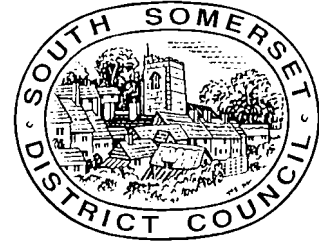


**South Somerset District Council**

*Notice of Meeting*



**District Executive**

*Making a difference where it counts*

**Thursday 5th January 2017**

**9.30 am**

**Council Chamber  
Council Offices  
Brympton Way  
Yeovil  
Somerset BA20 2HT**



Disabled access and a hearing loop are available at this meeting venue.

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Members listed on the following page are requested to attend the meeting.

The public and press are welcome to attend.

If you would like any further information on the items to be discussed, please contact the Democratic Services Manager on 01935 462148 or [democracy@southsomerset.gov.uk](mailto:democracy@southsomerset.gov.uk)

This Agenda was issued on Wednesday 21 December 2016.

A handwritten signature in black ink, appearing to read 'Ian Clarke'.

**Ian Clarke**, Assistant Director (Legal & Corporate Services)

This information is also available on our website  
[www.southsomerset.gov.uk](http://www.southsomerset.gov.uk) and via the mod.gov app



# District Executive Membership

Ric Pallister  
Clare Aparicio Paul  
Carol Goodall  
Peter Gubbins  
Henry Hobhouse  
Jo Roundell Greene  
Sylvia Seal  
Peter Seib  
Angie Singleton  
Nick Weeks

## Information for the Public

The District Executive co-ordinates the policy objectives of the Council and gives the Area Committees strategic direction. It carries out all of the local authority's functions which are not the responsibility of any other part of the Council. It delegates some of its responsibilities to Area Committees, officers and individual portfolio holders within limits set by the Council's Constitution. When major decisions are to be discussed or made, these are published in the Executive Forward Plan in so far as they can be anticipated.

Members of the Public are able to:-

- attend meetings of the Council and its committees such as Area Committees, District Executive, except where, for example, personal or confidential matters are being discussed;
- speak at Area Committees, District Executive and Council meetings;
- see reports and background papers, and any record of decisions made by the Council and Executive;
- find out, from the Executive Forward Plan, what major decisions are to be decided by the District Executive.

Meetings of the District Executive are held monthly at 9.30 a.m. on the first Thursday of the month in the Council Offices, Brympton Way.

The Executive Forward Plan and copies of executive reports and decisions are published on the Council's web site - [www.southsomerset.gov.uk](http://www.southsomerset.gov.uk).

The Council's Constitution is also on the web site and available for inspection in Council offices. The Council's corporate priorities which guide the work and decisions of the Executive are set out below.

Questions, statements or comments from members of the public are welcome at the beginning of each meeting of the Council. If a member of the public wishes to speak they should advise the committee administrator and complete one of the public participation slips setting out their name and the matter they wish to speak about. Each individual speaker shall be restricted to a total of three minutes. Answers to questions may be provided at the meeting itself or a written reply will be sent subsequently, as appropriate. Matters raised during the public question session will not be debated by the Committee at that meeting.

Further information can be obtained by contacting the agenda co-ordinator named on the front page.

# District Executive

## Thursday 5 January 2017

### Agenda

#### 1. Minutes of Previous Meeting

To approve as a correct record the minutes of the District Executive meeting held on 1<sup>st</sup> December 2016.

#### 2. Apologies for Absence

#### 3. Declarations of Interest

In accordance with the Council's current Code of Conduct (adopted July 2012), which includes all the provisions relating to Disclosable Pecuniary Interests (DPI), personal and prejudicial interests, Members are asked to declare any DPI and also any personal interests (and whether or not such personal interests are also "prejudicial") in relation to any matter on the Agenda for this meeting. A DPI is defined in The Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012 (SI 2012 No. 1464) and Appendix 3 of the Council's Code of Conduct. A personal interest is defined in paragraph 2.8 of the Code and a prejudicial interest is defined in paragraph 2.9.

Members are reminded that they need to declare the fact that they are also a member of a County, Town or Parish Council as a Personal Interest. As a result of the change made to the Code of Conduct by this Council at its meeting on 15<sup>th</sup> May 2014, where you are also a member of Somerset County Council and/or a Town or Parish Council within South Somerset you must declare a prejudicial interest in any business on the agenda where there is a financial benefit or gain or advantage to Somerset County Council and/or a Town or Parish Council which would be at the cost or to the financial disadvantage of South Somerset District Council. If you have a prejudicial interest you must comply with paragraphs 2.9(b) and 2.9(c) of the Code.

#### 4. Public Question Time

Questions, statements or comments from members of the public are welcome at the beginning of each meeting of the Council. The total period allowed for public participation shall not exceed 15 minutes except with the consent of the Council and each individual speaker shall be restricted to a total of three minutes. Where there are a number of persons wishing to speak about the same matter, they should consider choosing one spokesperson to speak on their behalf where appropriate. If a member of the public wishes to speak they should advise the committee administrator and complete one of the public participation slips setting out their name and the matter they wish to speak about. The public will be invited to speak in the order determined by the Chairman. Answers to questions may be provided at the meeting itself or a written reply will be sent subsequently, as appropriate. Matters raised during the public question session will not be debated by the Council at that meeting.

#### 5. Chairman's Announcements

**Items for Discussion:**

- 6. Report from Yeovil District Hospital NHS Foundation Trust** (Pages 5 - 13)
- 7. Direct Hostel Provision, Move On Accommodation and Support** (Pages 14 - 20)
- 8. Council Tax Support Scheme for 2017/18** (Pages 21 - 79)
- 9. Strategic Commercial Land and Property Project** (Pages 80 - 86)
- 10. Policy for Awarding Private Sector Housing Grants/Loans and other Financial Assistance** (Pages 87 - 99)
- 11. Medium Term Financial Plan and Capital Programme Update 2017/18** (Pages 100 - 119)
- 12. South Somerset Economic Development Monitoring Report (December 2016)** (Pages 120 - 160)
- 13. District Executive Forward Plan** (Pages 161 - 167)
- 14. Date of Next Meeting** (Page 168)
- 15. Exclusion of Press and Public** (Page 169)
- 16. Disposal of the former Stables at Churchfield, Wincanton (Confidential)** (Pages 170 - 180)

# Agenda Item 6

## **Report from Yeovil District Hospital NHS Foundation Trust**

*Executive Portfolio Holder:* Cllr Sylvia Seal, Leisure and Culture  
*SSDC Representative:* Cllr David Recardo

Councillor David Recardo will attend the District Executive meeting to answer any questions from Members regarding the Yeovil District Hospital NHS Foundation Trust. The minutes of the Council of Governors meeting of 8<sup>th</sup> September 2016 are included below for information.

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### **COUNCIL OF GOVERNORS**

Minutes of the Council of Governors meeting held on 8 September 2016  
**Marsh Jackson Room, Academy, Yeovil District Hospital, Higher Kingston,  
Yeovil, BA21 4AT**

#### **WELCOME AND APOLOGIES**

Paul von der Heyde welcomed the governors, Non-Executive Directors and those in attendance to the meeting.

#### **DECLARATIONS OF INTEREST**

Paul von der Heyde stated his declarations noted in the previous Council meeting on 3 March still applied [item 2/16]. There were no other declarations of interest.

#### **MINUTES OF THE PREVIOUS MEETING AND MATTERS ARISING**

Paul von der Heyde noted in item 21/16, interest would still be accrued on the loans. This would require rewording within the minutes to reflect. Subject to the above correction, the minutes from the meeting held on 8 June 2016 were approved as a true and accurate record.

Paul von de Heyde went through the actions of the previous minutes where it was noted/discussed:

- Car parking machine was now working.
- John Park questioned the inclusion of the new governor indicator. It was noted it was included on the dashboard, but further discussions took place for this indicator to have a bigger profile within the pack. Ben Edgar-Attwell agreed to liaise with the Management Information Team.
- David Recardo questioned the discussions in previous meetings regarding the allocation of funding. He noted that in the Strategy and Performance Group minutes, it was stated that the NHS deficit for the county would sit at £380million. He asked for assurance that funding that is normally allocated towards the hospital would remain and not be distributed elsewhere. Paul Mears agreed this was the countywide deficit, which has started discussions on which services Yeovil Hospital and Musgrove Park Hospital

currently fulfill which may benefit from more collaborative working. These discussions are taking place within work underway for the STP and are in the very early stages.

## **ANNUAL REPORT, QUALITY REPORT AND ACCOUNTS 2015/16 AND THE EXTERNAL AUDIT OPINION**

A summary of the Annual Report was provided to the Governors. The auditors (KPMG) reviewed the annual accounts in May where an Audit Committee was held to receive this report. The auditors provided an unqualified opinion on the accounts and a qualified opinion on the quality report.

Jo Howarth provided an overview of the production of the quality report. There were some challenges faced in regards to how some of the data was collected for various indicators; these have been addressed and changed for this year, one of which is the Governor Indicator.

Jo Howarth also noted that there had been some successes and challenges within the year. One example was patient falls. There was no overall reduction inpatient falls; however there was a reduction in falls resulting in harm. There was also an improvement in skin damage with a 20% reduction in pressure ulcers.

Julian Grazebrook noted that the auditors are always complimentary regarding the Trust's Finance team at Yeovil, there are very rarely any adjustments made to the accounts.

Paul von der Heyde updated the Council that the external auditors will be attending the December Council of Governors meeting. Jade Renville provided some context to their visit, with the auditors carrying out a session on what is required from the hospital governors regarding their statutory responsibilities, including membership and communications.

The Council of Governors formally received the accounts in advance of presentation at the AGM this afternoon.

## **EXECUTIVE REPORT**

The Council of Governors noted the content of the executive report presented by Paul Mears (which included updates on TrakCare, Car Park, CQC Feedback, La Manga). There was particular discussion of the following:

### **CQC Action Plan**

The Council was provided with the current CQC Action Plan which is being implemented following publication of the Trust's CQC inspection report. Paul Mears provided an update on the CQC report and the actions that are underway to address the concerns raised. He noted that with regards to the emergency department pressures, this is not something that is unique to the Trust and the inspection took place during a period when the Trust was in black escalation.

With regards to the CQC's concern about young adults being admitted to the children's' and young peoples' ward, the inspectors raised concerns around safeguarding, although the Trust was able to show evidence of no safeguarding issues ever been raised. The criteria has now been changed to admit only those who are known to the paediatric team, with a weekly report sent to the CQC with all patients admitted over the age of 18 to ensure that this criteria is being met.

Paul Mears said that the action plan presented is currently addressing the 'must do' actions from the CQC report, and there may well be an inspection on these areas in the future.

Peter Shorland asked about the financial pressures these actions would have on the Trust, considering the existing deficit; also noting that the report carried clear and logical attempts to achieving the pathways. Paul Mears confirmed that there had been additional financial pressure stemming directly from the CQC report, but that the Trust recognises the importance of continuing to invest to ensure the quality and safety of patient care.

Paul Mears noted that there were also lots of positive aspects raised within the report, with the Trust achieve a rating of Good across the board within the Caring category. Paul Mears explained that whilst there was disappointment in the overall rating, particularly given the enormous amount of work which every member of staff put in prior to and during the inspection, the report will be used as a tool to make services even more responsive, caring and safe.

Paul von der Heyde explained that, following concerns being raised by the Trust to the inspectorate, a meeting with the Deputy Chief Inspector of the CQC and the Head of Hospital Inspections would take place late September/early October to discuss the inspection and report. This meeting will be an opportunity to provide feedback, outlining areas of concern the Trust experienced with the inspectors and overall inspection process.

David Recardo raised the issue that the general public are disappointed with the report and how the hospital performed. He asked whether it was possible for the Trust to include an overview of the report that provides context. Paul Mears explained that it is the CQC's report, which they publish.

Local media channels were used to express the Trust's response to the ratings and the usage of the ratings grid showcased that the hospital achieved more Good ratings than Requires Improvement. The positive work that is underway will hopefully provide assurance to the general public and it was noted that negative aspects are generally picked up on rather the positive areas.

Judith Lindsay-Clark questioned whether there would be another visit from the CQC in the same approach. Paul Mears explained that the CQC are currently reviewing their methods and the way in which inspections are undertaken. In future they may be more themed and target based.

### **Car Park**

Paul Mears provided an update on the car park, with the development moving along quickly. The floors and drainage are now being completed and the project is still on track to open at the end of January. The new slip road exit is set to be ready at the end of November.

Mary Belcher asked whether there were any stipulations on working hours as work was taking place on Sundays. Paul Mears agreed to speak with the estates team and check this.

Paul Porter asked whether the flooding issue on the road would be addressed within the works. It was confirmed that this was being looked into.

### **TrakCare**

Paul Mears provided an update on the implementation of TrakCare. The new system was running for Inpatients, Outpatients, Maternity and Emergency Department. The supplier, Intersystems noted that this was the smoothest transition to a new system they had experienced. Phase 2 is underway and is planned for next year; this will include aspects such as electronic prescribing and theatres.

### **La Manga**

Paul Mears addressed concerns regarding the Trusts partnership with La Manga Hotels. He confirmed that there is no monetary benefit to the Trust from this partnership. John Hawkins asked about the public aspects of the promotion. Paul Mears explained that in no way would the Trust be actively pushing the promotion of holidays to patients; it is merely an option for staff and patients to acquire a discount should they wish.

### **Helen Ryan's retirement**

Paul Mears noted that further to communication sent out previously, Helen Ryan, Director of Nursing was planning on retiring next year. He confirmed that the recruitment process would be starting towards the end of this month, in the hope that there would be a handover period before Helen leaves in May 2017.

David Recardo asked whether an internal recruitment would involve an immediate transfer or would the candidate's previous post need to be filled prior to the transfer. Paul Mears confirmed that a flexible approach would be taken in the event of an internal appointment.

### **NHS Improvement (NHSI) investigation**

Paul Mears updated the Council on the NHSI investigation into the Trust. He explained that the Trust was behind on the 5 year plan, and NHSI wanted assurance and understanding what actions were being taken to address this. NHSI reviewed the Trust's assurance processes and provided positive feedback. Paul von der Heyde noted that the Trust has not yet been found to be in breach of licence despite the financial position.

### **OVERVIEW OF SYSTEMISED SURGERY WITH DAYCASE UK**

Kelvin Donald and Shelagh Meldrum presented to the Council an overview of the partnership with AmSurge (ASI) which included a background of the company and the plans going forward to standardise day case procedures, including the building of a new day case unit.

John Webster agreed that this was an exciting venture for the Trust; however he questioned why ASI should claim 'proven superiority' over Yeovil. He suggested that YDH's day case unit works well, but is now facing increasing demand and requires expansion. Kelvin Donald explained that ASI were not claiming superiority over YDH, but that with their background knowledge and being USA's biggest day case unit provider, they are able to provide expertise in the area and suggest improvements in the current system. Judith Lindsay-Clark noted she had visited one of the ASI sites in the USA and saw first-hand the improvements and changes which can be made to improve the service efficiency and the experience for patients at YDH.

John Tricker asked from where the staff required to run the new facility would be recruited; would they be ASI or YDH staff? Shelagh Meldrum confirmed that the unit would be staffed using existing staff from YDH and that these models are currently being developed.



Michael Fernando asked whether ASI is limited to YDH or is there an intention to expand. John Hawkins also asked if this would be expanded to Dorset, Devon and other surrounding counties. It was confirmed that ASI are not limited to YDH and there is the intention to use the learning from this partnership to expand to other Trusts. It is anticipated that other providers will approach ASI post go live.

David Recardo queried why there was a need to partner with ASI; the unit will be run with YDH staff and the building would be built with the Trust's estates partner. Paul Mears confirmed that the Trust does have an estates partner who would be constructing the new building, however ASI are able to provide knowledge and expertise in the development of the layout of the new unit and how to run the overall service. ASI are world leaders in this area and they have complimentary skill set to those at YDH.

Jane Lock questioned the involvement of ASI in NHS service delivery. Kelvin Donald noted that the partnership is in place to access expertise rather than handing over control. ASI are working in collaboration with YDH, with the Trust being the senior partner (70%). Shelagh Meldrum explained that there are similar models within the UK, but that these are wholly subcontracted with no shared learning compared to the joint venture at YDH.

Jane Lock also noted that there was no explanation on the cost or the savings involved. Paul von der Heyde explained that the partnership would improve the speed and efficiency of the unit, which in turn would lead to benefits for patients and cost saving benefit.

Paul Porter asked about the timelines involved in the new unit. Kelvin Donald explained that work was currently being undertaken to drive change in the existing unit for improvements, with the idea of the new unit opening in 2018.

John Tricker asked whether the new unit would be linked with any hotels for patients to have a 'full stay package'. Kelvin Donald stated that there were no plans in place to link with any hotels. The new unit would be a day case unit with no requirement for patients to stay overnight.

Tony Robinson asked whether there could be a standardised statement for the governors to share with their constituencies. Ben Edgar-Attwell/Jade Renville agreed to follow this up.

## **GOVERNOR QUALITY AND OPERATIONAL PERFORMANCE DASHBOARD AND FINANCIAL PERFORMANCE**

### **Operational Performance**

Paul Mears presented the performance dashboard where the following items were particularly discussed:

- RTT performance. It noted that although the 92% target had still not been achieved, the Trust was on track to achieve this within the near future. There are still ongoing challenges being faced regarding RTT performance, although operation cancellation rates are improved.
- A&E performance. The Trust had just missed the 95% target in August (94.09%), but this was an issue being faced by numerous trusts around the country. Against the national ratings, YDH was the second best performing emergency department in the country during some of the preceding weeks.

- Delayed Transfers of Care. This is still proving to be a big challenge within the hospital, although much work is ongoing to improve this position.
- Infection Control rates and Friends and Family rates remain good.

Alison Whitman noted that the iWantGreatCare results look to be incorrect. The scoring is out of five, with many months appearing show a number over this amount. Ben Edgar-Attwell agreed to check this with the Management Information Team.

Paul von der Heyde explained that new flooring had been laid in the emergency department over the bank holiday weekend, whereby the department had been temporarily moved into the orthopaedics outpatient area and day case unit. Yvonne Thorne provided an overview of the work undertaken and explained there had been no ambulance delays and the 4 hour performance was good during this period. This work also provided an opportunity to test the continuity plans which are in place.

John Park queried the rag ratings on the performance dashboard compared to the slides. Jade Renville confirmed that discussions are underway to review of indicators are rated.

David Recardo questioned the first to follow up appointments ratio. He noted that orthodontics was at a very high rate. Paul Mears confirmed that the follow up ratio appears high as it includes all patients who have their braces adjusted.

### **Financial Performance**

Sheena Morrow presented the Financial Performance update for this year to date where the following points were particularly discussed:

- The Trust's financial position as of the end of July 16 was £81k adverse variance to budget. Total year-to-date deficit is £6.2m.
- External Providers; this is one area in which there was a large overspend. Paul Porter questioned why this would be classified as an overspend. Sheena Morrow explained that the Trust is able to claim the tariff for the procedures, but the Trust then pays the external providers. The finances should be cost neutral in regards to clinical income and expenditure.
- With the agreement of the control total, the Trust will have access to the Sustainability and Transformation funding. This additional funding requires achievement of a number of targets throughout the financial year. In month 4, the Trust failed to achieve some of the operational targets; this resulted in the Trust not receiving the STF funding.
- It was noted that agency costs are reducing, with bank costs increasing in line with the additional promotion of sign up and usage. Paul Mears explained that a number of key medical vacancies have now been fulfilled which has reduced agency costs.
- Cost Improvement Plans are on target with a number of workforce savings planned for later this year.
- Sheena Morrow provided an overview of the current cash position. The Trust currently has a temporary loan; however, a loan will not be required in September due to the backdated STF monies.

### **ESTATES MASTERPLAN**

Jonathan Higman presented the Estates Masterplan presentation, which highlighted the key elements of the Trust's plans, an update on the car park and set out the key priorities for the Trust site. The masterplan is a high level vision up to 2031.

The vision is the old car park site is to be used as additional clinical space, with a portion of this site set aside for the development of the new day case unit. There are discussions taking place for the expansion of health education space on the site where the current Convamore building is situated. A case and plan has been submitted to the local education partnership (a government backed scheme) for additional funding.

Other priorities include residential accommodation and long term office space solutions.

There is a smaller masterplan for the vacant space on level three after the development of the day case unit is completed, plans for which are under development.

Paul Mears spoke about the recent legacies which have been left to the Trust. Some of these legacies will be used to make improvements to the ED department, but there is also a need to improve some of the ward environments.

David Recardo raised the issue of the recent road improvements within the town and access to the hospital. He noted that in peak times, ambulances struggled to get access to the hospital site. Paul Mears confirmed that the Highways Agency would be involved in all developments on site.

John Park asked how Interserve Prime, the Trust's strategic estates partner, are involved within the building works. Jonathan Higman outlined the joint venture and explained they provide advice and development support. Actual building works will be developed and completed on a project by project basis and contractors secured for each on a contract basis.

Jane Lock noted that the County Council had aspirations of a University within Somerset, with Yeovil being a prime location. Paul Mears explained that Bournemouth already has their campus on Preston Road and there may be an opportunity to work together to build the new Health College on the YDH site, although discussions would also take place with other universities.

Mary Belcher questioned whether the accommodation for relatives of inpatients would still be provided. Jonathan Higman confirmed that this was under review within the masterplan as to its new proposed location.

John Tricker asked whether the maternity unit would continue at YDH due to its small size. It was noted from an invited inspection from the Royal College of Midwives previously, there was a need for a consultant led unit at Yeovil due to its geographical location, despite the small number of births.

