives such as working with Natural England to promote the use of Areas of Outstanding Natural Beauty (AONB) in Somerset to encourage groups to access the outdoors to support wellbeing.

We agreed that Public Health should not be seen in isolation and supported the positive approach to improving lives.

3. Consultations Undertaken

In December we held a workshop which was open to all Somerset Carers; we heard first-hand accounts from carers, invited suggestions as to how to deliver a more joined up service and started a conversation to address the isolation felt by many carers in Somerset. The Workshop highlighted some very useful areas where further work and collaboration would deliver a much more joined-up service for Carers in Somerset. We plan to have a report to Committee and will run further Workshops in the future.

The Committee invites all County councillors to attend and contribute to its meetings.

4. Implications

The Committee considers carefully and often asks for further information about the implications as outlined in the reports considered at its meetings.

For further details of the reports considered by the Committee, please contact the author of this report.

5. Background Papers

Further information about the Committee including dates of meetings and agendas and reports from previous meetings, are available via the Council's website:

www.somerset.gov.uk/agendasandpapers

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

Somerset County Council
County Council – 22 January 2020

Report of the Scrutiny for Policies, Children and Families Committee

Chairman: Cllr Leigh Redman

Division and Local Member: All

Lead Officer: Jamie Jackson – Governance Manager - Scrutiny

Contact Details: 01823 359040 jajackson@somerset.gov.uk

1. Summary

1.1. The Scrutiny for Policies Children and Families Committee is required by the Constitution to make an annual report to the Council and to provide each other meeting of the Council with a summary progress report and outcomes of scrutiny. This report covers the work of the Committee's meetings on 13 September, 18 October, 15 November and 13 December 2019.

1.2. We continue to focus, on the outcomes arising from the Ofsted Inspection, and on ensuring the delivery of the new Children and Young Peoples Plan (CYPP). The Vice-Chair worked closely with Officers on the 4 priority themes of the CYPP: Supported families; Healthy Lives; A Great Education; Positive Activities.

1.3. Our predecessor Committee (from 2015 to 2017) was able to help bring about continuing progress in many areas of the Council's improvement agenda for children and young people and our central focus will also be to constantly ask - **What impact does that have on children in Somerset?**

1.4. The Committee has 8 elected Members. We also have 7 co-opted members. We have 2 Church representative vacancies along with 1 Parent Governor vacancies and we are looking at ways to ensure those positions are occupied. We have retained our Schools Compact representative and a representative from the Schools Forum; our co-opted members have voting rights on education matters only. We look forward to once again hearing first hand testimony from front line staff who will we invite to attend and participate at our meetings.

1.5. Members of the Council are reminded that:

- all Members are invited to attend meetings of all the Council's Scrutiny Committees and to contribute freely on any agenda item;
- any Member could propose a topic for inclusion on the Scrutiny Work Programmes;
- any Member can be asked by the Committee to contribute information and evidence, and to participate in specific scrutiny reviews.

2. Background

2.1. Scrutiny Work Programme – As noted above we outlined the importance for the Committee to focus on all aspects of the four new priorities of the revised Children and Young Peoples Plan (CYPP) and we agreed that our work

programme should be developed through discussions with the Committee Chair, Vice-Chair, Director of Children's Services and relevant Cabinet Members.

Each of our future meetings will have specific agenda items to consider the work programme and this will allow members and officers to suggest items we should scrutinise in more depth. We are also very keen to enhance our ability to monitor our suggested outcomes and recommended actions to ensure these have been progressed, and to assist us in this we will continue to review our outcome tracker at every meeting to ensure this is meaningful.

The Committee was keen to help facilitate and progress the Scrutiny Review, and we support the recommendations about the Scrutiny function, made elsewhere in the agenda.