## **REPORTS FROM ASSURANCE COMMITTEES AND GOVERNOR GROUPS**

### Governance Committee:

Sue Bulley provided a verbal update of the latest Governance meeting advising in particular the following topics that were discussed and presented: the patient safety quality experience report which included sections on pressure ulcers and patient falls, clinical governance arrangements between YDH and DayCase UK and an update on the CQC Looked after Children review.

#### Audit Committee:

John Park provided a verbal update of the last Audit Committee meeting where the following discussions took place: a close down of last year's account and an internal review on integrated learning – learning on the topic of complaints; the auditors had limited assurance on effectiveness, however lots of progress has since been made.

Julian Grazebrook noted that the committee also went into depth regarding the risk register which is continuously evolving, especially since the go live of TrakCare. Risks are being identified and monitored.

#### Workforce Committee:

Sue Bulley provided a verbal update of the Workforce Committee in July where the following topics were presented and discussed:

An overview of the Symphony Healthcare Services organisational development plan, national drives to streamline workforce and make savings and the outsourcing of payroll and pension services to Torbay.

The August committee meeting included discussions of the following: leadership development programmes, ongoing difficulties in nursing recruitment, especially in emergency medicine and theatres.

Mark Saxton also noted that the committee discussed the need to improve the usage of bank and reduce agency costs.

#### Finance Committee:

John Park noted that the committee meets on a monthly basis and reviews the current financial position, which has been provided to the Council by Sheena Morrow [item 34/16 refers].

#### Quality Committee:

John Webster and Sue Bulley provided verbal updates of the last Quality Committee meeting where the following topics were discussed: management of health records, presentation on equality and diversity, safeguarding – updates on policies, particularly on Deprivation of Liberties.

Paul Mears noted that the introduction of TrakCare will result in medical records becoming more secure as they are stored electronically rather than paper records which can be misplaced. The Trust is currently in a transition period between the two. TrakCare provides a new audit trail with the ability to observe who has accessed and changed records.

#### Patient Experience Group:

Paul von der Heyde provided an overview of the current developments of the Patient Experience Group noting that it was developing steadily although more work is required. He anticipated that a public governor would be able to join the group within the next year, also asking whether Yvonne Thorne and Judith Lindsay-Clark felt constrained being staff governors. Neither governor felt constrained, although Yvonne Thorne did state that she felt that a public governor should be a member.

#### Membership and Communications Group:

In Hala Hall's absence, Jade Renville provided an update on the topics discussed at the last Membership and Communications Group which centred around social media. It was noted that Tony Robinson, Ben Edgar-Attwell and Amy Helliard, Communications Officer had since met to discuss the current media platforms, which would be fed back at the next meeting.

Sue Brown raised the idea of governors being available within the outpatient and emergency departments on certain days in order for members of the public to raise any issues. Ben Edgar-Attwell/Jade Renville agreed to follow this up.

Sue Brown raised the issue of the lack of Friends and Family boxes around the hospital and within various departments. Jade Renville agreed to follow this up.

Tony Robinson noted whilst at the Yeovil Show, many members of the public were not aware of what a NHS Foundation Trust was, nor the existence of hospital governors. He raised concerns over the Trust's website, with the lack of this information. Ben Edgar-Attwell/Jade Renville agreed to review these sections of the website.

David Recardo spoke of the need for governors to interact more with members of their constituency and the public, noting that the Super Saturday event is a prime event.

#### Strategy and Performance Working Group:

Alison Whitman noted that the governor indicator was reviewed and confirmed at the previous meeting, and there already appears to be improvement in this area. The minutes of the previous meeting were noted by the Council.

#### **ANY OTHER BUSINESS**

Jade Renville explained that the Trust has a responsibility for young and vulnerable people and would be undertaking DBS checks of all governors in line with the practice for members of staff and volunteers. Ben Edgar-Attwell would send out invitation letters and instructions on how the governors are to complete this process following the meeting.

The governors asked whether in future they could be provided with a link to the agenda and papers for upcoming meetings of the Trust Board. Jade Renville explained that a link is always provided in CONECTweekly, which is sent to governors. She added that governors are always welcome to contact her in order to attend the public section of any meeting of the Trust Board. This is in addition to the meeting each governor is allocated to attend and for which papers are sent to them in advance (for the public and confidential sections).

Mary Belcher asked about the security on the wards, expressing concern about open door access. Paul Mears responded that some doors have restricted access, such as theatres and the children's ward, but that the Trust is not a secure unit whereby patients are locked into wards. He acknowledged that the safety and security of wards must be a priority, but that the staff, as well as the volunteers, have a role to play in overseeing the visitors to their wards.

Paul Mears advised that as part of winter planning, YDH is reviewing whether to continue commissioning beds at Cookson's Court nursing home, the pilot of which had so far received positive feedback from patients and improves patient flow within the hospital. However, he acknowledged that it would also be important to look at alternative options, taking into account the financial pressures, such as improving access to domiciliary care to support patients at home. Sue Brown added that it would be important for the Trust to maintain and enhance its relationship with the Red Cross, who would be able to provide additional support over the winter period.

#### **DATE OF NEXT MEETING**

The next meeting will be held on Tuesday 6 December 2016.

# Agenda Item 7

## **Direct Hostel Provision, Move On Accommodation and Support**

*Executive Portfolio Holder:* Sylvia Seal, Health, Housing, Leisure & Culture  
*Assistant Directors:* Steve Joel, Health & Wellbeing  
Martin Woods, Economy  
*Service Managers:* Alice Knight, Acting Housing & Welfare Manager  
Colin McDonald, Corporate Strategic Housing Manager  
*Lead Officers:* Alice Knight, Acting Housing & Welfare Manager  
Colin McDonald, Corporate Strategic Housing Manager  
*Contact Details:* Alice.Knight@southsomerset.gov.uk 01935 462943  
Colin.McDonald@southsomerset.gov.uk 01935 462331

### **Purpose of the Report**

1. The purpose of this report is to confirm funding for 2017/18, towards the cost of provision of the direct access hostel and related services for very vulnerable clients who would otherwise be homeless.

### **Forward Plan**

2. This report appeared on the District Executive Forward Plan for January 2017.

### **Public Interest**

3. This report covers the provision of services to vulnerable individuals who might otherwise be homeless by continuing to support the provision of a direct access hostel and related services.
4. It will be of interest to members of the public concerned about the provision of emergency housing for those in need in their local area and to members of the public concerned about the total cost to the public purse in the event that the provision was no longer available.
5. It will be of particular interest to any member of the public who is seeking such assistance themselves, or has a friend or relative in need of such assistance.

### **Recommendations**

6. That the District Executive:-
  - a. Approve funding of £160,000 per annum is added to the Medium Term Financial Plan in 2017/18 for two years as an unavoidable budget pressure to fund Stonham, to provide services to assist single adults who are in need of accommodation, to prevent homelessness;
  - b. Note that there is a risk of £80,000 per annum associated with the structure of eligible/ineligible costs in relation to Housing Benefit that will be added as a Risk to Balances;
  - c. Approve in principle £35,000 funding in 2017/18 for Yeovil4Family, to provide a floating support service for vulnerable individuals at risk of homelessness to be

funded from a carry forward from 2016/17 (which will be subject to District Executive approval in June 2017);

- d. Note the outcomes of the funding from SSDC in 2016/17 as well as further outcomes achieved as a result of funding allocated from Somerset Positive Lives partnership.

## **Background**

7. In April 2016, Members considered a report at District Executive about the cessation of the P4A contracts (Pathways for Adults) which came to an end in April 2016, following a decision by Somerset County Council.
8. The purpose of the contract covering services in South Somerset was to assist single adults who were in need of accommodation or 'housing related support', to prevent homelessness, and learn ways to live independently. It focussed on those who had a history of homelessness and those who had an offending background.
9. Following the ending of this contract (which was funded and monitored through SCC), SSDC District Executive approved the use of up to £240,500 to fund Stonham for a one year period (May 2016 – May 2017), to enable the services to continue, to avoid an immediate crisis in homelessness in South Somerset and to avert a collapse in the provider market for these very specialist and crucial services.
10. Members recognised that it was likely that there would be a need for SSDC to provide ongoing future funding and therefore agreed that a report would be brought back to District Executive on proposals for the future ongoing delivery of the service from May 2017.
11. SSDC has statutory duties under the 1996 Housing Act (as amended by the Homelessness Act 2002) to prevent homelessness, provide suitable advice and assistance to those threatened with homelessness and help secure suitable alternative accommodation for those in priority need (as defined by the Act) who have become homeless 'unintentionally' (as defined by the Act). In addition a new Homelessness Reduction Bill is currently going through parliamentary processes, if enacted as currently drafted it will strengthen the Councils advice and prevention duties to all households threatened with homelessness.

## **Update**

12. In May 2016, SSDC signed a new Service Level Agreement with HomeGroup (Stonham) who had previously been managing the hostel accommodation, but to deliver a modified service which would achieve better value for money and better outcomes for clients.
13. The new arrangements also modify the structure of intensive housing management and general housing management tasks in order to optimise the use of Housing Benefit that can be used to part finance the delivery of the service.
14. Through these new arrangements Stonham now provide:
  - High support – 24hr double cover – at Pathways Direct Access Hostel
  - 'Move on' medium and low support accommodation
  - Intensive Housing Management Support

- Street Rough Sleeper Team and Client Safe Sleep Provision
15. In order to improve partnership working and maximise the use of local resources to improve services to vulnerable people, it was agreed that SSDC's Housing and Welfare Service would (through existing budgets in 2016/17) provide:
    - Assessment of Individual Needs
    - Floating Support Service
  16. In addition, we helped Stonham to secure an additional £88,000 from the Positive Lives Board, to enable the transition from P4A into new the arrangements, which would be better designed to meet locally identified needs. These funds were provided by SCC and the decision was made locally to award this to Stonham to provide a support service to complement their work at the hostel accommodation. Through this they have been able to work proactively with clients, helping them not only sustain their tenancies but to develop the skills to move on and live independently in the future.
  17. Despite the initial uncertainties, restructuring the funding arrangements has had some very positive outcomes, outlined in this report. The process has helped generate a clearer demarcation between the 'housing related support' elements and the 'intensive housing management' elements of the on-site provision, which has not only freed up Stonham to provide a much more flexible, targeted service, but enables some of the costs to be covered by the rental stream, largely supported through Housing Benefit.
  18. Crucially, through channelling SSDC funding for the Direct Access Hostel, we have secured a level of direct provision whilst leveraging in the Positive Lives funding to provide additional support for vulnerable individuals, focussing on managing their lives more positively and healthily, with all the added value benefits that brings. This additional funding and work would have not taken place, without the SSDC core funding for the hostel.

## **Outcomes for 2016/17**

### **1. Stonham (HomeGroup) - £140,500 funded by SSDC:**

#### **Direct Hostel Provision and related support**

19. The contract for this work runs from May 2016 – May 2017. Accommodation is provided at Pathways (Newton Road Yeovil) and 165-167 Sherborne Road (Yeovil). The SLA is for the provision of support and intensive housing management for homeless single people and childless couples, aged 25 and over. As well as running the direct access hostel, Stonham support their clients to prepare them for when they move on to alternative accommodation, such as helping people achieve the Home Achievement Programme (tenancy accreditation), complete benefit forms and tools for independent living.
20. The outcomes and achievements for Quarters 1 and 2 (May 16 – Oct 16) are below:
  - 96 referrals to the service; 70 referrals were accepted
  - Provision of accommodation for 30 adults at any one time
  - 23 clients exited the service
  - Average length of stay 166 days



- Only 2 individuals returned to the service after exiting
  - Reasons for exiting included planned move-on, rent arrears, abandonment, prison and anti-social behaviour
  - Downstairs communal areas redecorated and PCs provided for residents use
  - Coffee and chat hour every day to promote communal space and engage closely with clients
21. All clients are supported to identify their own individual needs and intensive work with on-site staff helps them identify move-on accommodation, whether that is through an alternative Stonham accommodation (with low/to medium support) or they are gold banded and move on to live independently.
22. Stonham work closely with partner organisations to provide wraparound support for clients including SDAS (Drug and Alcohol service), probation, ReThink and mental health services. They work very closely with the police both on individual casework and on rough sleeper issues.

### **Rough Sleeper Outreach Service**

23. There has been a significant increase in rough sleeping across the UK over the past year, largely attributed to the rising cost of housing, shortage of affordable housing, changes in benefits through the government's Welfare Reform programme, together with a chronic shortage in mental health services.
24. Stonham provide an outreach service for rough sleepers including a twice weekly drop-in service for advice, support and a hot drink, as well as 4 emergency beds which are set up in the dining room/communal area for emergency use to meet our 'no second night out' commitment.
25. 41 new clients have been supported through the Outreach Team in Q2
26. In recent months rough sleeping has increased in Yeovil and we are working closely with the outreach team to engage with all the individuals to assess their circumstances and help them find solutions.

### **Rough sleepers identified by Pathways Outreach team 2016:**

May	June	July	August	Sept	Oct	Nov
7	6	0	14	14	12	8

27. Demand on the service has increased significantly over the past few months and there are currently people on the waiting list for the hostel accommodation. In November we implemented SWEP (Sever Cold Weather Provision) for 3 nights as temperatures dropped below zero, meaning rough sleepers could access Pathways emergency beds; additional beds and bedding were purchased and extra staff were scheduled to cope with the demand.

### **2. Move-on and Pro-active support for individuals - Stonham (HomeGroup) - £88,000 funded by SCC via Positive Lives Partnership:**

28. Since the end of the P4A contract, Homegroup worked to develop a new model of more effective, sustainable and client-focussed support, to enable people to move on to more

independent living. Homegroup acknowledged that the closure of the P4A contract has created challenges, but has also given the opportunity to develop new, innovative ways of working. The aims fit with the Somerset Homeless Strategy and complement the provision of crisis accommodation outlined earlier.

29. These support services focus on:

- Client-centred services
- Building on an individual's resilience to managing their own housing effectively
- Helping people sustain accommodation in the longer term
- Creating a more holistic, integrated service to encourage positive step changes in the clients lives

30. Key elements of this new service include:

- Health Coach – this 30 hour per week post works with people's ability to better self-manage their lifestyle, health, choices and unlocking their potential. They provide 1-1 support and group work.
- Peer support group and volunteering group for clients once a week. Working with SSVCA to promote volunteering opportunities at the hostel, including creative arts, writing, film, gardening and cookery. Plans ahead to explore opportunities for clients to volunteer in the community.
- Home Achievement Programme twice a week to help clients with the tools required to sustain tenancies in the future. 18 clients to date have completed registration forms; 29 clients are actively involved
- Reform training and Learn Direct. 1 x NVQ has been completed
- Health and wellbeing assessment with every client – help identify primary health and wellbeing support. Reviewed every 3 months.
- Breakfast club and Sunday lunch where clients who have completed their food hygiene certificate are encouraged to help.
- Health & wellbeing workshops/group with local partners – workshops include diet, sexual health, mental health, physical and oral health.
- Support groups including self-esteem, chi-kung, boxercise and healthy walking.

**3. Floating Support Service – Yeovil4Family - £35,000 funded by SSDC (Housing & Welfare budget):**

31. This additional service was commissioned by SSDC in June 2016 as a pilot project to support vulnerable individuals age 25+ who struggle to maintain accommodation and are at risk of homelessness.

32. The project is based on the model built up by Yeovil4Family, who delivered a highly successful 3 year family support programme under Family Focus between 2012-2015, and continue to operate in South Somerset to support families and individuals.

33. Through this project, individuals are referred from a wide range of agencies and their needs are evaluated before they are allocated a Link Worker and, if appropriate, a 1-1 Mentor, for up to a year. Intensive support is offered; it is flexible and tailored in response to individual needs.
34. Funding has been awarded to support up to 20 individuals at any one time through a team of 2.4 FTE Link Workers and 10 trained volunteer mentors.
35. In the first 6 months of the pilot:
  - **23** referrals have been received from a range of agencies including SSDC Environmental Health, SSDC Housing, Health Visitors, Yarlinton, Police, GetSet, Stonham
  - **12** individuals have signed up to the programme and are being supported by a Link Worker and in some cases a mentor
  - Issues they have presented with include drug and alcohol, risk of losing tenancy, disability, mental health issues, relationship breakdown, debt, victims of abuse, isolation/loneliness
  - Progress has already been made with a number of individuals including management of debts, securing tenancies, engaging with support from drug programmes, accessing counselling, health coaches, joining community groups and practical improvements to homes
  - The project is being monitored by the Positive Lives Partnership as a prototype with a view to rolling out the model County-wide if results continue to be successful
36. £35,000 will enable the service to continue throughout 2017/18, subject to evaluation of the initial 12 month pilot.

## **Financial Implications**

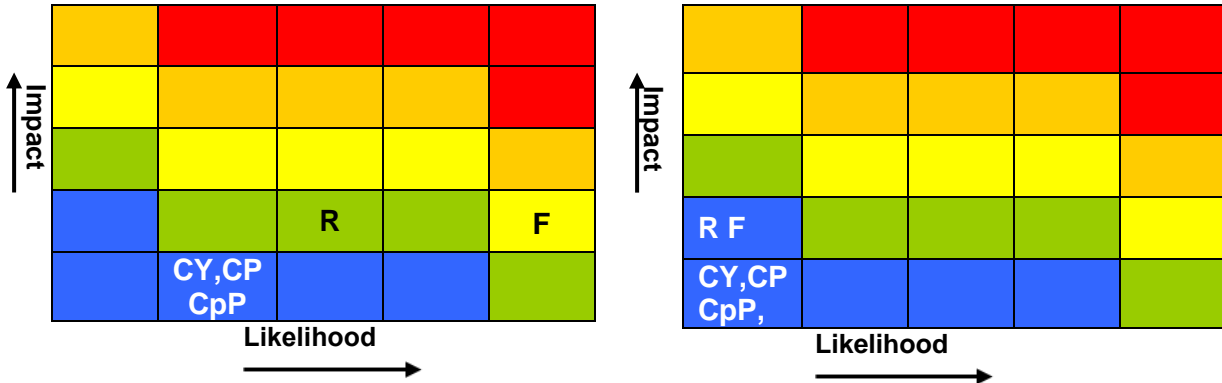
37. It costs £240,000pa to deliver the accommodation and associated housing support services with £80,000 being contributed from housing benefits.
38. If members approve the recommendations then £160,000 will be built into the Housing & Welfare budget for 2017/18 and 2018/19 to enable the continuation of accommodation and associated housing support services to be provided by Stonham at Pathways Direct Access Hostel and Sherborne Road, Yeovil.
39. The government has confirmed that the housing benefit cap for people living in supported accommodation has been deferred until 2019/2020, meaning that we are optimistic the current arrangements for funding this area of work £80,000 per annum can continue until March 2019. However, there is still a risk that this full amount will not be achieved, therefore a regular assessment will be carried out as part of monitoring the Council's balances to ensure this can be funded if necessary. A consultation paper on the proposed funding mechanism from 2019 onwards (and transitional arrangements over the next 2 years) has recently been published and SSDC will be preparing a response.

40. A further carry forward from 2016/17 will also be requested to support the £35,000 for the Floating Support service provided by Y4F in 2017/18.

**Risk Matrix**

**Risk Profile before officer recommendations**

**Risk Profile after officer recommendations**



**Key**

Categories	Colours (for further detail please refer to Risk management strategy)
R = Reputation	Red = High impact and high probability
CpP = Corporate Plan Priorities	Orange = Major impact and major probability
CP = Community Priorities	Yellow = Moderate impact and moderate probability
CY = Capacity	Green = Minor impact and minor probability
F = Financial	Blue = Insignificant impact and insignificant probability

**Council Plan Implications**

**Homes:** Minimise homelessness and rough sleeping  
 Enable people to live independently  
 Work with partners to secure supported hostel and move on accommodation for vulnerable individuals.

**Carbon Emissions and Climate Change Implications**

No implications

**Equality and Diversity Implications**

This proposal seeks to ensure continued provision for some of the most vulnerable and hard to reach people in our district. Stonham operate an effective Equal Opportunities Policy which is specified in our SLA.

**Privacy Impact Assessment**

Our SLA with Stonham (Homegroup) specifies procedures for the handling of personal and confidential information and our obligations under the Data Protection Act 1998.

**Background Papers**

District Executive Agenda and Minutes, April 2016  
 DCLG/DWP Funding for Supported Housing Consultation Paper, November 2016

# Agenda Item 8

## **Council Tax Support Scheme for 2017/18**

*Executive Portfolio Holder:* Peter Seib, Finance and Legal Services  
*Assistant Director:* Donna Parham, Assistant Director (Finance and Corporate Services)  
*Service Manager:* Ian Potter, Revenues and Benefits Manager  
*Lead Officer:* Ian Potter, Revenues and Benefits Manager, Revenues and Benefits  
*Contact Details:* [ian.potter@southsomerset.gov.uk](mailto:ian.potter@southsomerset.gov.uk) or 01935 462690

### **Purpose of the Report**

1. To request that the District Executive recommend the proposed amendments to the Council Tax Support scheme for the 2017/18 financial year to Full Council for approval.

### **Forward Plan**

2. This report appeared on the District Executive Forward Plan with an anticipated Committee date of 5 January 2017.

### **Public Interest**

3. From April 2013 the Government changed the way in which financial help is given to residents to pay their Council Tax. The national Council Tax Benefit scheme was replaced with a local Council Tax Support scheme to help with the costs of Council Tax for those with low incomes. As part of the change the Government also cut the amount of money they give councils towards the scheme by 10%. The original South Somerset scheme was set taking this into account. By January 31<sup>st</sup> each year the council is required to review and set a Council Tax Support scheme for the next financial year.