2.2. 13 September 2019

Early Help Strategic Commissioning Board Update – We received an update and overview of the Early Help Board, and they noted the 5 key areas of activity approved by the Cabinet last February designed to develop and improve the early help offer in Somerset. The Chair summed up the discussion and noted that the Committee would endorse the call for better collaboration and support for transforming data capture and analysis to cope multi agency intervention. He encouraged Members, particularly those who were District Councillors to help work in district councils and to attend connection events. He also requested that Officers look in to arranging an appropriate visit for the Committee and an update report in 6 months.

After our Committee meeting finished we then held an open workshop, to which we invited all members, that provided us with an interesting and informative overview of Special Educational Needs.

2.3. 18 October 2019

Troubled Families update report – We considered this report about how the Troubled Families programme has been delivered in Somerset. It was noted that the Troubled Families (TF) Programme (2015 – 2020) was run from the Ministry of Housing, Communities and Local Government (MHCLG) and managed by the Council. The TF programme was working to achieve significant and sustained progress with up to 3000 Somerset families, to help with addressing worklessness, poor school attendance, health problems, crime and anti-social behaviour, domestic abuse and children who need help. The Vice-Chair thanked the Officers for the interesting and informative presentation. He noted that the Health and Well-being Board (HWB) was leading on liaising with the Clinical Commissioning Group (CCG) to improve data sharing with partner agencies. He suggested, and it was accepted, that the Committee ask the HWB to request that the TF programme be included amongst the areas where enhanced partnership working was being encouraged.

2019/20 Revenue Budget Monitoring Report - Month 4 – We considered this report, introduced by the Deputy Leader of Council, that provided details of the month 4 forecast outturn position for 2019/20 for the net Revenue Budget. The report also highlighted variances to service budgets, as well as detailing emerging issues, risks, areas of concern and proposed actions to resolve them. There was a brief discussion about social worker recruitment, and it was noted that recruiting experienced social workers was not only difficult but could also be more expensive. However, in the long run it would save money as it would require less to be spent on children as they would be better supported in their families.

Value for Money: Tracker and Social Care Experts Review 2018 - 2019– We considered this report introduced by the Deputy Leader of Council, that had been used by the Council’s external auditor to inform their overall Value for Money conclusion. It was explained that the external auditor had sought additional assurance over the robustness regarding the Council’s budget planning in respect of some services, including the increase to the Children’s Services base budget. The work had provided more information to the external auditors and enabled them to provide assurance over the embeddedness of arrangements for sustainable resource deployment. We accepted the report.

2.4. 15 November 2019

Review of Scrutiny function – We considered this report that provided details of the scrutiny review and the subsequent proposals for an enhanced role for scrutiny members. We endorsed the report along with the implementation of its recommendations to encourage stronger and more effective scrutiny and to hold the Executive to account. The Chair and Committee were excited by this change, the need to make scrutiny more accessible and open was welcomed, and it was hoped that by moving our meeting day more Members would be able to take part, and having an Officer whose role was just Scrutiny would open up many opportunities.

Progress on the implementation of the new Somerset Safeguarding Children Partnership arrangement – We considered this report that noted that the three Somerset Safeguarding Partners (Somerset County Council, Somerset Clinical Commissioning Group, and Avon and Somerset Constabulary) now constituted a tripartite Children’s Safeguarding Partnership. In the interests of efficiency, it had been possible to integrate the Somerset Children’s Trust with the new Safeguarding Partnership arrangements. Delivery subgroups were currently under review with revised chairing and membership. We noted the final report of the Somerset Safeguarding Children Board for 2018/2019.

Annual Customer Feedback report – This report provided details of customer feedback and it was noted that in 2018/19 there were a total of 1923 pieces of feedback recorded (all types) compared with 1933 in the previous year (0.5% reduction). Complaints had reduced by just over 2% on the previous year with

1076 received (compared to 1101 in 17/18). The report was accepted.

2.5. 13 December 2019

Young Carers Update report – This report provided details on the future support arrangements for young carers following a Cabinet decision last May based upon a vision for better identification of, better engagement with and better support for young carers both known and unknown within Somerset. It was noted Young Carer attendance at the new youth clubs from September to October 2019 had remained stable compared to participation in the groups which existed prior to the Cabinet decision, with the exception of the newly commissioned group in Minehead.