### **Recommendations**

4. The District Executive is requested to recommend to Council:
  - (a) that personal allowances and premiums are uprated in line with those for Housing Benefit;
  - (b) that non-dependent deductions are uprated in line with the annual percentage increase in Council Tax;
  - (c) that the non-dependent income bands are increased by the same percentage as those in the Prescribed Requirements relating to pensioners;
  - (d) that proposal 2 be approved;
  - (e) that proposals 1, 3 and 4 be rejected;
  - (f) that the hardship scheme budget be set at £30,000 for the 2017/18 financial year;
  - (g) to consider the Equalities Impact Assessment at Appendix 1 in approving (d);

- (h) to consider the public consultation responses in the Equalities Impact Assessment and Scrutiny Task and Finish Group report in approving (d) and (e);
- (i) to consider the interaction of Universal Credit and Tax Credits with the CTS scheme in approving (d);
- (j) to note the recommendations of the Scrutiny Task and Finish Group attached at Appendix 3;
- (k) to note the scheme has been amended to reflect changes to the Prescribed Requirements;
- (l) that the 2017/18 Council Tax Support Scheme (circulated under separate cover as Appendix A) is adopted;
- (m) to note that the proposed Council Tax Support Scheme has been reflected within the overall Council Tax Base.

## **Background**

- 5. The South Somerset Council Tax Support scheme (CTS) was introduced on 1 April 2013 and has now been running for almost four years. Councils are required to review and set their CTS scheme for each financial year by 31 January in the preceding financial year. Applications to the CTS hardship scheme are monitored, along with the Council Tax collection rate and reported to members each quarter.
- 6. We carried out an extensive consultation process prior to the introduction of CTS in April 2013 and the scheme proposals were carefully and fully considered by the Scrutiny Task and Finish Group. Each year we have carried out further consultation and some additional changes have been made to the scheme. It was the view of the Scrutiny and Overview Task and Finish Group that all previously adopted proposals be retained.
- 7. The SSDC Council Tax Support scheme states that certain elements of the needs assessment may be uprated each financial year but does not specify the level of that uprating.
- 8. The Scrutiny Task and Finish Group originally considered the methods of uprating and recommended the following:
  - a. That while Housing Benefit (HB) still exists it would be appropriate for the CTS applicable amount figures (basic need allowance) to mirror those in the HB scheme
  - b. That non-dependent deductions are uprated in line with the annual percentage increase in Council Tax
  - c. That the non-dependent income bands are increased by the same percentage as those in the Prescribed Requirements relating to pensioners

These methods were adopted in the original scheme and have been retained.

## **Equality Impact Assessment**

9. Councils have a legal responsibility to have due regard to the Public Sector Equality Duty (PSED) under section 149 of the Equality Act 2010 when setting a Council Tax Support scheme. There has been a High Court ruling that there was insufficient evidence that members making the decision to implement a CTS scheme had given due regard to the Equality Impact Assessment (EIA) that had been attached to the council report in order that they could discharge their statutory obligation.
10. It is important that members have due regard to the PSED when making their decision on the various scheme proposals.
11. The EIA in Appendix 1 to this report sets out the implications of proposals 1 and 4 to be considered by members and any mitigation or evidence relevant to each of them.

## **Council Tax Support scheme 2017/18 (Year 5)**

### The 15% minimum payment

12. The SSDC CTS scheme requires all working age recipients of CTS to pay a minimum of 15% Council Tax. This level was set for the first year of the scheme and although it was reviewed for the 2016/17 scheme it has remained unchanged.
13. The Scrutiny and Overview Task and Finish Group reviewed the minimum payment level prior to consultation and some research carried out to determine the possible impact of increasing it.
14. The evidence showed that those councils who had increased the minimum payment level had experienced a decline in their Council Tax collection rates and an increase in the level of Council Tax arrears. This leads to an increase in risk of bad debt and in resource demand for the recovery and enforcement of those debts. This risk is further heightened by other Welfare Reforms that are impacting on the working age group. It was therefore determined that it would be counter-productive to increase the minimum payment level for 2017/18.
15. Consideration was also given to reducing the minimum payment. Reducing the minimum payment from 15% to 12.5% would provide extra support in the range of 40p to 74p a week. There is no evidence to suggest that there are widespread affordability issues across the district and such a small increase is unlikely to make a material difference.
16. In addition, although a small increase in support for individual recipients it would increase the cost of the scheme by approximately £250k which would not be supported by the major preceptors given their financial pressures.
17. All of the proposals SSDC consulted on mirror changes to the national Housing Benefit and Pensioner CTS schemes. SSDC has not consulted on any other changes to the CTS scheme for 2017/18.

## **The Proposals in detail**

### Proposal 1 - Removing the Family Premium for all new working age applicants

18. Current scheme: the working age scheme includes a Family Premium in the calculation of the applicable amount for all families with one or more dependent children of £17.45 per week.
19. Proposed new scheme: new claims starting on or after 1 April 2017 from families with one or more dependent children would not have the Family Premium included in their applicable amount. This would make the scheme rules the same as those already in Housing Benefit and the Pension Age Council Tax Support scheme (which came into effect in April 2016).
20. In practice - when a CTS recipient has a first child they will receive child benefit and child/tax credits. This will increase their income (Child Benefit is disregarded but child/tax credits are not). In order for them to not lose out on CTS we would need to continue to award them a Family Premium.
21. Equalities implications – There are no equalities implications if the measure is rejected.
22. It is recommended that this proposal is rejected.

Proposal 2 - Removing the allowance in the calculation for third and subsequent children born after March 2017

23. Current scheme: the working age scheme includes an allowance of £66.90 for each child regardless of how many children are in the household.
24. Proposed new scheme: - The allowance will be limited to a maximum of two for each new claim or existing claims if there is a third or subsequent child born after 31<sup>st</sup> March 2017. This will mirror the restriction to two children in both Tax Credits and Universal Credit and would make the scheme rules the same as those being implemented in Housing Benefit and the Pension Age Council Tax Support scheme from April 2017. Some exemptions apply.
25. Exemptions where the 3rd child is:
  - born before 6th April in existing claims
  - part of a multiple birth where previously fewer than two children
  - born as a result of rape
  - adopted from Local Authority care or
  - part of a sibling group adoption where there were previously fewer than two children in the household
  - at risk and living long term with family or friends (referred to as "kinship care arrangements") as they cannot live with their parents
  - subject of an allowance paid to the claimant by the LA
  - subject to a formal Child Arrangement Order or Special Guardianship Order, or where
  - the claimant is entitled to Guardian's Allowance; and is neither the parent nor step-parent of the child
  - Also a temporary exemption where the claimant's child for whom they receive an allowance has a child. This grandchild will continue to attract an allowance until the young parent reaches 16



26. In practice – Unless an exemption applies, a person who is in receipt of Tax Credits or Universal Credit will not get an extra addition for a third or subsequent child where it is born after 31 March 2017. This means the only additional income they will get for the third or subsequent child is Child Benefit.

Please see worked example of this proposal at Appendix 2

27. Child Benefit is disregarded in CTS so if we continue to give an extra allowance in their applicable amount in our CTS scheme for the third or subsequent child the amount of CTS they get will go up as their income is unchanged in the means test. Not awarding an additional allowance will mean CTS entitlement remaining the same.
28. Equalities implications – There are no implications if this measure is approved.
29. It is recommended that this proposal is approved.

Proposal 3 - Reducing backdating for new claims to one month

30. Current scheme: a working age claim for Council Tax Support can be backdated for up to 26 weeks. If a customer had a good reason for delaying making an application for Council Tax Support they could have their claim start from a date up to 26 weeks earlier.
31. Proposed new scheme: reduce the time limit for backdating to one month. This would make the scheme rules the same as those already in the Housing Benefit scheme and other welfare benefits.
32. No current CTS recipients would be affected by this change on 1 April 2017. It would only affect future claimants.
33. Therefore as at 1 April 2017 this change will not deliver any savings to the cost of the CTS scheme.
34. In order for a claim to be backdated the applicant is required to show “continuous good cause” as to why they were unable to make their claim sooner. This could be because they were seriously ill in hospital for example. Limiting the period of backdating could result in the applicant suffering financial hardship at the same time they are experiencing some other form of hardship or crisis.
35. There are no equalities implications for this proposal.
36. It is recommended that this proposal is rejected.

Proposal 4 - Reducing the period a person can be absent from Great Britain and still receive Council Tax Support.

37. Current scheme: customers can be temporarily absent from their home for up to 13 weeks without it affecting their Council Tax Support, longer in certain circumstances. This is the same if the absence is within Great Britain or not.

38. Proposed new scheme: reduce the period a person can be absent from Great Britain to a maximum of four weeks. This will make the scheme rules the same as those already in the Housing Benefit scheme and other welfare benefits. If a person intends to be away from Great Britain for more than 4 weeks then Council Tax Support would end on the day they leave home. Certain occupations will be exempt such as armed forces.
39. Time temporarily absent within Great Britain will remain the same.
40. No current CTS recipients would be affected by this change on 1 April 2017. It would only affect claimants if at some future point they spent more than four weeks outside Great Britain.
41. Therefore as at 1 April 2017 this change will not deliver any savings to the cost of the CTS scheme.
42. There are equalities issues arising from this proposal. The DWP equality analysis of this measure in Housing Benefit identifies that there may be a greater impact on Asian ethnicity and that this could result in a disproportionate impact on certain religious groups. The proposal would also be problematic and burdensome to administer.
43. There are no equalities implications for this proposal if it is rejected.
44. It is recommended that this proposal is rejected.

#### Other options

45. We also consulted on alternative ways of helping to pay for the Council Tax Support scheme rather than reducing support.

#### Statement 1 – Increase in Council Tax

46. We asked if people would be willing to pay more Council Tax to help pay for the Council Tax Support scheme.
47. 72% agreed or strongly agreed that they would be willing to pay more Council Tax.
48. An increase in Council Tax would increase the overall cost of the scheme as each recipient would be entitled to a higher award. This would reduce the value of the increase.
49. It is recommended that this option is not pursued to help pay for the scheme.

#### Statement 2 – Service cuts

50. We asked if the level and range of local services should be reduced to help pay for Council Tax Support.
51. 82% of respondents did not want to see a reduction in the services provided by SSDC for this purpose.
52. It is recommended that this option is not pursued to help pay for the scheme.

## **Cost of CTS scheme**

53. The number of recipients of CTS has continued to fall during 2016/17 in both the working age and pensioner groups which reduces the overall cost of the scheme. However it is very difficult to determine how long this trend might continue.
54. The cost of the scheme will increase where SSDC and other preceptors put up their share of the Council Tax.

## **Legislation Changes – Prescribed requirements**

55. As at the time of writing we are awaiting details of changes to the prescribed requirements – these are elements of the scheme that are set by central government. Confirmation that these have been received will be given as a verbal update and a revised draft of the scheme will be sent to members.

## **Hardship Scheme**

56. A Hardship Scheme was set up as a safety net for households who could demonstrate they could not afford to pay their Council Tax contribution following the introduction of the SSDC Council Tax Support Scheme.
57. The level of demand in 2016/17 suggests that a Hardship Scheme budget of £30,000 for 2017/18 should be sufficient. This spend is monitored monthly and reported to members each quarter.

## **Council Tax Collection Rate**

58. It was anticipated that the in-year council tax collection rate would fall as a result of the introduction of the CTS scheme in April 2013.
59. There were also a number of changes to Council Tax discounts and exemptions introduced from April 2013 which impacted on the in-year collection rate.
60. The in-year collection rate fell in 2013/14 and again in 2014/15. However, collection performance improved in 2015/16 by 0.21% and this has been matched so far this year despite the total value of Council Tax to be collected rising by £5.1 million (5.9%) compared with last year. We are anticipating a very small rise in the collection rate by the end of the financial year as there are more taxpayers opting to pay over 12 months than last year. This means that we expect to receive more Council tax during February and March 2016 than in those months earlier this year.
61. This suggests that the current Council Tax Support scheme design is not adversely impacting collection rates.

## **Risks**

62. The continued risk is that demand could rise and the current reductions we are seeing in the number of recipients reverses with a downturn in the economy. There is also a risk that reductions in other welfare support might result in an increase in entitlement to Council Tax Support. We will take any such changes into account when considering the Council Tax Support scheme for 2018/19 and beyond. It should be noted that the Task and Finish Group have raised concerns about the ability to make further reductions in the level of Council Tax Support in future years as the burden is placed solely on the

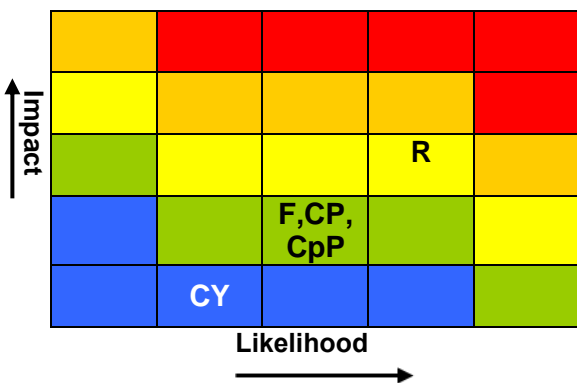
working age recipients while the Government continues to protect pensioners. The Task and Finish Group have also stated that they would like to explore an alternative council tax discount scheme for 2018/19.

## Financial Implications

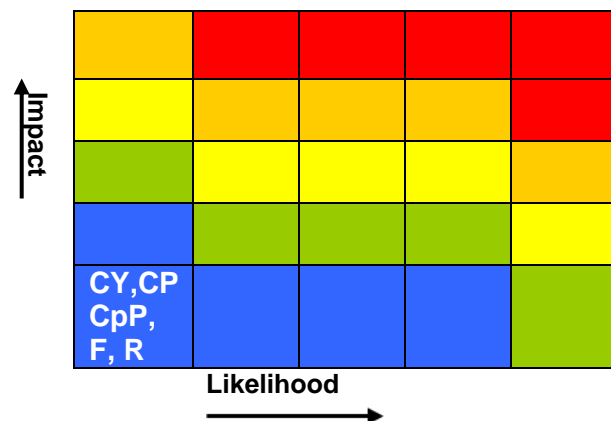
63. If Members agree the recommendations set out in this report there will be no financial implications associated with this report. An estimate of the costs of the CTS scheme along with assumptions for the number of new properties and council tax levels has been reflected within the Council Tax Base for 2017/18.
64. The main reason for review is to ensure that no groups are disproportionately affected by the scheme while balancing the expectations of the Council Tax Payer, the needs of low income households and the available resources.

## Risk Matrix

Risk Profile before officer recommendations



Risk Profile after officer recommendations



### Key

Categories	Colours (for further detail please refer to Risk management strategy)
R = Reputation	Red = High impact and high probability
CpP = Corporate Plan Priorities	Orange = Major impact and major probability
CP = Community Priorities	Yellow = Moderate impact and moderate probability
CY = Capacity	Green = Minor impact and minor probability
F = Financial	Blue = Insignificant impact and insignificant probability

## Council Plan Implications

Council Plan 2016 - 2021

Health and Communities - Support residents through national benefit changes including universal credit

## Carbon Emissions and Climate Change Implications

None associated with this report

## Equality and Diversity Implications

An equalities impact was carried out as part of the introduction of the Council Tax Support Scheme, which has been reviewed and updated for the proposed 2017/18 scheme.

### **Privacy Impact Assessment**

None associated with this report.

### **Background Papers**

- Report to District Executive – January 2016 Item 6
  - Report to District Executive – January 2015 Item 8
  - Report to District Executive – December 2013 Item 10
  - Report to District Executive – January 2013 – item 8
-

## Stage 2:

Outcome of Summary Statement	Summary Statement
High Impact	

### Equality Analysis - Council Tax Reduction Scheme

Date of EqA:	2/3/12	EqA Review Date:	2/12/13	EqA Lead Officer:	Jo Morgan
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#### Part A - Purpose:

Date	Why are you creating the EqA?	What are the main purposes and aims of the policy, strategy and service area?
2/3/12	Budget/ financial decision	<p>Local Support for Council Tax (replacement for Council Tax Benefit)</p> <p>On 17 May 2012 the Department for Communities and Local Government published a document "Localising Support for Council Tax - A Statement of Intent" which contains the following introduction.</p> <p>At Spending Review 2010 the Government announced that it would localise support for council tax from 2013-14, reducing expenditure by 10 per cent. The Government is committed to retaining council tax support for the most vulnerable in society and taking forward plans for councils to develop local council tax reduction schemes. The Welfare Reform Act 2012 contains provisions for the abolition of council tax benefit, paving the way for new localised schemes. This reform is part of a wider policy of decentralisation, giving councils increased financial autonomy and a greater stake in the economic future of their local area.</p> <p>Lifting the poorest off benefits, by supporting them into work is a key Government objective. Local authorities will have a strengthened financial stake in ensuring local schemes support this aim and help to deliver the positive incentives to work that will reduce poverty and reliance on support for council tax in the long term. The Government believes that it is right to protect council tax support for vulnerable pensioners and that this should not be affected as a result of the introduction of this reform. The elderly cannot go back to work - they have saved and worked hard all their lives: they deserve dignity and security in retirement.</p> <p>The Local Government Finance Bill was introduced to Parliament on 19 December 2011. The Bill makes provision for the localisation of council tax support in England by imposing a duty on billing authorities to make a localised council tax reduction scheme by 31 January 2013 and to consult with major precepting authorities and such other persons as it considers likely to have an interest in the scheme about the scheme. The Government has also taken powers in the Bill to prescribe certain classes or</p>

groups who must receive reductions. This will include classes of eligible pensioners, based on the same factors that have determined pensioner eligibility and award under the council tax benefit system. Further powers in the Bill allow the Government to prescribe a default scheme which will take effect if a billing authority has not made a scheme by 31 January 2013, so that they can still administer council tax reductions.

The Government will allocate funding to billing and major precepting authorities to support the provision of the localised schemes.

The Welfare Reform Act 2012 which received Royal Assent on 8 March 2012 abolished the national Council Tax Benefit Scheme with effect from 1 April 2013. The Local Government Finance Act 2012 (which received Royal Assent on 31 October 2012) amends the Local Government Finance Act 1992 to require Local Authorities to design and adopt a local Council Tax Reduction scheme by 31 January 2013 with an implementation date of 1 April 2013. Failure to set a scheme will result in the Government imposing the 'Default Scheme'. Government will set the entitlement and award criteria for people who have reached the qualifying age for State Pension Credit, but have given Local Authorities flexibility in setting criteria for people of working age. The policy is expected to realise national savings of between £480 and £500 million.

#### 1. Timescale for delivery

The local scheme must be set on or before 31 January 2013. The Government timetable for preparation and implementation of a scheme is extremely challenging and there is a risk that the implementation date cannot be met. Scheme design cannot commence until the funding arrangements are confirmed, both in terms of how much grant we will receive for 2013/14 to award to claimants, and crucially the level of administration grant we will receive. If a scheme has not been set by this date, then Government will impose the 'Default Scheme', which is essentially the current Council Tax Benefit Scheme but with the stated funding cut of approximately 10% leaving the authority, and the major precepting authorities with a budget shortfall.

#### 2. Funding arrangements

Government funding for the local scheme awards in 2013/14 will be approximately 10% lower than the council tax benefit awarded in 2010/11 (£10.1m), for South Somerset this is a reduction of approximately £1 million. We estimate that spend for 2013/14 under the current benefit scheme would be £11 million, given the increasing caseload, effectively representing a further loss of up to £1 million. At present we have no indication what the administration grant will be for this scheme, but local authorities are already seeing this cut year on year. For SSDC it will be £50,000 lower in 2012/13 than in 2011/12. [We now know that it has been cut by a further £84k for 2013/14].

#### 3. Next steps

Officers from the five Somerset District Councils will attempt to design a county-wide scheme and have been tasked by Members with designing a 'cost-neutral' scheme. They will meet to identify possible measures that will reduce the cost of providing Council Tax support in the local scheme. Some or all of those measures will then be put out to public consultation (Which measures are

	<p>consulted on will be determined by the Scrutiny Task and Finish Group). This Task and Finish Group will be a cross party group and will carry out a Scrutiny role, working in parallel with the Officer Group throughout the duration of the project.</p> <p>We will consult the major precepting authorities first (in line with the rules set out by Government), followed by a public consultation. The methodology for this is set out below.</p> <p><b>Current Council Tax Benefit (CTB) Recipients.</b>          We will send all current working age CTB recipients a paper copy of the consultation form as this is the group that would be directly affected by the proposed local scheme. This can be returned to one of our offices or using a FREEPOST address. The consultation form will also be made available in easy read format and both formats will be available to be completed on-line.</p> <p><b>All SSDC residents.</b>          We will send a postcard to all households in South Somerset raising awareness that the consultation is taking place and directing them to either our website for more information about the proposals and to complete an on-line form, and that paper versions (including the easy read format) are available from all SSDC offices or by request.</p> <p><b>Drop-in sessions.</b>          We will hold four drop-in sessions, one in each area of our district to enable residents to find out more about the proposals, ask questions, and complete a consultation form.</p> <p><b>Consultation Helpline.</b>          We will set up a consultation helpline offering advice to residents about the scheme proposals and help with completing a consultation form.</p> <p><b>Further awareness raising.</b>          We will use posters to raise awareness of the consultation process, and these will be displayed in all SSDC offices, and sent to all 121 Town and Parish Council Clerks, libraries, Children’s Centres and major supermarkets.</p> <p><b>Other measures.</b>          We will engage with voluntary groups through our Equality Steering Group and the South Somerset Association for Voluntary and Community Action and invite a response from them, together with members of the clergy.</p> <p><b>Analysis.</b>          The consultation will invite respondents to indicate whether they agree or disagree with each proposal along with a free text box to tell us how the proposal would impact on them. An analysis of both the quantitative and qualitative responses will be undertaken.</p>
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#### Setting a scheme.

A report will be taken to elected members together with an evidence base for a decision to be made on the design of the South Somerset Council Tax support scheme in December 2012.

#### Outcome of consultation.

##### Profile of respondents

A total of 1,185 people responded to the South Somerset Council Tax consultation of whom five were completing it on behalf of an organisation. Charts showing the characteristics of participants are attached in the appendix and summarised below:

- Council tax: 85 per cent said they were liable to pay council tax and 40 per cent said they currently received council tax benefit.
- Parents: 23 per cent said they had pre-school or school age children in their household.
- Armed forces: only five individuals said they currently served in the armed forces.
- Ethnicity: 97 per cent described themselves as White. The next largest groups were White Other (2 per cent) and Asian (1 per cent).
- Religion or belief: 61 per cent said they had a religion or belief.
- Carers: 19 per cent said they provided care for someone such as a parent, child or elderly person.
- Disability: A quarter (25 per cent) considered themselves to have a disability.
- Sexual orientation: 98 per cent said they were heterosexual and one per cent were gay men.
- Age: Nearly two-thirds (65 per cent) were aged between 35 and 64, the remainder were 18-34 (11 per cent) or 65 and over (24 per cent).
- Gender: 53 per cent of respondents were female and 47 per cent male.

##### South Somerset Equalities Profile (produced September 2009)

Ethnicity - White 97.1% 0.8% Mixed White 0.8% Asian or British Asian

Religion or belief - 78.75% said they had a religion or belief

Disability - approx. 18.2% reported having a long term limiting illness, health problem or disability limiting activities or work (2011 census) (was approximately 17% in 2001 census)

Sexual orientation - 2001 Census showed 118 people living in same sex couples = less than 1% of population

Age - age categories are different to those used in the CTR consultation - Estimate around 45 -50% are aged between 35 and 64

Gender 51% are Female and 49% are Male

Gender (Housing and Council Tax Benefit claimants) 58% female 37% male (5% not stated)

The profile of our consultation respondents compared with the Equalities Profile [EP] shows a fairly close match across the characteristics. A higher percentage of people aged 35 to 64 responded to the consultation than in the EP, however this is likely to be due to the fact that the changes to Council Tax support will only impact working age claimants as pensioner claimants are protected.

Summary of the Consultation Responses to the proposed scheme measures for the South Somerset District Council scheme. (the responses do not always add up to 100% due to rounding). They are ordered by level of agreement with the proposal. In the consultation respondents had the option to say strongly agree / agree / disagree / strongly disagree. In the analysis below we have added together those in agreement, and similarly those that disagreed.

G: Increase the amount that other adults living as part of the household are treated as contributing towards the Council Tax - 80% responded that they agreed with the proposal, 20% disagreed.

H: End Second Adult Rebate for working age people - 80% responded that they agreed with the proposal, 21% disagreed.

C: Include all adult maintenance when calculating Council Tax support - 76% responded that they agreed with the proposal, 24% disagreed.

F: Include all money received from Boarders when calculating Council Tax support - 74% responded that they agreed with the proposal, 26% disagreed.

I: Increase the amounts of earned income which we ignore when calculating Council Tax support - 74% responded that they agreed with the proposal, 27% disagreed.

A: To restrict the maximum amount of support we can award to 75% (or  $\frac{3}{4}$ ) of the Council Tax charge - 68% responded that they agreed with the proposal, 31% disagreed.

B: All child maintenance received will be included when calculating Council Tax support - 63% responded that they agreed with the proposal, 37% disagreed.

D2: Ignore Child Benefit for the first child, but include Child Benefit for any other children in the household when calculating Council Tax support - 52% responded that they agreed with the proposal, 48% disagreed.

D1: Include all Child Benefit when calculating Council Tax support - 48% responded that they agreed with the proposal, 52% disagreed.

In the evidence section of this EqA we have included the analysis report that covered the Somerset area (note that Sedgemoor had a different scoring system and so have not been included).

Number of cases (working age) affected by each measure.

Proposal A - percentage reduction in the maximum entitlement = 6123 all cases (approximately 4000 of these currently do not pay any Council Tax)  
 Proposal B - Include child maintenance as income = 306 cases  
 Proposal C - Include adult maintenance as income = Included with Proposal B  
 Proposal D1 - Include all Child Benefit as income = 1308 cases  
 Proposal D2 - Disregard Child Benefit for first child and include Child Benefit for other children as income - NO LONGER POSSIBLE to include this option in scheme (software limitations)  
 Proposal E - Include all Sub-tenant payments as income = 4 cases  
 Proposal F - Include all Boarder payments as income = 1 cases  
 Proposal G - Increase level and scope of non-dependant deductions = 300 cases  
 Proposal H - Abolish Second Adult Rebate - 74 cases

### **Proposed changes to the Council Tax Support scheme for 2016/17**

By 31<sup>st</sup> January each year the council is required to set a scheme for the coming financial year. Officers from the five Somerset District Councils, along with a technical expert consultant, have worked together throughout 2015 reviewing current scheme design and considering possible changes to the current South Somerset scheme.

The Scrutiny Task and Finish Group that worked on the original scheme were reconstituted to work with SSDC officers and in parallel with the Somerset Officer Group.

#### How we decided what to consult on

The Somerset Officer Group put together a list of possible amendments to the 2015/16 scheme, and this list was presented to and considered by members of the Scrutiny Task and Finish Group. The following proposals were agreed to go out to consultation.

#### The proposals

Proposal A - Reduce the amount of savings you can have and still receive Council Tax Support from £16,000 to £6,000

Proposal B - Introduce a self-employed minimum income

Proposal C - Introduce a Council Tax Band cap

	<p>Proposal D - Increase the Income taper for those not working while keeping the current lower income taper for those in work</p> <p>We also consulted on two alternative ways of helping to pay for the Council Tax Support scheme.</p> <p>Statement 1 – I would pay more Council Tax to help pay for Council Tax Support</p> <p>Statement 2 - The level and range of local services should be reduced to help pay for Council Tax Support.</p> <p><u>Who and how we consulted</u></p> <p>We wrote to all households that would be affected by one or more of the proposals, summarising those proposals and directing them to the on-line consultation survey. The letter advised that paper forms were available by calling the council (this was a dedicated consultation helpline) and that an easy read version of the form was also available.</p> <p>We sent an e-mail to 2500 council tax and council tax support households inviting them to take part in the consultation.</p> <p>We included a small poster about the consultation with council tax bills issued over a two week period - approximately 2000 households received this.</p> <p>We included a small poster about the consultation with 500 benefit award letters issued over a three week period.</p> <p>We wrote to a range of groups and organisations seeking their views on the proposals.</p> <p>We issued a press release about the consultation with details about what we were consulting on, how to take part and when it would close.</p> <p>We sent regular messages across social media (Twitter and Facebook) and placed a message banner on the Council’s website homepage.</p> <p>We put full details of the consultation on the Benefits web page with a link through to the on-line consultation survey.</p> <p>We wrote to all Town and Parish clerks (121 of them) to make them aware that the consultation was taking place, giving them the</p>
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	<p>opportunity to take part and also to aid them if any of their residents raised questions with the town or parish council.</p> <p>We put up posters in all SSDC offices.</p> <p><u>Number of households affected by each proposal</u></p> <p>Proposal A - Reduce the amount of savings you can have and still receive Council Tax Support from £16,000 to £6,000 = 83 households affected</p> <p>Proposal B - Introduce a self-employed minimum income = 393 households affected</p> <p>Proposal C - Introduce a Council Tax Band cap = 254 households affected</p> <p>Proposal D - Increase the Income taper for those not working while keeping the current lower income taper for those in work = 311 households affected</p> <p>Statement 1 – I would pay more Council Tax to help pay for Council Tax Support. This would affect all council tax payers = approximately 75,000</p> <p>Statement 2 - The level and range of local services should be reduced to help pay for Council Tax Support. This would affect service users of affected services.</p> <p><u>Consultation responses</u></p> <p>We had a total of 276 responses which gives us a 95% confidence level with 6% margin of error.</p> <p>Proposal A - Reduce the amount of savings you can have and still receive Council Tax Support from £16,000 to £6,000 – 58% stated that they agreed with the proposal, 42% disagreed.</p> <p>Proposal B - Introduce a self-employed minimum income - 46% stated they agreed with the proposal, 54% disagreed</p> <p>Proposal C - Introduce a Council Tax Band cap - 47% stated they agreed with the proposal, 53% disagreed</p> <p>Proposal D - Increase the Income taper for those not working while keeping the current lower income taper for those in work - 57%</p>
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stated they agreed with the proposal, 43% disagreed

Statement 1 – I would pay more Council Tax to help pay for Council Tax Support. This would affect all council tax payers - 46% stated that they would be willing to pay more Council Tax

Statement 2 - The level and range of local services should be reduced to help pay for Council Tax Support. This would affect service users of affected services. - 60% of respondents stated they did not want to see a reduction in the services provided by SSDC for this purpose.

Profile of respondents

Answer Options	Response Percent	Response Count
0 to 17	0.0%	0
18 to 24	3.0%	7
25 to 34	12.2%	28
35 to 49	31.3%	72
50 to 64	40.4%	93
65 to 74	8.3%	19
75+	2.2%	5
Prefer not to say	2.6%	6
<i>answered question</i>		<b>230</b>
<i>skipped question</i>		<b>46</b>

Answer Options	Response Percent	Response Count
Male	36.1%	82
Female	59.9%	136
Prefer not to say	4.0%	9
<i>answered question</i>		<b>227</b>
<i>skipped question</i>		<b>49</b>

Do you consider yourself to have a disability?		
Answer Options	Response Percent	Response Count
Yes	16.7%	38
No	79.3%	180
Prefer not to say	4.0%	9
<i>answered question</i>		<b>227</b>
<i>skipped question</i>		<b>49</b>

Answer Options	Response Percent	Response Count
Mental Health	32.4%	11
Hearing Impairment	14.7%	5
Sight Impairment	5.9%	2
Physical Disability	55.9%	19
Learning Disability	8.8%	3
Other	14.7%	5
<i>answered question</i>		<b>34</b>
<i>skipped question</i>		<b>242</b>

Do you provide care for anyone (e.g a parent, child, other relative, friend who has any form of disability, long term or terminal illness)		
Answer Options	Response Percent	Response Count
Yes	15.0%	34
No	85.0%	192

<i>answered question</i>								226
<i>skipped question</i>								50
<b>How would you describe your ethnic origin?</b>								
<b>A) White</b>								
<b>Answer Options</b>	<b>English</b>	<b>Welsh</b>	<b>Scottish</b>	<b>Northern Irish</b>	<b>Irish</b>	<b>Gypsy or Irish Traveller</b>	<b>Other White Background</b>	<b>Response Count</b>
I am	194	4	3	0	0	0	8	209
<b>B) Asian or Asian British</b>								
<b>Answer Options</b>	<b>Indian</b>	<b>Pakistani</b>	<b>Bangladeshi</b>	<b>Chinese</b>	<b>Other Asian Background</b>	<b>Response Count</b>		
I am	0	0	0	0	1	1		
<b>C) Mixed / Multiple ethnic Background</b>								
<b>Answer Options</b>	<b>White &amp; Black Caribbean</b>	<b>White &amp; Black African</b>	<b>White &amp; Asian</b>	<b>Other Mixed / multiple background</b>	<b>Response Count</b>			
I am	0	0	0	1	1			
<b>D) Black or Black British</b>								
<b>Answer Options</b>	<b>Caribbean</b>	<b>African</b>	<b>Other Black Background</b>	<b>Response Count</b>				
I am	0	0	0	0				
								<b>Question Totals</b>
<b>E) Other ethnic group (please state)</b>								11
<i>answered question</i>								210
<i>skipped question</i>								66



Are you currently receiving Council Tax Support?		
Answer Options	Response Percent	Response Count
Yes	37.7%	86
No	62.3%	142
<i>answered question</i>		<b>228</b>
<i>skipped question</i>		<b>48</b>

Are you or your partner?		
Answer Options	Response Percent	Response Count
In full or part-time work	70.6%	125
Self-employed	33.9%	60
<i>answered question</i>		<b>177</b>
<i>skipped question</i>		<b>99</b>

Do you have pre-school or school age children in your household?		
Answer Options	Response Percent	Response Count
Yes	30.7%	70
No	69.3%	158
<i>answered question</i>		<b>228</b>
<i>skipped question</i>		<b>48</b>

Are you currently serving in the Armed Forces?		
Answer Options	Response Percent	Response Count

Yes	0.9%	2
No	99.1%	223
<i>answered question</i>		<b>225</b>
<i>skipped question</i>		<b>51</b>

## Proposed Changes for 2017/18 scheme

Proposal 1 - Removing the Family Premium for all new working age applicants

Proposal 2 - Removing the allowance in the calculation for third and subsequent children born after March 2017

Proposal 3 - Reducing backdating for new claims to one month

Proposal 4 - Reducing the period a person can be absent from Great Britain and still receive Council Tax Support.

We also consulted on two alternative ways of helping to pay for the Council Tax Support scheme.

Statement 1 – Increase in Council Tax

Statement 2 – Service cuts

### Who and how we consulted

We included a small poster about the consultation with council tax bills and Housing Benefit/Council Tax Support letters issued over several weeks - approximately 7,500 households received this.

We wrote to a range of groups and organisations seeking their views on the proposals.

We sent regular messages across social media (Twitter and Facebook) and placed a message banner on the Council’s website homepage.

We put full details of the consultation on the Benefits web page with a link through to the on-line consultation survey.

We wrote to all Town and Parish clerks (121 of them) to make them aware that the consultation was taking place, giving them the opportunity to take part and also to aid them if any of their residents raised questions with the town or parish council.

We put up posters in all SSDC offices.

Extended by a further two weeks to try to encourage representatives of vulnerable and minority groups to participate.

Number of households affected by each proposal

None of the four proposals in the consultation would have an impact on current recipients on 1 April 2017. They all relate to future changes in circumstances (proposals 1, 2 and 4) or new claims after 1 April 2017 (proposal 3)

We had a total of 51 responses as set out below.

Proposal 1 Removing the family premium for all new working age applicants

	Responses
Strongly Agree	12
Agree	26
Disagree	5
Strongly Disagree	4

Proposal 2 Removing the allowance in the calculation for third and subsequent children born after March 2017

	Responses
Strongly Agree	19
Agree	19
Disagree	6
Strongly Disagree	4

Proposal 3 Reducing backdating for new claims to one month

	Responses
Strongly Agree	7

Agree	17
Disagree	19
Strongly Disagree	5

Proposal 4 Reducing the period a person can be absent from Great Britain and still receive Council Tax Support

	Responses
Strongly Agree	36
Agree	11
Disagree	3
Strongly Disagree	0

Paying for the Council Tax Support Scheme – We would like to give your opinion on the following statement 1 – Council Tax Example – If you live in a Band D property an increase of 1.99% in the South Somerset District Council Charge would cost you an extra £3.00 per year and raise £175,000. In respect of this statement do you :

	Responses
Strongly Agree	15
Agree	22
Disagree	8
Strongly Disagree	6

Service Cuts – The level and range of local services should be reduced to help pay for Council Tax Support. Example – If the council were to reduce support for leisure activities by £175,000 it could affect your local swimming pool, country park or play area, in respect of this statement do you:

	Responses
Strongly Agree	5
Agree	4
Disagree	22
Strongly Disagree	20

Are you currently receiving Council Tax Support?

			Responses
		Yes	4
		No	46
Are you liable to Pay Council Tax?			
			Responses
		Yes	48
		No	1

**Evidence used in the EqA**

[Child poverty Somerset 2012.pdf](#)

[Communications plan - CTR.doc](#)

[Vulnerability assessment doc for ESG 26 June 2012 VERSION 1.doc](#)

[South Somerset Council Tax Consultation Report Chrysalis Research.docx](#)

[The State of Somerset Final\[1\].pdf](#)

[SCC Council Tax Reduction consultation common questions across Somerset - Chrysalis Research.docx](#)

**Evidence**

The Task and Finish group met on the following dates:

12 March 2012, 2 April 2012, 17 April 2012, 1 May 2012, 8 May 2012, 22 May 2012, 30 May 2012

The workshop for all members was on 3 July 2012

18th July 2012, 8 August 2012, 29 August 2012, 19 September 2012, 2 October 2012, 16 October 2012, 22 October 2012, 30 October 2012, 6 November 2012, 13 November 2012, 20 November 2012

**2016/17 Scheme – The Task and Finish Group met on the following dates:**


22 January 2015, 19 February 2015, 24 June 2015, 13 August 2015, 24 September 2015


2017/18 Scheme – Task and Finish Group meeting dates:



29 April 2016, 13 June 2016, 23 September 2016, 23 May 2016, 14 July 2016

**Part B - Effect on protected characteristic:**





**Positive Impact(s)/ Mitigation:**


	Positive Impact	Positive Impact
	<p>Age</p>	<p>Pensioners. Government has legislated to protect those receiving CTB that have reached the qualifying age for State Pension Credit from the impact of the localisation of Council Tax support. Pensioners are therefore not affected by any of the proposed Council Tax Reduction scheme measures. This protection will also apply to new claims to CTR from pensioners who have not received CTB.</p> <p>Working age. Households with children. The Council has a statutory duty to prevent child poverty under the Child Poverty Act 2010. The 'Applicable Amount', used in the means test, is made up of Personal Allowances and Premiums. There are certain premiums that relate to dependent children up to 16 years old and in certain circumstances dependent young persons up to the age 20. The premiums are:</p> <p>Dependent child/young person Premium £64.99 a week Disabled Child Premium £56.63 a week Family Premium £17.40</p> <p>These rates are for the 2012/13 financial year and are normally uprated annually.</p> <p>These premiums will be retained in the local scheme.</p> <p>Earnings. In the current CTB scheme there is an earned income disregard for lone parents of £25 a week. In the proposed local scheme this will be increased to £37.50 a week</p>

		<p>In the current CTB scheme there is an earnings disregard in respect of child care charges of up to £175 a week for one child and up to £300 a week for 2 or more children where the claimant (and partner) meet certain conditions. Principally this is that they work more than 16 hours a week. These disregards are retained in the local scheme.</p> <p>In the current CTB scheme there is an additional earnings disregard of £17.10 a week where the claimant or partner receives the 30 hours element in their Working Tax Credits. This disregard is retained in the local scheme.</p> <p>Other working age earned income disregards. The local scheme also proposes to increase the earnings disregard for single people from £5 a week to £10 a week, and for couples from £10 a week to £20 a week.</p>
	<p>Disability</p>	<p>In the Council Tax Benefit scheme (CTB) means test calculation income is compared to the 'Applicable Amount', which is a level set by Government and represents the basic needs level. The applicable amount is made up of personal allowances and additional premiums. There are a number of additional premiums which relate to disability, recognising that there are additional living costs for those who are disabled. The premiums are:</p> <p>Disability Premium - two rates, single person and a couple Enhanced Disability Premium - three rates, single person, couple, disabled child rate Severe Disability Premium - three rates, single person, couple (lower rate), couple (higher rate) Disabled Child Premium</p> <p>These premiums will be retained in the local scheme.</p> <p>Earnings In the current CTB scheme there is an enhanced earned income disregard for those with a disability or someone who has a long term sickness of £20 a week. The scheme proposes to increase this to £30 a week.</p> <p>In addition a weekly earnings disregard applies to people receiving Employment and Support Allowance (Contributory), Incapacity Benefit or Severe Disablement Allowance who are allowed to earn up to £20 a week (lower limit) and £97.50 a week (upper limit) (2012/13 rates) from permitted work without it affecting those benefits. The upper limit of £97.50 is set at 16 times the national minimum wage and therefore increases accordingly. There is an equivalent disregard in CTB. The local scheme will retain this equivalent disregard.</p> <p>In the current CTB scheme the following disability related incomes are fully disregarded:</p> <p>Disability Living Allowance - Mobility component</p>


		<p>Disability Living Allowance - Care component Any benefit treated as Attendance Allowance</p> <p>These disregards will be retained in the local scheme.</p> <p>Council Tax legislation. Within the Council Tax regulations there is a provision to reduce by one Council Tax Band (A Disabled Band Reduction) the charge in certain cases where a premises has been adapted for a person who is substantially permanently disabled.</p> <p>Persons meeting severe mental impairment conditions set out in the Council Tax regulations are exempt from paying Council Tax.</p>
	<p>Gender Reassignment</p>	<p>We do not hold details of claimants or the number of claimants receiving Council Tax Benefit who share this protected characteristic. Gender reassignment is not a factor in determining entitlement to Council Tax Benefit and it will not be a factor in the local scheme.</p> <p>Claimants who have this protected characteristic will not be disproportionately adversely affected by the proposed changes to the Council Tax Benefit scheme in the local scheme design.</p>
	<p>Marriage and Civil Partnership</p>	<p>The current Council Tax Benefit rules specify the following rules for couples for the purposes of eligibility to claim.</p> <p>A couple is defined as;</p> <ul style="list-style-type: none"> <li>- A man and woman who are married to each other</li> <li>- A man and woman who are not married but live together as 'man and wife'</li> <li>- Two people of the same sex who are married or civil partners</li> <li>- Two people of the same sex who are not married or civil partners but live together as if they were married or civil partners</li> </ul> <p>These eligibility rules are retained in the local scheme and those with this protected characteristic will not be disproportionately affected by the proposed local scheme measures.</p> <p>Polygamous Marriages. The current CTB rules contain an additional allowance for each additional member of a polygamous marriage when calculating the applicable for the household. The local scheme will retain the rules for those in polygamous marriages.</p>