2019/20 Revenue Budget Monitoring Report – Month 6 (Quarter 2) - This report sets out the Quarter 2 (month 6) forecast outturn position for 2019/20 for the net Revenue Budget of £327.967m. It highlighted for us that variances to service budgets, as well as emerging issues, risks, areas of concern and proposed actions to resolve them. We noted that Children's Services are reporting an adverse variance within their budget of £1.768m which is an adverse movement of £1.149m from month 5. The report was accepted.

Children's Services performance report Quarter 2 – 2019/2020 – We considered this report which set out the key activities and measures used to check performance for the year against the identified priorities. It was noted that the report did not contain details of all the other activities that together contributed to what helped make a difference to children in Somerset. The report included key performance indicators (KPIs), to show how progress was assessed against targets and project updates. Performance was shown using performance ratings (based on the RAG ratings) and progress was shown in terms of direction of performance (DOP) through the use of arrows. There were questions about tolerance and success with regards to how those levels and measures would be reflected in future reports. The Chair suggested and it was agreed that the Committee give consideration to allocating a Member Champion for each of the 6 key activity areas.

Update on the Children and Young People's Mental Health and Emotional Wellbeing – We considered this report that provided a commentary on the development of a new Strategy for Children and Young People's Mental Health 2020-2024 which would be drafted and the consulted on in early in the new year. The Committee heard that a key aim was to address the gaps in preventative and early intervention mental health support for CYP and their families; expand capacity of voluntary community and primary care sector. Over the previous 18 months, there had been significant improvements in the mental health services available for the children and young people of Somerset. There was a discussion about the development of the improvement and transformation programmes and the importance of keeping clearly defined and separate the strategies and plans. The report was accepted and it was

suggested and agreed that a further update be provided in the Spring.

3. Consultations undertaken

- 3.1.** The Committee invites all Councillors to attend and contribute to its meetings. The Committee Chair and Vice Chair invite prospective report authors to attend their pre-meetings and Lead Officers are engaged in this process and reports are being submitted on time.

4. Implications

- 4.1.** The Committee carefully considers reports, and often asks for further information about the implications as outlined in the reports considered at its meetings. For further details of the reports considered by the Committee please contact the author of this report.

5. Background papers

- 5.1.** Further information about the Committee including dates of meetings in the new quadrennium, and agendas & reports from previous meetings are available via the Council's website.

www.somerset.gov.uk/agendasandpapers

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

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Report of the Scrutiny Committee for Policies and Place

Cabinet Member: N/A

Division and Local Member: All

Lead Officer: Scott Wooldridge – Monitoring Officer, Democratic Services

Author: Jamie Jackson – Deputy Strategic Manager, Democratic Services

Contact Details: 01823 359040

1. Summary

- 1.1.** The Scrutiny Committee for Policies and Place is required by the Constitution to make an annual report to the Council and also to provide each other meeting of the Council with a summary progress report and outcomes of scrutiny. This regular report covers the work of our meetings held on 18 September, 9 October, 7 November and 11 December 2019.
- 1.2.** The Committee agreed their work programme would comprise items considered directly at meetings plus other items considered or “commissioned” using flexible arrangements outside of the formal committee structure.
- 1.3.** Members of the Council are reminded that:
 - all Members have been invited to attend meetings of the Scrutiny Committee and to contribute freely on any agenda item;
 - any Member could propose a topic for inclusion on the Committee’s Work Programme;
 - any Member could be asked by the Committee to contribute information and evidence, and to participate in specific scrutiny reviews.
- 1.4.** The Committee has 8 elected Members and we have meetings scheduled approximately for every month. Our next meeting will be held in the Committee Room, Taunton Library at 10.00am on 5 February 2020.