	<p>Pregnancy and Maternity</p>	<p>In CTB pregnancy is not a determining factor. This is no addition to a single person or couple applicable amount by virtue of pregnancy. The local scheme does not propose any changes to the CTB rules or new rules. Therefore the local scheme will not disproportionately adversely affect women based on them being pregnant.</p>
	<p>Race</p>	<p>Race is not a factor in determining CTB and will not be in the local scheme. One of the local scheme proposals is to limit the maximum support that can be given to a certain percentage of the Council Tax liability rather than restricting to a Council Tax band. The latter could have had the effect of disproportionately adversely affecting people with larger families in higher banded properties. As the former measure is the one proposed the local scheme will not disproportionately adversely affect people based on their race.</p> <p>The Government will define a 'class of persons' who will be excluded from receiving Council Tax Support (in the same way as they do now for CTB). The restrictions will affect foreign nationals with certain immigration status and non-economically active individuals from the European Economic Area. South Somerset D.C. will be bound by the Government's rules.</p>
	<p>Religion or Belief</p>	<p>Religion and Belief is not a determining factor for CTB (save for polygamous marriages) and will not be a determining factor for the local scheme.</p> <p>The additional allowance present in CTB for members of a polygamous marriage in the calculation of the applicable amount will be retained in the local scheme.</p> <p>Claimants will not be disproportionately adversely affected by the proposed local scheme measures.</p>
	<p>Rural Isolation (i.e. Carers and Armed Forces Communities)</p>	<p>Carers. In the calculation of the applicable amount for the means test a single person is entitled to a premium on top of their personal allowance (the Carer Premium) if they are entitled to the Carers Allowance. In the case of a couple, they can get one Carer Premium if one of them is entitled to Carers Allowance, or two if they are both entitled to it. In the case of a polygamous marriage a Carer Premium is awarded for each member of the marriage who is entitled to Carers Allowance.</p> <p>Armed Forces Communities. Under a local scheme SSDC currently disregards in full War Widows and War disablement pensions, together with Armed Forces Compensation Scheme payments, and we will continue to do so in the local Council Tax Reduction scheme.</p>
	<p>Sex</p>	<p>Overall SSDC has a greater number of single male than single female CTB claimants; however there are slightly more single female claimants in the Working Age (other) group. There are significantly more female lone parents to male lone parents, where the ratio is approximately 9 to 1. As a consequence of the caseload make-up, more</p>

		<p>females will be affected by some of the proposed measures in the local scheme than males. In particular this will be the proposed removal of the disregard of Child Benefit and Child Maintenance. These measures mean that those incomes would be taken into account in the calculation of entitlement to Council Tax support. The means test calculation is progressive resulting in a larger reduction in support the higher the income received.</p> <p>Sex (gender) is not a determining factor in determining CTB and it will not be in the local scheme. Therefore, claimants will not be disproportionately adversely affected by the proposed local scheme on the basis of their sex (gender).</p>
	Sexual Orientation	<p>Sexual orientation is not a determining factor for CTB and will not be a determining factor in the local scheme. Claimants with this protected characteristic will not be disproportionately adversely affected by the proposed local scheme measures.</p>

**Negative Impact(s) that require no action:**

	Type	Negative Actions that require No Action
	<u>Age</u>	<p>Working age - The Government have legislated that if the funding reduction is passed on to current Council Tax Benefit recipients, it cannot be passed on to those claimants who have reached the qualifying age for State Pension Credit and it is therefore the working age group who would be expected to bear the cost.</p> <p>Families with children - low income families may be disproportionately affected [mitigation “The increase in the earned income disregard will help working families on a low income”. The proposal to include Child Benefit as an income was not taken forward.”]</p> <p>Adult child living at home - expectation that the person that pays the Council tax will pay a higher contribution based on that adult child's income (i.e. the higher their income the greater the contribution they would be expected to pay). It is also proposed to introduce non-dependant deductions in cases where that non-dependant receives a passported benefit (currently they are not expected to contribute anything) This could lead to adult son/daughter being asked to leave if they choose not pay the contribution.</p> <p>Lone parents - low income households</p> <p><u>Added for 2016/17 scheme proposals</u></p> <p>A high proportion (40%) of CTS recipients who are self-employed are lone parents which may be due to their</p>

		<p>caring responsibilities and who could be disproportionately affected by the proposal to introduce a self-employed minimum income. The recommendation is that this proposal is not included in the 2016/17 scheme.</p> <p><u>Added for 2017/18 scheme proposals</u></p> <p>Removal of the Family Premium - Couples with children and lone parents who claim on or after 1 April 2017 would receive less CTS than those in receipt of CTS (whose applicable amount includes a Family Premium) on 31 March 2017. The recommendation is that this proposal is not included in the 2017/18 scheme.</p>
	<u>Disability</u>	<p>Some people with disabilities may require a larger house to meet adaptation requirements</p> <p>Can be more dependent on benefits as a result of disablement</p> <p><u>Added for 2016/17 scheme proposals</u></p> <p>A significant proportion of those in the non-working group are unable to move in to work and receive long-term out of work benefits. The proposal to increase the income taper in the non-working group would have a detrimental effect on those unable to increase their income by moving into work. The recommendation is that this proposal is not included in the 2016/17 scheme.</p>
	<u>Gender Reassignment</u>	
	<u>Marriage and Civil Partnerships</u>	
	<u>Pregnancy and Maternity</u>	
	<u>Race</u>	<p>Larger families part of culture</p> <p>Employment patterns and earning levels are different for different ethnic groups - could have disproportionate impact of some groups</p> <p><u>Added for 2016/17 scheme proposals</u></p>

		<p>One of the proposals is to restrict the liability used in the calculation of council tax support to a Band C. This might have had a detrimental impact on families from minority ethnic groups who have larger families are part of their culture. Analysis of the 43 larger families who would be affected by the proposal shows that:</p> <p>33 households have indicated they are white British, 2 households British, 1 household white Irish and in the other 7 cases we do not hold details of their ethnic group.</p> <p>Larger families are those with four or more children.</p> <p><u>Added for 2017/18 scheme proposals</u></p> <p>Proposal - Reducing the period a person can be absent from Great Britain and still receive Council Tax Support. There are equalities issues arising from this proposal. The DWP equality analysis of this measure in Housing Benefit identifies that there may be a greater impact on Asian ethnicity and that this could result in a disproportionate impact on certain religious groups. The proposal would also be problematic and burdensome to administer.</p> <p>The recommendation is that this proposal is not included in the 2017/18 scheme.</p>
	<p><u>Religion or Belief</u></p>	
	<p><u>Rural Isolation (i.e. Carers and Armed Forces Communities)</u></p>	<p>Carers may be more dependent on benefits as it is more difficult to undertake work in addition to their caring responsibilities.</p>
	<p><u>Sex</u></p>	
	<p><u>Sexual Orientation</u></p>	

**Negative Impact(s) that require action and any other appropriate actions:**

Type	Negative Impact Name (if applicable)	Impact Detail (if applicable)	Action Required (if any)	By When?	Resource	Outcome	Performance Measure	Status	Progress
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**Part C - Conclusion:**

Date	Conclusion	Comments
5/12/12	Adjust the policy/ amend service	

**Supporting Documentation/ Links**

[Equality Steering Group Notes June 2012 V1.pdf](#)

GED met?	Please comment/ explain how you will meet the General Equality Duty (GED)?
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Yes	<p>The GED has been met by ensuring a comprehensive an inclusive approach to consultation on the proposed CTR scheme measures. We have engaged with our Equality Steering Group who endorsed our approach. We have raised awareness of the consultation in a variety of ways and offered a wide range of opportunities for all interested parties to take part and give us their views for consideration.</p> <p><u>Added for 2016/17 scheme proposals</u></p> <p>The GED continues to be met by ensuring a comprehensive and inclusive approach to the consultation of the proposed amendments to the Original CTR scheme. We have considered the possible impact of those proposals on each of the protected characteristics, how they might affect our current CTR recipients, and reflected this in the recommendations for the proposed amendments.</p> <p><u>Added for 2017/18 scheme proposals</u></p> <p>The GED continues to be met by ensuring a comprehensive and inclusive approach to the consultation of the proposed amendments to the Original Council Tax Support (CTS) scheme. We have considered the possible impact of those proposals on each of the protected characteristics, how they might affect our current CTS recipients, and reflected this in the recommendations for the proposed amendments.</p>
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Part D - Sign Off:		
Person	Approved?	Day
<b>Equality Steering Group Sign Off Date</b>	<b>Comments</b>	
13/9/12	<p>Equality Steering Group (ESG) initial consultation took place on 26 June 2012. The objective for this initial consultation is to seek the ESG's views on:</p> <ul style="list-style-type: none"> <li>-The proposed scheme Principles</li> <li>-Possible measures for each Principle</li> <li>-Possible mitigation of the impact of the measures</li> <li>-The consultation process</li> </ul> <p>A number of case studies were to help the ESG look at implications and possible impact of Principles on any of the Protected Characteristics. A full discussion was held with all comments taken into account and passed on to members to inform their decision making process.</p> <p><u>Added for 2016/17 scheme proposals</u></p> <p>The Equality Steering Group was consulted on proposals for changes to the current scheme which will take effect from 1 April 2016. Responses to the consultation were considered by the Task and Finish Group when making their recommendations.</p>	
<b>Stage 2 Community Cohesion Officer Approval</b>		<b>Date and Comments</b>
Jo Morgan		05/12/12  For 2016/17 scheme – 24/09/2015

**Proposal: Limit allowances to 2 children only**

From April 17 the Government is proposing to limit Child Tax Credits and the Child allowance in HB and Universal Credit to 2 children for new claims with 3 or more children or when a new child is born to a current claimant with two or more children

Mrs C is a lone parent, she has just given birth to her 3<sup>rd</sup> child, she is in receipt of Maternity Allowance, Child Tax Credit and Child Benefit. She lives in a band B, 3 bedroom property.

Council Tax Liability £1204.30

Single person discount £301.08

Weekly council tax liability £17.32

Maximum eligible Council Tax (85%) £14.72

**Entitlement before 3<sup>rd</sup> child born****Income:**

Maternity Allowance £139.58

Child benefit x2 £ 34.40

Child Tax Credit £117.50

**Total Weekly Income £291.48**

**Applicable Amount:**

Lone Parent Allowance £ 73.10

Child Premium (66.90 x 2) £133.80

Family Premium £ 17.45

**Total Applicable Amount £224.35**

**Disregarded Income**

Child Benefit £34.40

Total weekly Income £291.48

Disregarded Income £34.40

**Total eligible weekly income £257.08**

Weekly Income less Applicable Amount £257.08 - £224.35 = excess income £32.73

Weekly eligible Council Tax £14.72

Taper, 20% of excess income £6.55

**Weekly CTS award £8.17**

**Calculation if proposal is adopted: 3<sup>rd</sup> child is born****Income**

Maternity Allowance £139.58

Child Benefit x3 (no Limit) £ 48.10

Child Tax Credit (limited) \* £117.50

**Total Weekly Income £305.18**

**Applicable Amount**

Lone Parent Allowance £73.10

Child Premium (66.90 x 2) £133.80

Family premium £17.45

**Total Applicable Amount £ 224.35**

*\*(loss in weekly income due to Child Tax Credit limit: up to £53.48 for third and each subsequent child)*

**Disregarded Income**

Child Benefit £48.10

Total weekly Income £305.18

Disregarded Income £48.10

**Total eligible weekly income £257.08**

Weekly Income less Applicable Amount £257.08 - £224.35 = excess income £32.73

Weekly eligible Council Tax £14.72

Taper, 20% of excess income £6.55

**Weekly CTS award £8.17**

**Calculation if proposal not adopted: 3<sup>rd</sup> child is born****Income**

Maternity Allowance £139.58

Child Benefit (no limit) £ 48.10

Child Tax Credit (limited) £117.50

**Total Weekly Income £305.18**

**Applicable Amount**

Lone Parent Allowance £ 73.10

Child Premium (66.90 x 3) £200.70

Family premium £ 17.45

**Total Applicable Amount £291.25**

**Disregarded Income**

Child Benefit £48.10

Total Weekly income £305.18

Disregarded income £ 48.10

**Total eligible weekly income £257.08**

Weekly Income less Applicable Amount £257.08 - £291.25 = excess income £0.00

Weekly eligible Council Tax £14.72

Taper, 20% of excess income £0.00

**Weekly CTS award**

**£14.72 Page 55**



# Monitoring SSDC Council Tax Support Scheme

Report and Findings of the Overview and Scrutiny Task and  
Finish Group

December 2016



## Chair's Foreword

As part of Central Governments Welfare Reform Bill in 2012:

- Council Tax Benefit was abolished; the responsibility of helping low-income households pay their Council Tax was transferred to Billing Authorities. This was delivered with the creation of a local scheme to be known as Council Tax Support (CTS). The scheme has to protect pensioners as they were previously in 2012/13 but provided councils with autonomy to create a new scheme for working age households.
- Central Government reduced the grant to help low-income households pay their Council Tax by ten percent.

At this time the Overview and Scrutiny Committee recognised the significance and potential impact this could have on the residents of South Somerset and conducted a very thorough review and produced a report and recommendations<sup>1</sup> detailing:

- Specific recommendations that would form the basis of the new localised scheme
- Potential risks and mitigation measures
- Monitoring arrangements

Since the scheme was implemented in April 2013 Central Government have revised the funding arrangements. The grant that SSDC received to help low income households pay their Council Tax ceased to exist. Since 2015/16 the funding has been included in the Revenue Support Grants; no figure is prescribed or ring-fenced specifically for this purpose and the grants have decreased.

The original report recommended specific monitoring work is undertaken and that the scheme be reviewed if the funding were amended. Last year an Overview and Scrutiny Task and Finish group conducted a thorough review and altered the scheme to make savings<sup>2</sup>.

This report details this review process and recommendations for the Council Tax Support scheme for 2017/18.

I would like to take this opportunity to thank the officers who supported us on this review to make informed decisions and produce this report.

*Sue Steele*

Scrutiny Committee Chair

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1

<http://modgov.southsomerset.gov.uk/Data/District%20Executive/20130103/Agenda/8%20Appendix%202%20-%20SSDC%20Council%20Tax%20Reduction%20Scheme%2003-01-2013.pdf>

2

<http://modgov.southsomerset.gov.uk/documents/b5152/Council%20Tax%20Support%20Scheme%20of%20201617%20Appendices%2021st-Jan-2016%2019.30%20South%20Somerset%20District%20Coun.pdf?T=9>

## **Task and Finish Group Membership**

Councillor Sue Steele - Chair of Task and Finish Group  
Councillor Amanda Broom  
Councillor David Norris  
Councillor Sue Osborne  
Councillor Rob Stickland  
Councillor Carol Goodall - As previous Chair was asked to attend in an expert capacity

All members worked collectively with the support of Jo Gale – Overview and Scrutiny Manager and the Project Officer Group:

Ian Potter – Revenues and Benefits Manager  
Lynne Joyce – Benefits Team Leader  
Mandy Stewart – Benefits Team Leader  
Donna Parham – Assistant Director for Corporate and Financial Services  
Jo Morgan – Equalities Officer

## **The Work of the Task and Finish Group**

The Task and Finish Group commenced this second review of the Council Tax Support scheme on 29 April 2016 to:

- Consider the outcomes and response from the previous Scrutiny recommendations.
- Review the monitoring work to ascertain if the scheme and associated processes are effective - achieving the original ambitions of the group and are appropriate in terms of resource and cost.
- Identify external legislative and Welfare Benefit changes that may impact on the scheme in terms of its complexity and affordability.

There was no ambition to identify if any further savings to the cost of the scheme as the task and finish group concluded in its review in 2015 nothing else could be done to achieve savings whilst:

- Protecting the vulnerable
- Meeting the ambitions of the task and finish group
- Achieving the original criteria for Council Tax Support prescribed by Government.
- Realistic/proportional administration costs
- Incentivising work or increasing hours of work

The ambitions of the original Task and Finish group were:

- Ensure the scheme is fair and has the minimum impact that is achievable, given the criteria set out by the Government, for all residents of South Somerset, not just those who are currently receiving Council Tax Benefit
- Ensure the scheme has adequate measures to provide stability to the recipients of Council Tax Support.
- Ensure the process is timely, well-evidenced, takes account of members views, any consultation and minimises risks to SSSC
- Ensure the new scheme is accessible and not too complex

The Task and Finish group in collaboration with officers agreed the following set of principles to underpin the original scheme:

- Everyone should contribute something towards the cost of local services through Council Tax
- All income should be included to ensure the scheme is fair
- Greater account should be taken of the total income of a household
- Provide incentives to encourage people into work or increase their hours
- Provide protection for those who may become vulnerable under the scheme 'Unable to afford basic shelter, food, water, heating and lighting and essential transport'
- Not penalise those that have already saved for the future (to a greater extent than the Council Tax Benefit scheme) This was modified last year to reflect the disregarded threshold of Housing Benefit and to be fairer to Tax Payers who are not in receipt of Council Tax Support

## **Review of the outcome and responses to the Scrutiny Recommendations from the previous report in 2015.**

Members discussed with representatives from the Revenues and Benefits Team the progress that had been made against the recommendations in last year's report with regard to the processes that surround the scheme and will continue to monitor this with the additional recommendations in this report.

### **Monitoring**

This chapter of the report details the monitoring activities the Task and Finish group undertook to establish the effectiveness of the current scheme and associated processes.

Members felt that it was important to continue to learn from the experience of other authorities and sought to identify best practice with regard to scheme design and the collection and enforcement of Council Tax Arrears.

Members reviewed external data and information, and considered the following papers:

- New Policy Institute Council Tax Support scheme data from 2013/14 to 2016/17, this showed how each local authority had amended their individual scheme.
- House of Commons Briefing paper – Council Tax Reduction Schemes – 24 December 2015.
- Three Years On: An Independent Review of Local Council Tax Support Schemes – Eric Ollerenshaw OBE – March 2016
- Joint Strategic Needs Assessment Summary 2016 – Vulnerable Children and Young people.
- Somerset Intelligence – Welfare Reforms: Monitoring the impact on Somerset 2015/16
- Joseph Rowntree – Counting the Cost of Poverty
- English Indices of Deprivation 2015 – Somerset Summary.
- Still too poor to pay – three Years of Localised Council Tax Support In London – Child Poverty Action Group/Zacchaeus.

The risks associated with the scheme were reviewed as the costs for funding this scheme are vulnerable to increasing as a direct result of changes of the economic climate and the impact of wider Welfare Reforms.

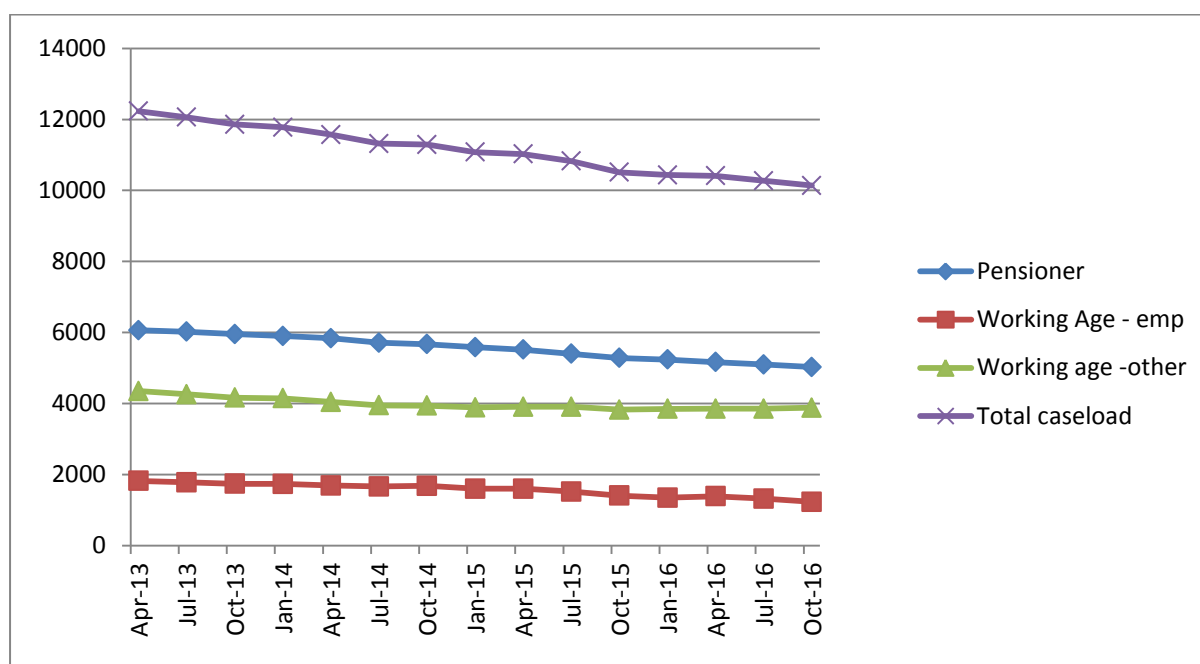
Equalities were considered throughout the entire review process.

### **Establishing the effectiveness of the current scheme and associated processes**

There are many different components that need to be assessed to identify if the scheme is working effectively, each element that has been considered is detailed in this section.

## Number of Council Tax Support Recipients

The group reviewed the number of households in receipt of Council Tax Support with a breakdown of pensioner and working-age to assess the financial risk of the scheme to SSDC. (The greater the number of households in receipt of Council Tax Support, the greater the cost to SSDC. As pensionable age households are protected under the old Council Tax Benefit rules this carries a higher cost and therefore a greater risk of which SSDC has no control). The numbers and types of household in receipt of support since the Council tax Support scheme was introduced are presented in the chart below:



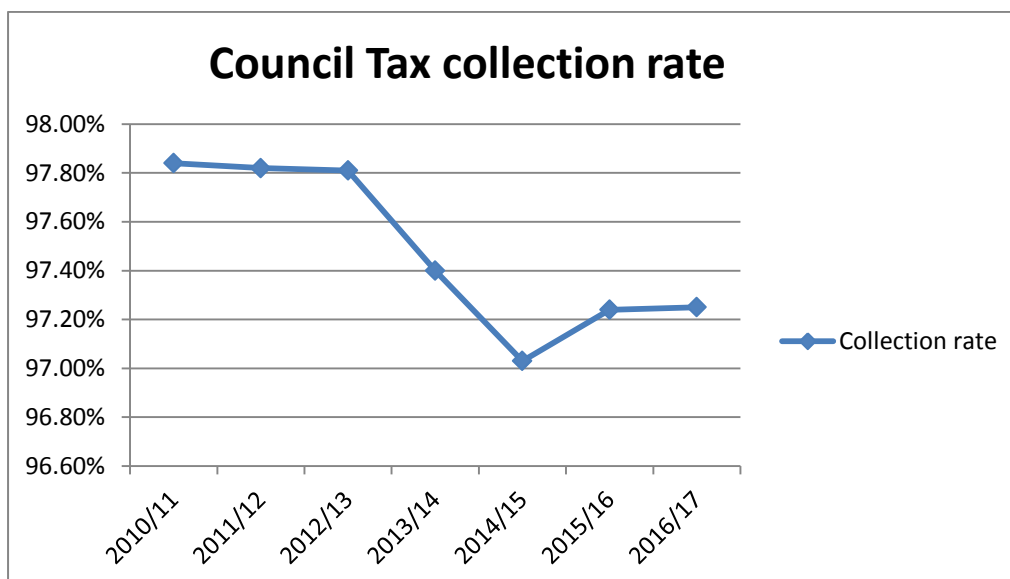
This gradual decline in the number of recipients of Working Age – employed is very reassuring. The Benefits Officers have attributed this to households either moving into work or increasing their hours; consequently there is less dependence on SSDC to help pay their Council Tax.

The number of Working Age – other group recipients (other group represents those who are unemployed or unable to work) has had a slight increase over the course of the last year. The overall total of Working Age households in receipt of Council Tax Support has decreased by over 1000 since the start of the scheme in April 2013.

## Council Tax Collection rate

In the original Task and Finish report members recommended that Council Tax collection rates were monitored. (The collection rate is the proportion of all net collectable council tax that has been collected; this shows how much of a gap there is between what SSDC needs to collect and the amount actually collected). This was to assess if the council has adopted appropriate methods to successfully collect Council Tax from new council tax payers and to prevent the authority from any financial risk; the monitoring is carried out every quarter and reported in the Medium Term Financial Plan Quarterly monitoring.

The chart below shows the annual collection rate since 2010 (3 years prior to the introduction of Council Tax Support) for all Council Tax as a percentage and includes the projected collection rate for this financial year. This is not specific for Council Tax Support Cases



There was a very slight decrease in the collection when Council Tax Support was introduced; however there were other factors:

1. Removal of the second home discount – was 10% of annual charge
2. Introduction of an Empty Homes Premium – 150% of annual charge once empty for 2 years
3. £1m more to collect as a result of moving from Council Tax Benefit to Council Tax Support.
4. Restricted recovery in year 1 of the Council Tax Support scheme 2013/14 - delayed issuing recovery notices and summons. Recovery enforcement action such as attachment of earnings or attachment of benefits was put on hold to provide a transitional period for people to get used to the new rules and for some pay council tax for the first time. This avoided the addition of court costs at an early stage which would have been disproportionately high compared with the council tax due. Payment was offered over 12 monthly instalments instead of the standard 10 to help reduce the monthly payment due
5. Changes to bailiff fee structure from 1 April 2014 resulting in a change to work practices
6. Restricted recovery in 2014/15 due to resource issues and an IT system migration
7. Single person discount review in 2014/15 resulting in the removal of 1173 discounts and an increase of £603K of Council Tax to collect

Each of these factors contributed to the decrease in the collection rate which was in line with Council Tax Collection rates across England. The average collection rates across England for comparison purposes were:

	2011-12	2012-13	2013-14	2014-15	2015-16
<b>Average Collection rate for England<sup>3</sup></b>	97.3	97.4	97.0	97.0	97.1
<b>SSDC Collection rate</b>	97.82	97.81	97.4	97.03	97.24

<sup>3</sup> Department of Communities and Local Government

The SSDC collection rate for this year is projected to be 97.25% up .01% on last year. Members hope this can be further improved upon, learning from exemplar authorities such as Lambeth who invested in measures to try to prevent non-payment of Council Tax and achieved a collection of 93% in 2015/16 for those in receipt of Council Tax Support. However this has to balance with the costs of collecting, Councillor Paul McGlone, Deputy Council Leader for Investment and partnerships, London Borough of Lambeth explained the interventions to achieve the excellent collection rate had been intensive in terms of cost and officer time.

Recommendation: Revenues Officers contact Lambeth Council with regard to their new Income and Debt Policy and explore the new processes and interventions they have adopted to look to further improve SSDC collection processes and ultimately the collection rate.

### **Cost of the scheme**

The cost of the Council Tax scheme since it has been in operation is detailed below:

2013/14 £9.359 million

2014/15 £8.882 million

2015/16 £8.219 million

2016/17 £8.496 million (cost as at 30 Nov 2016)

The values are as at 31 March each year apart from current year. Each year the cost of the scheme falls throughout the year so 2016/17 is likely to finish the year at a lower cost than at 30 Nov 2016.

In 2016/17 all the major preceptors increased their charges and both the Somerset Rivers Authority and Adult Social Care charge were introduced.

To date the scheme has been affordable whilst maintaining the objectives in the Council Plan and the ambitions of the Task and Finish group. The reducing costs and the improving collection rate are both reassuring and positive; however it is very difficult to identify how much of this is due to good practice and how much is down to the improvement in the economic climate. The risk is always the potential downturn in the local economy and this is not possible to mitigate, it is just a case of adopting policy and working practices that achieve the best collection rate whilst protecting those who are financially vulnerable.

The cost in real terms to recipients of Council Tax Support was reported by the New Policy Institute as an average decrease of £155.00 for South Somerset District Council, £196.00 for the South West and £169.00 nationally compared to what would have been provided if Council Tax Benefit had continued.

Based on this evidence Members considered if the SSDC scheme could perhaps be altered to reduce the costs of the scheme further and decided to revisit the minimum payment and test the Task and finish groups conclusions last year - Nothing else could be done to amend the scheme to achieve savings whilst:

- Protecting the vulnerable
- Meeting the ambitions of the task and finish group

- Achieving the original criteria for Council Tax Support prescribed by Government.
- Having realistic/proportional administration costs
- Incentivising work or increasing hours of work

Members considered if the scheme should be altered in terms of amending the minimum payment. (Currently the scheme asks everyone to contribute something and support is calculated on a maximum award of 85% leaving a minimum payment of 15%).

Based on evidence that showed a correlation between collection rates decreasing where the Maximum support is 80% or lower, members reviewed the impact of a 2.5% decrease in the maximum level of support to 82.5%. The impact at a resident's level was explored and examples are provided below:

A CTS claim for a property in Castle Cary that is capped at band C currently pays £1450.00, if the maximum support was decreased to 82.5% the liable person would have to pay an additional £36.25 per year or 70 pence per week.

A CTS claim for Brympton currently pays £1350 per year, if the maximum support was decreased to 82.5% the liable person would have to pay an additional £33.75 per year or 65 pence per week.

The impact will vary for each parish as they set their own precept.

The total net impact was approximately a £200,000 saving – the SSDC share of this is approximately £20,000. The group discussed if this was a worthwhile adjustment/saving given the numbers of people that are just managing and the benefit a year of stability would provide those recipients. Members agreed they could not justify this adjustment/saving for this year based on:

- The evidence documenting the correlation between minimum payment levels and potential decrease in the collection rates.
- The cost of living in real terms not reducing since the detailed reviews considering affordability (based on an internal desktop exercise) and the additional costs that can be attributed to living in a rural area with infrequent public transport.
- External evidence from several sources documenting the impact of other welfare reforms on families being a reduction of income ranged between £525 per year and £1000 per year increasing to £1300 in 2020.

Members felt given the changes in other benefits and this potentially making it harder to collect Council Tax that it was worthwhile examining increasing the support to 87.5% making the minimum payment 12.5 % in place of 15%:

A CTS claim for a property in Castle Cary that is capped at band C currently pays £1450.00, if the support was increased to 87.5% the liable person would have to pay £36.25 less per year or 70 pence per week.

A CTS claim for Brympton currently pays £1350 per year, if the support was increased to 87.5% the liable person would have to pay £33.75 less per year or 65 pence per week.

The impact will vary for each parish as they set their own precept.

The group questioned if people had to pay 65/70 pence per week less Council Tax if it would make a beneficial impact to people's well-being and could prevent people falling into arrears or becoming financially vulnerable, members concluded not to pursue this option because:



- There is no evidence to suggest affordability is an issue across the board.
- A 65/70 pence reduction would not make enough of a difference to those who are struggling to pay their Council Tax (based on the data provided when people require additional support in the form of the discretionary hardship fund and those who are subject to recovery action).
- More analysis/monitoring needs to be done to measure the impact of the wider changes to National Benefits to understand the impact this is having on people's ability to pay their Council Tax – the outcome of this monitoring work needs to be reported back to Central Government – The task and finish group recommend that SSDC share analysis and case study based examples where it shows affordability is an issue due to the impact of the wider Welfare Reforms and considers developing an anti-poverty strategy.
- It's not fair that SSDC Tax Payers and stakeholders have to pay more for the same services due to the impact of Wider Welfare reforms

### Discretionary Hardship

The original Task and Finish report recommended, creating a hardship fund for those people who are financially vulnerable and that awards are monitored in terms of identifying trends.

Year	No. of requests	Awarded	Not Awarded	Total paid
13/14	171	121	50	11292.82
14/15	152	115	37	11581.32
15/16	163	136	27	14551.14
16/17 (at 14/12/16)	119	100	19	12954.63

The Task and Finish group reviewed the analysis that had been conducted by the Benefit Officers of the applications made to the Hardship Fund.

The group carefully considered the circumstances of the applicants to identify if there were any trends, in terms of the numbers of people in the household and what type of income they were in receipt of to identify any trends. No trends were identified and the group were satisfied that the relatively low numbers of awards and the disparity to whom they awarded gave no indication the scheme was the cause of any financial vulnerability.

To date there have been very few applications compared to the numbers of households that are in arrears with their Council Tax. However having read external reports SSDC working practices have already introduced best practice recommendations, for example providing a combined application for both CTS discretionary relief and Discretionary Housing payments (a payment that can be made in additional to someone's Housing Benefit).

The Task and Finish group recommends that Benefit Officers work with the Equalities Officer to consider how best to promote the scheme with 'hard to reach groups' and across the charitable and volunteer sector to further raise awareness of the provision of the discretionary relief.

The Task and Finish Group Recommends the Revenues team explore greater promotion or more targeted promotion of the CTS Discretionary Hardship provision.

Members have requested monitoring of the hardship rewards continue. Monitoring this is the best way to identify real financial vulnerability, potential issues with the scheme and potential Council Tax collection problems.

## **Monitoring Council Tax Arrears**

Council Tax Arrears arise when a resident falls behind with their council tax payments. The way that councils pursue missed payments or incomplete varies. The standard procedure is for a council to send two reminders about unpaid council tax before embarking on further collection and enforcement strategies. This may include asking for the entire year's liability to be paid in one instalment, making an application to the magistrate's court for a liability order, an attachment of earnings or benefits (where the council collects council tax from the household's income or benefits that the council itself administers). They may proceed with enforcement measures, such as debt collection by bailiffs.

In the last Task and Finish report it was documented that further work needed to be done to analyse the cases that are in arrears where Council Tax Support is being given, this was to best manage the scheme going forward and to ensure SSDC has an effective and efficient approach to collection and recovery.

The Task and Finish group requested to review the Council Tax arrears data for those households that are in receipt of Council Tax Support to identify if there are any trends to suggest any particular group may be disproportionately impacted upon by the scheme and consequently unable to pay their Council Tax.

The Revenues and Benefits Team were limited in the data that could be collected as they had to correlate data from two databases. (The problem with regard to capturing and correlating this data has been sighted in external reports in the Ollerenshaw report there is reference that more needs to be done to assess the impacts of the wider reforms also) Officers worked with members to review a sample of 145 cases, (the equivalent of 5.6% of households in arrears where CTS has been awarded) to examine if there was any trend with regard to household composition, or income. Members were concerned that of the randomly selected sample 17.24% of the group with in excess of £250.00 Council Tax arrears were lone parents, however when this was compared to the percentage of people in receipt of Council Tax Support who are lone parents -18.16% members were satisfied that the arrears cases reviewed showed a proportional representation of the numbers of cases in receipt of Council Tax Support.

At this point it is worth mentioning of the lone parents affected 96% of these were female, we know from recent reports that the welfare benefit reforms disproportionately impact on women and therefore future reviews need to do detailed analysis to monitor to see if the CTS scheme is causing any disproportional impact that needs to be mitigated.

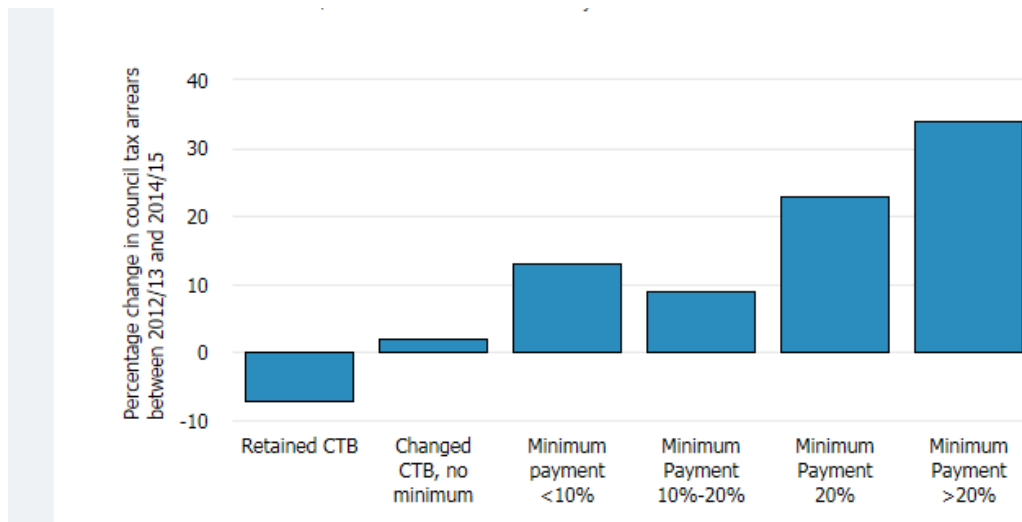
## **Costs of collecting Council Tax**

Whilst it is important that SSDC collect Council Tax to pay for local services, we have to be sure that we do not inadvertently spend too much Tax Payers money trying to do so, therefore making the scheme inefficient.

Members considered the following evidence to decide if the scheme and collection processes are effective and the costs are appropriate for recovering un-paid Council Tax:

- New Policy Institute (NPI) think tank article reported 259 councils had introduced a 'minimum payment' and also presented an increasing number of cases ending up in court and the detrimental impact of the additional court fees on low income households. Correlation between minimum payment and collection rates

From assessing all the schemes the New Policy Institute and Eric Ollerenshaw OBE have reported a correlation between an increase in Council Tax arrears and having a greater minimum payment.



The graph above shows the change in council tax arrears between 2012/13, the last year of CTB, and 2014/15, the second year of CTS. It shows arrears in respect of council tax liability for the year in question. The bars are grouped according to the scheme in place in each council in 2014/15, by whether they changed the scheme from CTB, whether they introduced a minimum payment, and the size of the minimum payment if one had been introduced. The change in arrears shown controls for change in the amount of council tax that was collectable over this period. It shows that, although arrears include residents who are not in receipt of CTS, those councils with a larger increase in minimum payment saw a bigger increase in arrears among the 45 councils that retained CTB, arrears fell in relative terms by 7%. Among other councils, the increase was smallest across the 36 local authorities that did not introduce a minimum payment, at 2%. For the 69 councils with a minimum payment of 20%, arrears were 23% higher. In the 47 councils with a minimum payment of over 20%, arrears rose 44%. - See more at: <http://counciltaxsupport.org/impacts/#sthash.RbGcJ7i3.dpuf>

- The SSDC collection costs up to and including the cost of issuing a summons - the cost of collection from 2<sup>nd</sup> reminder stage onwards is currently £47.00. The cost of the Liability Order is £18.00; the total charge is £65.00 – far less than other areas. The Charge is passed to the Tax payer to recover the additional costs the authority has incurred; this is fair to all tax payers.
- The process to recover arrears and the steps that are taken.
  - The revenues team have really encouraged people to use Direct Debit to pay their Council Tax lessening the amount of officer time require to follow up payments and collecting arrears.
  - The challenge the revenues team face is getting people to engage at the right point-before they receive a summons for non-payment. An information leaflet is sent out to people in arrears explaining the recovery process, when charges are incurred and how important it is to contact the revenues team if they experiencing difficulties paying.
  - Where there is an affordability issue, there is the provision of the additional discretionary support, although the promotion of this is limited, (this discretionary hardship provision is also monitored for trends and is detailed on page 10).

- Summons are only issued when a debt has reached an agreed amount and initially the Enforcement Agents “bailiffs” employed by SSDC work as a collection agent so there is no enforcement fee added helping to prevent disproportional costs to arrears and provide a further opportunity to identify those who are vulnerable The Enforcement agents SSDC employs has a very detailed vulnerable persons policy.
- The Ollerenshaw report which highlighted a key challenge moving forward was identifying those who are in a debt cycle and are unable to pay the Council Tax year on year, Eric Ollerenshaw OBE referred to this as stacking and suggested time needs to be spent with these individuals to identify if this is an affordability issue or a money management problem, in which case the Council Tax payer would benefit from training and advice. This could potentially increase the costs of collection but this could be a short term expense to improve the situation for the Tax payer, SSDC and other preceptors in the longer term, the Task and Finish group recommends an exercise is conducted to identify those households where stacking arrears is occurring and conducts a viability study of the different approaches that could be taken to collection and providing money management and or budgeting advice.

Members concluded appropriate processes are in place but feel more data and monitoring is required to further improve encourage early engagement, preventing increased collection costs for SSDC and Tax Payers incurring additional charges.

The Equality Steering Group, Disabled groups, carers, Gypsy and Travellers, BME communities, people with weak literacy skills, have raised the issue of communication and how Council Tax Support letters are very often very complex and confusing. This results in vulnerable customers failing to read the information and properly understanding the implications.

The Task and Finish group Recommends the Revenues and Benefits Officers consider providing a summary front sheet in plain English that details the sum owed/received and how to proceed.

The Task and Finish Group Recommends the Revenues team explore a referral system from external agencies to identify those who could be considered financially vulnerable.

**Proposed amendments to the scheme taking account of future changes to the Council Tax Benefit Scheme for Pensioners, Housing Benefit and other National Benefits**

One of the Task and Finish groups ambitions for the CTS policy was to make the scheme accessible, part of achieving this was considering how the scheme criteria worked with other Benefits. Benefit Officers reviewed all proposed changes to the national Housing Benefit and Pensioner CTS schemes and provided examples to demonstrate the impact these would have. The Task and Finish group Members carefully considered the following proposed changes:

Proposal 1 - Removing the Family Premium for all new working age applicants

Proposal 2 - Removing the allowance in the calculation for third and subsequent children born after March 2017

Proposal 3 - Reducing backdating for new claims to one month

Proposal 4 - Reducing the period a person can be absent from Great Britain and still receive Council Tax Support.

Members reviewed the impact of each in real terms and concluded despite having reservations about some it would be appropriate to consult on all these potential changes, as it would be better to consider all the evidence and hear the perspective of the Tax payer, Council Tax recipients and group representatives.

## **Consultation**

Members considered how best to consult the South Somerset community with regard to the options to amend the scheme and suggested:

- The consultation should have the same look and feel as the initial consultation including additional questions with regard to Increasing Council Tax and Cutting services to help pay for the Council Tax Support scheme.
- What could be included in the examples that accompany the questions to aid public understanding of what is being proposed and the impact it would have on individual households

The consultation was:

- Circulated to representatives of vulnerable groups and minority groups
- Made available on-line and in paper
- Widely publicised via social media, SSDC website and SSDC public waiting areas
- Promoted on leaflets included with 4000 Council Tax Bills and 3500 Housing Benefit and Council Tax Support award letters.
- Extended by a further two weeks to try to encourage representatives of vulnerable and minority groups to participate.

## **Post Consultation**

56 responses were received, 2 of these were representative of groups.

The group had hoped for a bigger response but concluded; nothing more realistically could have been done to encourage more people to participate in the given timescale without spending a disproportional amount of effort and expenditure to outcome. Members also noted nationally how challenging the consultation requirements are and how difficult it is to get a good representational response. In the Independent Review of Local Council Tax Support Schemes – Eric Ollerenshaw OBE – March 2016 made a recommendation to Government, “The Statutory Consultation requirements should be clarified by Government, so that councils can take less risk –adverse approach. This should make consultations less burdensome on Councils, and more engaging to residents.”

The Task and Finish group recommend Benefits Officers explore the potential of creating a consultative group who can meet to discuss the Council Tax Support scheme. This would provide effective communication ensuring the motivation and potential impact is understood and feedback is insightful.

The group collectively reviewed each option/measure taking into account:

- Consultation results and comments
- Risk – The risks for South Somerset residents, Council Tax Support recipients and the Council

- Equalities – the group gave due regard to the characteristics as set out in the Equality Act 2010, in addition to this fairness and proportionality were considered

### **Review of Proposals: –**

In each of the first two proposals the “Proposed new scheme” is the consultation question. The “Revised proposed new scheme” takes account of the interaction of CTS with Universal Credit as explained earlier within the report.