2. Background

2.1. Scrutiny Work Programme

At each meeting the Committee considers and updates its work programme, having regard to the Cabinet’s forward plan of proposed key decisions. The Committee also agreed to hold themed meetings and Members are looking forward to this approach, in particular the attendance of representatives and/or stakeholders from partner agencies.

2.2. 18 September 2019 Revenue Budget Monitoring Quarter 1 report

The report set out the Quarter 1 (month 3) forecast outturn position for 2019/20 for the net Revenue Budget of £327.967m. It highlighted variances to service budgets, as well as emerging issues, risks, areas of concern and proposed actions to resolve them.

The Council's Medium-Term Financial Plan (2019-22) set out proposals to further develop its financial resilience over the long-term whilst also supporting the delivery of the Council's key priorities.

The budget for 2019/20 included a savings target of £21.550m and the report confirmed delivery of £16.694m to date. Of the remainder, very close monthly tracking and change control mechanisms continued to be in place as they had been since September 2018, to ensure full delivery during the year. The Committee discussed: earmarked reserves £35million of which had been committed for specific purposes. It was questioned if the general reserves balance was enough at 5% of the net revenue budget. Setting reserve levels higher to protect against demand-led services was a future option. The positive news and change in budget reporting were welcome but the committee expressed concerns around the levels of reserves, encouraging further income generation opportunities to be explored. The Committee noted the report but requested a full list of Earmarked reserves.

Property Disposal at County Farms.

Since 2010, the Council has operated County Farm disposals under a Cabinet Member decision, following a review of County Farms, which identified those farm holdings which could be sold immediately and without further review (known as List A). The sales would take place as and when the opportunities arose or were deemed necessary. The remaining farms (known as List B) were categorised as being retained for the time being due to their strategic location and future development potential. The Committee discussed: Following changes recommended by the Task and Finish Group, land and property was now marketed to increase the land value and achieve the best possible price. Where possible, planning permission was also obtained to increase the value of the assets. It was acknowledged that achieving permitted Development rights incurred the time factors of obtaining planning permission. Reassurance was provided that the correct checks and balances were in place to ensure appropriate value was given and a fair price was attained for assets sold. The committee noted the report.

Council's proposed response to the Devon and Somerset Fire and Rescue Service (DSFRS) consultation

The report set out Somerset County Council's proposed response to the Devon and Somerset Fire and Rescue Service (DSFRS) consultation on its proposed new service delivery operating model. The DSFRS consultation included proposals for the closure of fire stations (Porlock), removal and relocation of fire engines (Bridgwater, Taunton, Yeovil, Martock) and changes to crewing arrangements (Chard, Frome, Wellington, Wells and Williton.)

The Committee discussed: Concerns were expressed over Fire Service cover with consideration of the increase in road traffic accidents across the County and protection of Somerset's Heritage buildings. The increasing population in the County along with the seasonal increases around areas such as Minehead would mean there was considerable risks around peak periods if there wasn't adequate cover.

Further concerns were expressed over the lack of openness and accessibility of the consultation along with it not being well publicised and complexity of the document. The committee requested that the consultation response letter state that it was supported by all Councillors and signed by the Cabinet member and Leader.

1. The Committee endorsed the comments in the draft response to the consultation.
2. Additional considerations identified in the debate should inform the consultation

response from the perspective of local communities.

The Connection Devon and Somerset Broadband Programme Update

To date more than 300,000 homes and businesses across Devon and Somerset could access superfast broadband, with a further 38,000 having access to improved broadband. Every month hundreds more homes and businesses were being connected due to the Connecting Devon and Somerset programme (CDS).

CDS continued to work with stakeholders including BDUK and the LEP to develop a Digital Strategy for the Heart of the South West which included connectivity and infrastructure as well as considering digital skills and innovation. This would help to guide the approach for extending coverage and investing further funding.