#### Proposal 1 - Removing the Family Premium for all new working age applicants

Current scheme: the working age scheme includes a Family Premium in the calculation of the applicable amount for all families with one or more dependent children of £17.45 per week.

Proposed new scheme: new claims starting on or after 1 April 2017 from families with one or more dependent children would not have the Family Premium included in their applicable amount. This would make the scheme rules the same as those already in Housing Benefit and the Pension Age Council Tax Support scheme (which came into effect in April 2016).

In practice - when a CTS recipient has a first child they will receive child benefit and child/tax credits. This will increase their income (Child Benefit is disregarded but child/tax credits are not). In order for them to not lose out on Council Tax Support we would need to continue to award them a Family Premium.

### **Consultation analysis and Example comments**

80.85 % agree or strongly Agree to 19.15 disagree or strongly disagree

92% of the respondents did not receive Council Tax Support and 75.5% did not have Pre-school aged children, these two results could have influenced the agree figures.

Most of the comments received with regard to this proposal spoke of concerns for the families having to manage with too little and the detrimental impact that it could have on children.

### **Equalities and proportionality**

The group were reassured that those who are on a zero hours based contract would not be adversely affected and treated as though having a new claim so could be deterred from working because the assessment takes an average earnings over a period and would not cancel the claim if someone had a good week in terms of hours.

Equalities implications – There are no equalities implications if the revised proposed new scheme measure is approved.

### **External Evidence**

Families are predicted to be greatly affected by a number of Welfare reforms over the coming years, this in itself could make it difficult for families to pay Council Tax Support.

### **Recommendation**

It is recommended that this proposal is rejected.

### Proposal 2 - Removing the allowance in the calculation for third and subsequent children born after March 2017

Current scheme: the working age scheme includes an allowance of £66.90 for each child regardless of how many children are in the household.

Proposed new scheme: - The allowance will be limited to a maximum of two for each new claim or existing claims if there is a third or subsequent child born after 31<sup>st</sup> March 2017. This will mirror the restriction to two children in both Tax Credits and Universal Credit and would make the scheme rules the same as those being implemented in Housing Benefit and the Pension Age Council Tax Support scheme from April 2017.

In practice - A person who is in receipt of Tax Credits or Universal Credit will not get an extra addition for a third or subsequent child where it is born after 31 March 2017. This means the only additional income they will get for the third or subsequent child is Child Benefit.

Child Benefit is disregarded in CTS so if we continue to give an extra allowance in their applicable amount in our CTS scheme for the third or subsequent child the amount of CTS they get will go up as their income is unchanged in the means test. Not awarding an additional allowance will mean CTS entitlement remaining the same.

### **Consultation analysis and Example comments**

79.16 % agree or strongly Agree to 20.83% disagree or strongly disagree

92% of the respondents did not receive Council Tax Support and 75.5% did not have Pre-school aged children, these two results could have influenced the agree figures.

### **Equalities and proportionality**

Equalities implications – There are no equalities implications if the revised proposed new scheme measure is approved.

### **Recommendation**

Members recommend this proposal is approved

### Proposal 3 - Reducing backdating for new claims to one month

Current scheme: a working age claim for Council Tax Support can be backdated for up to 26 weeks. If a customer had a good reason for delaying making an application for Council Tax Support they could have their claim start from a date up to 26 weeks earlier.

Proposed new scheme: reduce the time limit for backdating to one month. This would make the scheme rules the same as those already in the Housing Benefit scheme and other welfare benefits.

No current CTS recipients would be affected by this change on 1 April 2017. It would only affect future claimants.

Therefore as at 1 April 2017 this change will not deliver any savings to the cost of the CTS scheme.

In order for a claim to be backdated the applicant is required to show “continuous good cause” as to why they were unable to make their claim sooner. This could be because they were seriously ill in hospital for example. Limiting the period of backdating could result in the applicant suffering financial hardship at the same time they are experiencing some other form of hardship or crisis.

### **Consultation analysis and Example comments**

50% agree or strongly Agree to 50% disagree or strongly disagree, the majority of people who provided a comment suggested the backdating period should be reduced to 3 months.

### **Equalities and proportionality**

There are no Equalities Implications for this proposal.

### **Recommendation**

Members concluded that it would be unfair to reduce this period given that the backdating is only awarded when good cause is shown and that taking this action could make someone or a family financially vulnerable.

It is recommended that this proposal is rejected because backdating is only provided where good cause is provided.

### **Proposal 4 - Reducing the period a person can be absent from Great Britain and still receive Council Tax Support.**

Current scheme: customers can be temporarily absent from their home for up to 13 weeks without it affecting their Council Tax Support, longer in certain circumstances. This is the same if the absence is within Great Britain or not.

Proposed new scheme: reduce backdating to a maximum of four weeks if the absence is outside Great Britain. This will make the scheme rules the same as those already in the Housing Benefit scheme and other welfare benefits. If a person intends to be away from Great Britain for more than 4 weeks then Council Tax Support would end on the day they leave home. Certain occupations will be exempt such as armed forces.

Time temporarily absent within Great Britain will remain the same.

No current CTS recipients would be affected by this change on 1 April 2017. It would only affect claimants if at some future point they spent more than four weeks outside Great Britain.

Therefore as at 1 April 2017 this change will not deliver any savings to the cost of the CTS scheme.



## **Consultation analysis and Example comments**

94 % agree or strongly Agree to 6 % disagree or strongly disagree,

There were comments that suggested the period should be reduced as it was not fair that people could go on holiday abroad for prolonged periods whilst being supported by Council Tax Support. Reasons for acceptable temporary absence are detailed in the scheme, please see appendix A

## **Equalities and proportionality**

The group felt where a person was whilst absent was irrelevant and it was more about the reason for the absence which is already prescribed for, for example if someone had become temporarily absent to care for a sick relative should someone who has had to travel abroad to do this be penalised? The group felt this was not fair and could be considered discriminatory and therefore the proposal should be rejected.

## **Projected Cost Saving**

Very difficult to identify a cost saving, there are very few of these cases reported each year, identifying when people are temporarily absent let alone where could be very administratively burdensome and not cost effective

## **Recommendation**

It is recommended that this proposal is rejected.

## **Other options**

We also consulted on alternative ways of helping to pay for the Council Tax Support scheme rather than reducing support.

## **Statement 1 – Increase in Council Tax**

We asked if people would be willing to pay more Council Tax to help pay for the Council Tax Support scheme.

72.55% agreed or strongly agreed that they would be willing to pay more Council Tax. (92% of respondents did not receive Council Tax Support)

An increase in Council Tax would increase the overall cost of the scheme as each recipient would be entitled to a higher award. This would reduce the value of the increase.

## **Equalities and proportionality**

Increasing Council Tax to Fund or part-funding the shortfall using this option may be justifiable for year one as a transition period. However year on year is a different matter as it may result in the Council not being able to raise enough revenue from Council Tax to maintain or introduce services that benefit the whole community

The taxpayers are getting less value for money, no extra or improved quality of service for greater cost.

This option means that the residents who pay their Council Tax would face an increase to arguably help subsidise services for low-income families.

### **Recommendation**

Task and Finish group recommend SSDC does not pursue these proposals in fairness to Tax Payers.

### **Statement 2 – Service cuts**

We asked if the level and range of local services should be reduced to help pay for Council Tax Support.

82.36 % of respondents did not want to see a reduction in the services provided by SSDC for this purpose.

### **Equalities and proportionality**

Members commented if services are cut, you are taking away from those who do pay their Council Tax; putting them at a disadvantage this is not fair. (We would also have to look at the equality impacts on each service that was potentially being cut to ensure compliance with the legislation).

### **Recommendation**

Task and Finish group recommend SSDC does not pursue these proposals in fairness to Tax Payers. Also when Council Tax is increased it also increases the cost of the scheme, this can be significant where the County Fire and Police precepts go up also.

### **Universal Credit**

A big unknown is how Council Tax Support will integrate with Universal Credit a standard national benefit; to date there is no detailed guidance. Universal Credit is very different from Employment Support Allowance, Job Seekers Allowance etc. People who claim Universal Credit have an appointment with a work coach to help get them ready for and into work, people have a to do list, including things such as creating a CV, searching for jobs, attending interview etc. this has to be done in order to qualify/receive Universal Credit.

Universal Credit is paid on a monthly basis, this will be a big change for some households who previously would have been receiving various benefit payments on a fortnightly and or weekly basis.

When Universal Credit rolls out in the spring it will include the Minimum Income Floor for people who are Self-employed. (This assumes that the self-employed individual earns the equivalent of the minimum wage for the hours worked)

These changes will cause some households a period of disruption, particularly those who are vulnerable, the changes in payment cycles may cause short term financial vulnerability and may require a different approach to discretionary support and the recovery process for Council tax arrears.

In Three Tears On: An independent Review of Local Council Tax Support Schemes Eric Ollrenshaw OBE March 2016 recommended Council Tax Support not to be included in Universal Credit and to remain a localised benefit. The report also went on to say

“I conclude that LCTS should not be moved into Universal Credit at this time. No-one has prepared for such a move, which would be complex and disruptive to both central and local government at this critical phase in the Universal Credit timetable. I also believe it would cause unnecessary financial risk to councils and bring confusion and disruption to LCTS recipients.”

## **Finance**

Currently the Department of Communities and Local Government provide funding for Council Tax Support and the Department of Work and Pensions provide funding for Housing Benefit. Currently, SSDC process Housing Benefit and Council Tax Support within the same team using the same system. This provides economies of scale. However, when Universal Credit is fully implemented SSDC will lose funding for Housing Benefit administration. Therefore there is a potential risk that the Council Tax Support administration funding will not be sufficient to meet the cost alone and could be decreased in the coming years . We therefore need to look at alternative ways to simplify the calculation of council tax support moving away from the approach used for Housing and Council Tax benefit to reduce the administration costs whilst trying to keep the scheme fair.

South Gloucestershire is the only Council to date to move away from the approach used for Council Tax Benefit and has introduced a scheme that uses income bands to determine the level of Council Tax Support Payable, however several authorities are reported to be looking to move towards a discount approach.

## **Recommendation**

The Task and Finish group recommends the Revenues and Benefits Officers look to identify the value of the potential decrease in administration grant and explore different methods of simplifying the scheme to reduce administration costs whilst meeting the Government criteria for CTS schemes, maintaining fairness and protecting those who are financially vulnerable.

As always with the CTS scheme if Council Tax increases, the scheme cost increase. If there is a downturn in the economy or a local employers close etc. the number of people requiring support could increase.

## **Final Conclusions**

The Task and Finish group concluded at the end of this review, that all evidence has suggested the scheme to date has been a success. The recommendations detailed in this report ensure the scheme for 2016/17:

- Is fair and has the minimum impact that is achievable, given the criteria set out by the Government, for all residents of South Somerset, not just those who are in receipt of Council Tax Support
- Provides stability to the recipients of Council Tax Support and will consequently provide a sound baseline to compare a discount based scheme against for future years.
- Is accessible, not too complex

That appropriate steps will be taken to continue to provide a scheme that is achieving the best outcome for the residents of South Somerset and the Council, effectively assessing Equalities and risks and providing appropriate mitigation.

### **Summary of Task and Finish Group's Recommendations for the Scheme**

The Task and Finish group have considered external evidence, best practice, impact analysis, equalities and risks throughout this review process and recommend amending the Council Tax Support scheme to reflect:

- Proposal 2 - Removing the allowance in the calculation for third and subsequent children born after March 2017

Task and Finish group recommend not pursuing proposals:

- Proposal 1 - Removing the Family Premium for all new working age applicants
- Proposal 3 - Reducing backdating for new claims to one month
- Proposal 4 - Reducing the period a person can be absent from Great Britain and still receive Council Tax Support
- Increasing Council Tax to help pay for Council Tax Support
- The level and range of local services should be reduced to help pay for Council Tax Support.

The group has considered the cumulative impact of the above recommended measures and those in the existing scheme by reviewing case studies, should amendments to the recommendations be proposed so as to reduce Council Tax Support further, additional analysis may be required.

### **Summary of Task and Finish Group's Recommendations relating to working practices**

The Task and Finish group recommends:

- Revenues Officers contact Lambeth Council with regard to their new Income and Debt Policy and explore the new processes and interventions they have adopted to look to further improve SSDC collection processes and ultimately the collection rate.
- Benefit Officers consider how best to promote the scheme across the charitable and volunteer sector to further raise awareness of the provision of the discretionary relief.
- The Task and Finish group Recommends the Revenues and Benefits Officers consider providing a summary front sheet in plain English that details the sum owed/received and how to proceed.
- The Revenues team explore greater promotion or more targeted promotion of the CTS Discretionary Hardship provision.
- An exercise is conducted to identify those households where stacking arrears is occurring and conducts a viability study of the different approaches that could be taken to collection and providing money management and or budgeting advice.

- The Revenues team explore a referral system from external agencies to identify those who could be considered financially vulnerable.
- Benefits Officers explore the potential of creating a consultative group who can meet to discuss the Council Tax Support scheme. This would provide effective communication ensuring the motivation and potential impact is understood and feedback is insightful.
- Revenues and Benefits Officers look to identify the value of the potential decrease in administration grant and explore different methods of simplifying the scheme to reduce administration costs whilst meeting the Government criteria for CTS schemes, maintaining fairness and protecting those who are financially vulnerable.

## Appendix A – Temporary Absence

<p><b>8.0 Temporary Absence (period of absence)</b></p> <p>8.1 Where a person is absent from the dwelling throughout any day then no reduction shall be payable</p> <p>8.2 A person shall not, in relation to any day, which falls within a period of temporary absence from that dwelling, be a prescribed person under paragraph 8.1.</p> <p>8.3 In paragraph 8.2, a 'period of temporary absence' means–</p> <ul style="list-style-type: none"><li>a. a period of absence not exceeding 13 weeks, beginning with the first whole day on which a person resides in residential accommodation where and for so long as;<ul style="list-style-type: none"><li>i. the person resides in that accommodation;</li><li>ii. the part of the dwelling in which he usually resided is not let or sub-let; and</li><li>iii. that period of absence does not form part of a longer period of absence from the dwelling of more than 52 weeks,</li></ul>where he has entered the accommodation for the purpose of ascertaining whether it suits his needs and with the intention of returning to the dwelling if it proves not to suit his needs;</li><li>b. a period of absence not exceeding 13 weeks, beginning with the first whole day of absence from the dwelling, where and for so long as;<ul style="list-style-type: none"><li>i. the person intends to return to the dwelling;</li><li>ii. the part of the dwelling in which he usually resided is not let or sub-let; and</li><li>iii. that period is unlikely to exceed 13 weeks; and</li></ul></li><li>c. a period of absence not exceeding 52 weeks, beginning with the first whole day of absence, where and for so long as<ul style="list-style-type: none"><li>i. the person intends to return to the dwelling;</li><li>ii. the part of the dwelling in which he usually resided is not let or sub-let;</li><li>iii. the person is a person to whom paragraph 8.4 applies; and</li><li>iv. the period of absence is unlikely to exceed 52 weeks or, in exceptional circumstances, is unlikely substantially to exceed that period.</li></ul></li></ul> <p>8.4 This paragraph applies to a person who is;</p> <ul style="list-style-type: none"><li>a. detained in custody on remand pending trial or required, as a condition of bail, to reside;<ul style="list-style-type: none"><li>i. in a dwelling, other than the dwelling referred to in paragraph 8.1, or</li><li>ii. in premises approved under section 13 of the Offender Management Act 2007 as amended by the Offender Rehabilitation Act 2014, or, detained in custody pending sentence upon conviction;</li></ul></li><li>b. resident in a hospital or similar institution as a patient;</li><li>c. undergoing, or his partner or his dependent child is undergoing, in the United Kingdom or elsewhere, medical treatment, or medically approved convalescence, in accommodation other than residential accommodation;</li><li>d. following, in the United Kingdom or elsewhere, a training course;</li><li>e. undertaking medically approved care of a person residing in the United Kingdom or elsewhere;</li><li>f. undertaking the care of a child whose parent or guardian is temporarily absent from the dwelling normally occupied by that parent or guardian for the purpose of receiving</li></ul>	
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- medically approved care of medical treatment;
- g. in the United Kingdom or elsewhere, receiving medically approved care provided in accommodation other than residential accommodation;
  - h. a student;
  - i. receiving care provided in residential accommodation other than a person to whom paragraph 8.3a) applies; or
  - j. has left the dwelling he resides in through fear of violence, in that dwelling, or by a person who was formerly a member of the family of the person first mentioned.
- 8.5 This paragraph applies to a person who is;
- a. detained in custody pending sentence upon conviction or under a sentence imposed by a court (other than a person who is detained in hospital under the provisions of the Mental Health Act 1983 (as amended by the Mental Health (Discrimination) Act 2013), or, in Scotland, under the provisions of the Mental Health (Care and Treatment) (Scotland) Act 2003 or the Criminal Procedure (Scotland) Act 1995) or the Mental Health (Scotland) Act 2015; and
  - b. on temporary release from detention in accordance with Rules made under the provisions of the Prison Act 1952 or the Prisons (Scotland) Act 1989
- 8.6 Where paragraph 8.5 applies to a person, then, for any day when he is on temporary release—
- a. if such temporary release was immediately preceded by a period of temporary absence under paragraph 8.3 b) or c), he shall be treated, for the purposes of paragraph 8.1, as if he continues to be absent from the dwelling, despite any return to the dwelling;
  - b. for the purposes of paragraph 8.4 a), he shall be treated as if he remains in detention;
  - c. If he does not fall within sub-paragraph a), he is not considered to be a person who is liable to pay Council Tax in respect of a dwelling of which he is resident
- 8.7 In this section;
- ‘medically approved’ means certified by a medical practitioner;
  - ‘patient’ means a person who is undergoing medical or other treatment as an in-patient in any hospital or similar institution; ‘residential accommodation’ means accommodation which is provided;
    - a. in a care home;
    - b. in an independent hospital;
    - c. in an Abbeyfield Home; or
    - d. in an establishment managed or provided by a body incorporated by Royal Charter or constituted by Act of Parliament other than a local social services authority;
  - ‘training course’ means a course of training or instruction provided wholly or partly by or on behalf of or in pursuance of arrangements made with, or approved by or on behalf of, Skills Development Scotland, Scottish Enterprise, Highlands and Islands Enterprise, a government department or the Secretary of State.

# Agenda Item 9

## **Strategic Commercial Land and Property Project**

*Executive Portfolio Holders:* Ric Pallister, Strategy and Policy  
Jo Roundell Greene, Environment and Economic Development  
Henry Hobhouse, Property, Climate Change, Income Generation

*Chief Executive Officer:* Alex Parmley

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## **Purpose of the Report**

1. The purpose of this report is to approve the terms of reference and budget for this project which encompasses income generation and regeneration activities and seeks District Executive approval to proceed immediately with the project and associated budget as set out in this report.
2. This includes the project scope and objectives, the roles and responsibilities of the key participants, the project budget and project plan for achieving objectives.

## **Forward Plan**

3. This report did appear on the District Executive Forward Plan for January District Executive.

## **Public Interest**

4. The report provides an overview of the project, the reason for initiating the project, what its objectives, costs and outcomes are.
5. The objectives of the project are to:
  - Develop a Commercial Land and Property Strategy which drives income generation whilst meeting the Economic, Regeneration and Housing ambitions of the Council.
  - Undertake an investment evaluation to assess the current returns on all of our commercial land and property, establishing an ongoing database and performance reports.
  - Recommend a Commercial Land and Property team make-up with the right mix of roles, responsibilities, skills and experience to successfully implement the strategy and minimise as well as manage associated risks.
  - Recommend governance arrangements and processes appropriate to SSDC that will support a commercial approach including portfolio performance management, but also manage risk effectively and ensure transparency and accountability in the use of public funding.

**Recommendations from the initial Project (January 2017 – July 2017) will then be reported to the District Executive with a view to:**



- Establishing and implementing a Commercial Land and Property team with the right mix of roles, responsibilities, skills and experience to successfully implement the strategy and minimise as well as manage associated risks.
  - Establishing and implementing governance arrangements and processes appropriate to SSDC that will support a commercial approach including portfolio performance management, but also manage risk effectively and ensure transparency and accountability in the use of public funding.
  - Developing appropriate partnerships with the commercial sector to supplement capacity and skills, support delivery and ensure good and early local market intelligence.
  - Creating a balanced property portfolio to deliver income in line with agreed targets and strategy to support SSDC into the future.
6. A budget is provided for the project set up for approval, which entails using both in house expertise and project management with external expertise where required, thus minimising project costs.
  7. The outcome of the project will be to make recommendations, based upon the above objectives, to define the way forward for the Council to manage commercial property investments, both existing and future, to meet wider income generation and strategic objectives, which will be reported back to the District Executive Committee prior to implementation.

## **Recommendations**

8. The District Executive is recommended to:
  - i. Approve the proposed project to develop a Commercial Land and Property Strategy and fund the £103,000 project from general fund balances.
  - ii. Note that a report outlining the way forward and the Strategic Commercial Land and Property Project findings will be reported to District Executive (and later inform the revised Asset Land and Property Management Strategy 2014-2017) in July 2017.

## **Background**

9. South Somerset District Council is ambitious for its communities but needs to save cost and generate additional income over the next four years if it is to be financially sustainable and be able to continue to meet community needs. To this end, an Income Generation Programme has been established to guide and support the Council in becoming financially sustainable.
10. A small number of local authorities have been successful in generating significant net additional income through the implementation of strategic and commercial approaches to land and property including acquisition of commercial property and housing and the direct development of land by the council.
11. Such approaches have been underpinned by a robust strategy and the necessary implementation arrangements such as a team with the right knowledge and skills together with appropriate governance arrangements to ensure an agile, commercial

approach that manages risk and provides sufficient accountability that is necessary with public funding.