The committee discussed:- Further information was requested to inform residents of the areas still to be completed and the timescales for rollout. A new position of procurement would need to commence, the bidding from the old contracts and market has moved on substantially. Opportunity for future delivery would be identified through the new procurement exercise. The Committee noted the update on the progress of the CDS Programme

9 October 2019

Month 4 forecast outturn position for 2019/20

The report highlighted the forecast outturn position for 2019/20 net Revenue Budget of £327.967m. It highlighted variances to service budgets, as well as emerging issues, risks, areas of concern and proposed actions to resolve them. The variances were reported in the detail of the report set out in Appendix A and a proportion of the Corporate Contingency 'notionally' allocated to off-set the variances.

The committee discussed:-welcoming the Council's improving financial position, acknowledging that there were still a number of factors that could change forecasts, including winter costs. The Committee noted the report.

2019/20 Capital Budget Monitoring - Quarter 1 Report

The report was the first capital monitoring report for the year. It showed that there was a projected underspend of £1.355m against existing approvals of £788.885m. An overview of the capital programme indicated that it was being managed proactively by services within their resources. The Committee discussed and welcomed the relatively small level of underspend in the Capital Programme which reflected good overall control, and the highway improvements being undertaken, while asking for clarification on the position regarding developers' contributions in the event of underspends on infrastructure schemes etc. The committee noted the report.

External Audit Value for Money (VFM) Report

The report drew attention to the outcome of additional assurance work requested by the County Council's external auditors in reaching their improved Value for Money conclusion for 2018/19 reported to the Council's Audit Committee on 19 September 2019. The experts' report was produced in collaboration with relevant senior leaders from the Council and was being used to inform the Medium Term Financial Plan 2020/23 as well as by the auditors to inform their overall VFM conclusion.

During discussion The Committee welcomed the positive report and assurances about the level of funding for Adults and Children's Social Care Services, noting that provision had been made for the recent pay award and that any problems could be identified at an early stage - while being conscious of the volatile nature of demand especially in children' and its impact on resources. The Committee noted the report.

Climate Emergency Framework Update

The report drew attention to the emergence of a Framework for developing the county-wide Climate Emergency Strategy (which was appended) and sought comments to further shape the Strategy before it was submitted to the County Council's Cabinet. There were nine workstreams: built environment; Natural Environment; Energy; Farming and Food; Industry, Business and Supply Chain; Transport; Waste and Resource Management; Flood Water and Adaptation; and Communications and Engagement.

Further to the recommendations in Paragraph 2 of the covering report, the Committee:

- noted and endorsed the timeline for the delivery of the Climate Emergency Strategy and the proposed consultation activities, and the intention to share the opportunity to contribute with residents and community groups
- recognised the significant funding pressures of the development and delivery of the resultant Climate Emergency Strategy and Action Plans
- confirmed their support for the four additional actions, as set out immediately above.

7 November 2019

2019/20 Revenue Budget Monitoring Report - Month 5

This report set out the Month 5 forecast outturn position for 2019/20 for the net Revenue Budget of £327.967m. It highlighted variances to service budgets, as well as emerging issues, risks, areas of concern and proposed actions to resolve them. The budget for 2019/20 included a savings target of £21.547m and the report confirmed current forecast delivery of £21.365m. Other headlines included

The Month 5 forecast position indicated a small reduction of £0.370m to £2.425m against the original planned amount and was in-line with the month 4 report.

The Councils Summary forecast set out a projected balanced position when compared to the net revenue budget of £327.967m.

The committee discussed: Concerns around Schools changing to academy status, resulting in a budget deficit to the authority. It was recognised that this was not a new financial risk and acknowledged that there were pressures on Schools funding. Work continued to monitor the operating costs and the effects to ensure mitigation steps can be made. The Committee noted the report.

The Review of the Scrutiny Function Report.

The review considered best practice from other councils and the latest Government statutory guidance in May 2019. The review had also involved working with the Centre for Public Scrutiny (CfPS). The majority of the recommendations in the report combined both the short term improvements that could be taken forward from the CfPS report along with recognising that necessary cultural improvements were required to develop and embed better scrutiny form part of a longer term programme of work commencing before the end of 2019 through until March 2021.

The Committee discussed: Encouraging site visits were encouraged to provide greater knowledge of projects and areas around the county.

Training and support through flexible sessions such as masterclasses, seminars and task and finish groups in specific areas were supported to increase member awareness and considered a positive way forward. The Committee were reassured that there was dedicated Scrutiny resource allocated in the new Democratic Services Structure due to be implemented from the start of 2020. We endorsed the recommendations.

The West Somerset Opportunity Area

The Opportunity Area Programme is a key part of the Education Secretary's priority of tackling social mobility, and improving opportunities for young people across the country. Twelve areas with both poor social mobility and schools that face challenges, were to receive a share of £72 million to boost opportunities for young people in these communities.

The committee discussed capacity issues in small schools and making the programme offer work for them, Improved joint working between community services for adults and those for young people and access to opportunities locally, transport and data and support for business Legacy planning. The committee requested an update of how residents in the West Somerset area had benefited. The report author would be consulted and an update would be provided to the committee before the next meeting. The Committee noted the report.

11 December 2019

2019/20 Revenue Budget Monitoring Report - Quarter 2 (Month 6)

The report set out the Month 5 forecast outturn position for 2019/20 for the net Revenue Budget of £327.967m. It highlighted variances to service budgets, as well as emerging issues, risks, areas of concern and proposed actions to resolve them. The Council's Medium-Term Financial Plan (2019-22) set out proposals to further develop its financial resilience over the long-term whilst supporting the delivery of the Council's key priorities. The budget for 2019/20 included a savings target of £21.547m and the report confirmed current forecast delivery of £21.365m.

The Committee: Thanked the team, acknowledged that measures were in place to maintain and managed monitoring of the budgets. Welcomed the positive impact the change of direction and hope this will lead to more investment. Look forward to the allocation of funds for addressing Climate Change when to Somerset priorities are known.

Capital Budget 2019/2020 Monitoring report for Quarter 2

This report was a summary and recorded a projected underspend for the authority against the approvals within the current capital programme. Services have provided their forecasts for the capital programme. The first quarter's forecast will provide the benchmark for the rest of the year and final outturn position. Services will need to explain any significant variances to this. Forecasting expenditure can be challenging as there are many factors which can impact on delivery of a capital programme including external factors such as a reliance on contractor activity, the weather, and capacity within the Council's providers to design and support the programme. The committee discussed The need to include Development Contributions when they are known and to note that forecasts may alter as the year progressed The arrangements for 'internal' borrowing and 'external' borrowing were considered along with the complexity surrounding it. Any external borrowing has to go through the Treasury Team. Internal borrowing is cheaper and can be made if allocations are for future years. The committee welcomed the report and the County should be congratulated for being in a much better financial position than that of a year ago.

The Library Re-design verbal update

The Committee were given a verbal update on the redesign of the Library Services in Somerset. The first part consisted of a video that set out in a clear visual format the range of activities, the number of service users and the reach beyond the physical location of Library Building. The redesign resulted in 13 Community Libraries being established, extended Outreach services, two libraries being closed and three Community supported models. The changes have included a restructuring of the workforce – the frontline alterations have been completed and the restructure for management will conclude in January. There has been some additional investment in Technology and Community Libraries. The Committee:

Thanked all those involved in this challenging project. They wanted to record a special mention for Ollie Woodhams for his diplomacy, determination and dedication to delivering such a transformation. They wanted to wish him well in his new challenge.

Requested an invitation to the formal handover ceremony for the facility in Watchet.

3. Consultations undertaken

- 3.1.** The Committee invites all County Councillors to attend and contribute to every one of its meetings.

4. Implications

- 4.1.** The Committee considers carefully, and often asks for further information about the implications as outlined in, the reports considered at its meetings.
- 4.2.** For further details of the reports considered by the Committee please contact the author of this report.

5. Background papers

- 5.1.** Further information about the Committee including dates of future meetings, and agendas & reports from previous meetings are available via the Council's website. www.somerset.gov.uk/agendasandpapers

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