12. South Somerset District Council approved its Land and Property Asset Management Strategy in 2014 and this is due to be refreshed in 2017. The Strategic Commercial Land and Property Project findings will exclude non-commercial or non-property assets but will feed into and inform the above wider Asset Management Strategy review when undertaken during 2017.

## **Strategic Commercial Land and Property Project Detail**

### **Project Scope**

13. The project will include, initially, the commissioning of a commercial property strategy expert to work in tandem with the in-house project manager to:
  - (i) Undertake a strategic assessment of the local market and the potential / opportunities that exist now and going forward, particularly examining trends and where the Council might leverage the greatest returns and meet needs the best.
  - (ii) Develop a strategy that will meet the Council's ambitions, in particular around regeneration, economic development and housing needs and set stretching, but achievable targets for growth in net income from commercial land and property, as well as establishing the development of a balanced portfolio.
  - (iii) Undertake an investment evaluation of the Council's current commercial land and property to assess value and return (financial and contribution to strategic objectives) and develop baseline for portfolio performance management.
  - (iv) Design the team required to implement the strategy including roles, responsibilities, skills required (which may be employed or contracted to the Council).
  - (v) Support the development of governance and associated processes (including portfolio performance management) to ensure a commercial approach with sufficient accountability but the agility and authority to move quickly.

### **Project Approach**

14. The project will involve the procurement and commissioning of an appropriate property strategy expert to work with SSDC's own team to undertake the work required initially.
15. This will include considerable research on the local property market and the employment market in terms of the skills required.
16. It will include workshops within the Council with appropriate officers and members to develop the strategy and the governance arrangements.
17. The project will then require a recruitment process and / or the procurement of specialist property support to deliver the strategy.

### **Project Team Set Up**

<b>Project Board Roles</b>	
Project Sponsor	Alex Parmley - CEO
Senior User(s)	Donna Parham - Finance
Project Manager	Clare Pestell – Development Valuation, Commercial Land and Property
Other Project Team members (input from)	Economic Development Regeneration Property Team Housing

## **Project Deliverables**

### **To be delivered by external expert with support of Council team:**

- (i) A report outlining a Market analysis and potential.
- (ii) Commercial Land and Property Management Strategy setting out context – the organisation, the current portfolio and its performance, the market, the headline objectives
- (iii) Commercial Land and Property Management Framework – how the Council is organised to effectively manage, use and review its estate and how it needs to change its organisation – roles, skills, expertise and governance.
- (iv) Strategic Objectives.
- (v) Delivery Plan - Action Plan with timeframes and key projects.
- (vi) Team roles, skills and expertise required to deliver the objectives.
- (vii) Governance arrangements and processes required to deliver the objectives.

### **To be delivered by the Council:**

- (a) Market appraisal of the Council's current commercial and investment land and property.
- (b) New team of employed property experts and / or contracted experts to provide expert support to the management and implementation of the Commercial Land and Property Management Strategy.
- (c) Establishment of governance arrangements to support a commercial approach appropriate to a public sector environment and funding.

## **Sustainability**

18. The project will be taken forward through the development of the Commercial Land and Property team and the putting in place of appropriate governance arrangements. The project will be an investment that generates a return for the Council significantly in excess of the cost of the expert support, team and skills required.

## Constraints

### (a) Priority

19. The project is a high priority for implementation by 2020 if the Council is to generate sufficient income to become financially sustainable and it is to meet its objectives for regeneration, economic development and housing.

### (b) Project Timescales

Stage	Target Date
Start Up	November 2016 - January 2017
Initiation to Reporting Recommendations	January 2017 – July 2017
<b>DX Decision</b>	<b>July 2017</b>
Implementation of Recommendations	August 2017 – April 2018
Management Stages	Nov 2016 – Sept 2020
Closure	<b>Dec 2021</b>

## Dependencies

20. The project relates strongly to the Council's ambitions for regeneration, economic development and housing as well as supporting the council in becoming financially secure and sustainable.

## Interfaces to Other Projects:

21. The project links with other key council projects including but not exclusively:

- Yeovil Town Vision and Refresh
- Chard Town Centre Regeneration Project
- Yeovil Innovation Centre 2

## Business Case

22. The project will be taken forward on an 'invest to save basis' in that the costs of the project, including the new team and roles required will be offset by the significant additional net income generated for the Council. It will build towards achievement of Council Strategic priorities including but not exclusively:

- (a) SSDC Housing Development
- (b) High Quality Cost Effective Services
- (c) Economy

23. Ultimately, the project will take a highly commercial and efficient approach to income generation through commercial land and property investment and development, which may also involve new and innovative ways of investing in order to generate additional income which could then be used to meet other non-income producing objectives.
24. It will improve the management of existing land and property by strong commercial assessment of what is to be retained and to meet which strategic objectives. Or alternative strategies will be considered e.g. convert, dispose and reinvest funds to meet new objectives.

25. Take an investment approach to meeting regeneration and housing ambitions and ensure the Council has the skills to become the developer in such projects.

### Financial Implications

26. The overall cost of this project is as follows:-

Budget Item	Cost Estimate	Notes
External Expert	£50,000	To provide advice and final report and recommendations
SSDC Project Team	£25,000	Project Manager and Support Role
Backfill SSDC Team	£15,000	£9,000 to be met within existing budgets
Property IT system	£12,000	New Commercial Land and Property & Investment Valuation software, licences for staff use, IT implementation and training.
<b>Total Project Cost</b>	<b>£103,000</b>	

27. If Members approve the recommendations in this report the funds will be found from General Fund Balances. This will leave an unallocated balance of £3.858 million which remains sufficient to meet SSDC's financial risks.

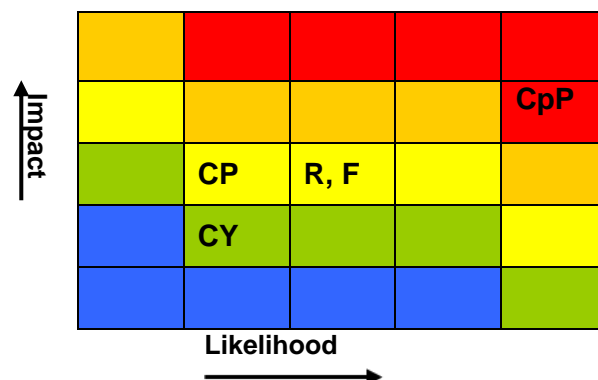
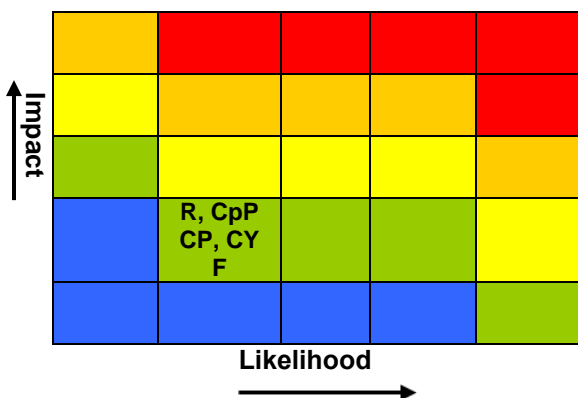
28. Further funding may be required for implementation and these will be presented for further consideration in July 2017 once this part of the project has been completed.

### Risk Matrix

29. This risk matrix has been developed with South Somerset District Council issues (SSDC Council Plan, SSDC Capacity, SSDC reputation, South Somerset resident priorities, SSDC finance) in mind.

If District Executive approves the recommendations the identified risks will be as follows:

If District Executive does not approve the recommendations then our long term exposure to financial and reputational risk will increase, whilst our ability to deliver against the corporate plan objectives diminish. The risks generally increase accordingly.



Key

Categories	Colours <i>(for further detail please refer to Risk management strategy)</i>
R = Reputation CpP = Corporate Plan Priorities CP = Community Priorities CY = Capacity F = Financial	Red = High impact and high probability Orange = Major impact and major probability Yellow = Moderate impact and moderate probability Green = Minor impact and minor probability Blue = Insignificant impact and insignificant probability

### **Council Plan Implications**

- Income Generation
- Regeneration
- Corporate Land and Property Management
- SSDC Housing Development - To work with partners to enable the provision of housing that meets the future and existing needs of residents and employers
- High Quality Cost Effective Services
- Economy – to promote a strong economy with thriving urban and rural businesses

### **Carbon Emissions and Climate Change Implications**

There are no current implications associated with this report.

### **Equality and Diversity Implications**

There are no implications immediately associated with this report.

### **Privacy Impact Assessment**

There are no current implications associated with this report.

### **Background Papers**

None

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# Agenda Item 10

## **Policy for Awarding Private Sector Housing Grants/Loans and other Financial Assistance**

*Executive Portfolio Holder:* Ric Pallister, Leader (Strategy & Policy)  
*Assistant Director:* Laurence Willis, Assistant Director (Environment)  
*Lead Officer:* Alasdair Bell, Environmental Health Manager  
*Contact Details:* Alasdair.bell@southsomerset.gov.uk or 01935 462056

### **Purpose of the Report**

1. For members to consider and adopt the Policy for Awarding Private Sector Housing Grants/Loans and other Financial Assistance in Appendix 1 of this report. This is a revised version of the previously agreed policy and whilst much of it remains the same there are significant changes to the sections on Disabled Facilities Grants. These changes have been proposed following the transfer of funding for Disabled Facilities Grants from SSDC to the Better Care Fund held by Somerset County Council. The new policy is produced in appendix 1 and all changes are highlighted in yellow for ease of reference. The adoption of this policy does not commit nor imply that any funds will be available to be spent on the grants, loans or other financial assistance outlined but rather sets out the criteria which will be applied when providing such financial assistance if and when funds are available.

### **Recommendations**

2. That the District Executive:
  - a. adopt the Policy for Awarding Private Sector Housing Grants/Loans and other Financial Assistance in Appendix 1 concerning the provision of financial assistance for private sector housing and associated matters, including disabled facilities grants as the future policy of the Council.
  - b. confirm that the allocation and method of funding for the various elements agreed with the Joint Commissioning Board of the Somerset Clinical Commissioning Group outlined in sections 2.1.1 to 2.1.6 is agreed subject to available funding.

### **Public Interest**

3. With increased housing pressures the Government sees working with the private sector as being increasingly important in order for local authorities to meet their statutory responsibilities to deal with empty properties, disrepair, homelessness, overcrowding and other related housing matters. The provision of financial assistance is considered an integral part of any strategy to improve housing conditions. Likewise there is a clear link between poor housing and ill health and the Government is keen to see action taken to prevent poor housing and ill health. In addition there is a need to save money to the NHS/Social services by helping disabled people to continue safely living in their homes, preventing hospital admissions and by accelerating hospital discharge.

### **Background**

4. The last Policy for Awarding Private Sector Housing Grants/Loans and other Financial Assistance was adopted in February 2015. This followed the adoption by the Council of the Housing Strategy Implementation Plan in November 2014. In

order for elements of that plan to be delivered it is necessary to have a policy in place for the awarding of financial assistance to deal with issues concerning private sector housing and associated matters. In addition, since that last policy was agreed there have been significant changes concerning the funding for Disabled Facilities Grants which makes up the majority of spending in this area. Funding for DFGs has now been incorporated by DCLG into the Better Care Fund held by SCC and the amount of funding provided for this purpose by the Department of Health has increased significantly (from £598K in 2015/16 to £984K in 2016/17). This funding has been ring fenced to SSDC (who have the legal responsibility to provide DFGs) for the last two years however we have had no formal notification of what will happen next.

5. It has been made clear however by DCLG and the Joint Commissioning Board (JCB) of the Somerset Clinical Commissioning Group (who control the Better Care Fund) that future DFG funding should be used to reduce costs to the NHS/Social Services by accelerating hospital discharge and by reducing the need for more expensive care packages. The Care Act 2014 has placed a responsibility on local authorities to provide services which prevent or delay the need for care and support which explains this approach. With this in mind a number of changes have been suggested to the way the DFG budget is allocated which has been agreed with the JCB and representatives from the other district councils in Somerset. These changes have been incorporated into the revised policy at Appendix 1 (most occur in Grant policy 2.1: Other use of DFG funding agreed with the Joint Commissioning Board (JCB)) and are underlined. The rest of the policy remains largely unchanged from previous versions.
6. Alasdair Bell, the Environmental Health Manager, has delegated authority to approve all grants, loans and payments under this policy.

### **Financial Implications**

7. All capital spending associated with this updated policy are subject to the usual capital bidding process. No new money is being asked for at this time.

### **Carbon Emissions and Climate Change Implications**

8. The adoption of this policy will have clear implications for the climate change agenda. All grant aided works will meet the latest building Regulation requirements to reduce carbon emissions.

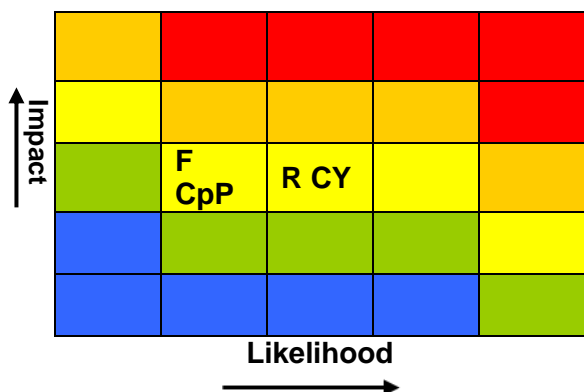
### **Equality and Diversity Implications**

9. A stage 1 Equality Analysis (EqA) has been completed and a full EqA was previously completed on the Loans Policy for Gypsy and Travellers. Both of these analyses have been reviewed and taken into account in updating this policy and full consideration has been given to all of the Protected Characteristics. This has included Religion or Belief, where for instance specific policies have been drawn up to provide capital appreciation loans that are Sharia compliant. In the case of Race/Disability - Disabled Facilities Grant are made available to the occupants of mobile homes, thereby ensuring that Gypsy and Traveller residents can apply.

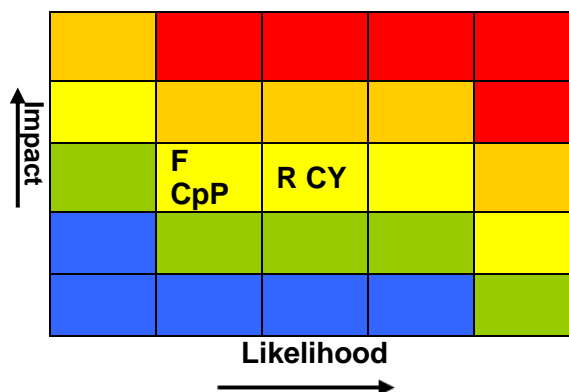
### **Risk Matrix**



**Risk Profile before officer recommendations**



**Risk Profile after officer recommendations**



**Key**

Categories	Colours (for further detail please refer to Risk management strategy)
R = Reputation	Red = High impact and high probability
CpP = Corporate Plan Priorities	Orange = Major impact and major probability
CP = Community Priorities	Yellow = Moderate impact and moderate probability
CY = Capacity	Green = Minor impact and minor probability
F = Financial	Blue = Insignificant impact and insignificant probability

**Implications for Corporate Priorities**

This revised policy clearly supports the Council Plan priority on Homes that is to;

- To work with partners to enable the provision of housing that meets the future and existing needs of residents and employers we will:
- Minimise homelessness and rough sleeping.
- Work with the private rented sector to improve the standard and availability of rented accommodation.
- Tackle fuel poverty.
- Enable people to live independently for as long as they are able.

**Background Papers**

- Private Sector Housing Strategy 2015-19
- Empty Homes Strategy
- Housing Strategy Implementation Plan (November 2014)
- Minutes of JCB board October 2017
- HMO Policy 2015-20

## **Policy for Awarding Private Sector Housing Grants/Loans and other Financial Assistance**

### **Introduction**

This policy document describes the purpose for which grants, loans and other financial assistance will be provided by South Somerset District Council for private sector housing. This is to meet both targets set down in the corporate plan, the Housing Strategy Implementation Plan, legal requirements as well as the wishes of the Joint Commissioning Board (JCB) of the Somerset Clinical Commissioning Group. Such grants, loans and other financial assistance are awarded under the provision of the Regulatory Reform Order 2002 and in accordance with other relevant legislation. Grant aid will be available for the provision of Prevention Grants, Disabled Facilities Grants (DFGs), Empty Property Grants and HMO Grants. Loans will also be available for similar purposes. Wherever possible, loans will be used in preference to grants as it is clearly more cost effective to do so. All grants awarded are discretionary, with the exception of DFGs, and will only be awarded subject to the funds available within the capital programme.

### **Home Loans**

The Council has been running the Home Loan Scheme in partnership with Wessex Resolutions (now operating as Wessex Home Loans) since 2006. A variety of loan products are available at a 4% fixed interest rate. Under the contractual arrangements, Wessex Home Loans will only provide loans to clients referred by SSDC. Under the scheme Wessex Home Loans provide low cost loans using capital provided by SSDC. The Government is very keen to promote loan schemes and in effect replace grants with loans where possible so as to recycle available funding. It is recognised however that grant aid in some form or other will always be needed as a safety net for vulnerable people where loans are not an appropriate option and as an incentive for various types of work. In certain cases a combination of grants and loans may be awarded. The following forms of loans will be available:

#### **Loan Policy 1: Loans for homeowners**

Loans will be available to homeowners for at least one of the following purposes:

- 1) To bring privately owned properties up to the Decent Homes standard (see definition at end of report) or to work towards the Decent Homes standard ensuring all Category 1 Hazards are dealt with under the Housing Health & Safety Rating System (HHSRS).
- 2) To improve energy efficiency measures and assist in carbon reduction measures within the home environment, including the provision of energy efficient heating measures and renewable energy products.
- 3) To top up Disabled Facilities Grants (DFGs) where the cost of works exceed the combined maximum and discretionary grant limit (currently £40,000), to fund discretionary DFG work or to help pay for the clients contribution towards the overall cost of the works.
- 4) To improve the condition of mobile/park homes on permanent licensed residential sites including energy efficiency measures.

- 5) To assist in the purchase of mobile homes for local residents on permanent residential sites.

Where loans are provided in conjunction with other SSDC grants, they shall be provided to meet the purposes of the grant in question.

Loans will be available where the following criteria are met:

- 1) The applicants must own and occupy the property/land as their sole residence and as their only or principal home and at least one must be over 18 years of age.
- 2) The applicants must have sufficient disposable income to cover the loan repayments and must have sufficient equity in their property to secure the loan.
- 3) Where individuals or couples are applying they must have an individual or joint disposable income less than £125 per week.
- 4) The applicants must be living in non-decent accommodation or in the case of mobile homes must be in similar substandard accommodation.  
The criteria defining decency require of a home that:
  - a) It meets the current statutory minimum standard for housing (HHSRS);
  - b) It is in a reasonable state of repair;
  - c) It has reasonably modern facilities and services; and
  - d) It provides a reasonable degree of thermal comfort.
- 5) In the case of 2 above, provided the applicants are vulnerable they need not have an equity stake in the property. In such cases the Council may underwrite the loan. If the criteria in 2 above cannot be met zero percent loans may be available. In all other cases a 4% interest loan product will be offered.
- 6) Loans will only be offered in cases where the applicant have no known serious disputes or outstanding debt owing to the Council.

The maximum loan available will be £15,000 the minimum loan will be £1,000.

## **Loan Policy 2: Loans for landlords**

Loans will be available to landlords for at least one of the following purposes:

- 1) To bring privately rented accommodation up to the Decent Homes standard.
- 2) To enlarge property to create extra living space where there is overcrowding.
- 3) To improve conditions in houses in multiple occupation (HMO's) to meet statutory requirements and SSDC standards regarding amenities and minimising or eliminating Category One hazards.
- 4) To improve the energy efficiency of the property.
- 5) To bring empty property back into use or to convert under-utilised property into units of accommodation.

Loans will only be available where the landlord:

- a) Is an accredited landlord under SSDC's Landlord Accreditation Scheme
- b) Has sufficient disposable income to cover loan repayments and has sufficient equity in the property to secure the loan.
- c) Will or intends to charge rent at no more than the Local Housing Allowance (LHA) rate.

- d) Will be expected to provide nomination rights in most cases(as per Grant Policy 3, Empty Property Grants, item 4 )

The maximum loan available will be £15,000 and the minimum loan £1,000.  
Landlord loans will only be available at a 4% fixed interest rate.

### **Loan Policy 3: Loans for Gypsies and Travellers**

1) Loans will be made available to Gypsies or Travellers to either provide services to their land (e.g. mains water, electricity or sewage connections), to assist in the purchase of land with planning permission or to purchase mobile homes.

2) Loans will only be offered in cases where the Gypsies or Travellers have no known serious disputes or outstanding debt owing to the Council.

3) Loans of up to £15,000 may be offered to Gypsies or Travellers in cases where the loan can be secured against their land.

4) Loans of up to £5000 only will be offered in situations where the loan cannot be secured against land. This situation will normally apply where SSDC owns the site and will usually only be for the purchase of mobile homes. The loan offered to assist with the purchase of a mobile home will be secured, in principle, against the value of the mobile home in question.

5) It is agreed that SSDC will underwrite all such loans and will meet any outstanding payments should the Gypsies or Travellers default on their loans (otherwise Wessex Home Improvement Loans (WHIL) will not be prepared to offer loans). Recovery of these amounts will be treated as a civil debt. In all cases the provision of unsecured loans will be at the discretion of the appropriate Director and Portfolio Holder.

6) In order to restrict potential losses to SSDC, in the event of default on loans by Gypsies or Travellers, no more than £45,000 worth of unsecured loans in total is to be agreed by SSDC.

### **Grant Policy 1: Prevention Grants - Dealing With Essential Repairs**

Prevention Grants, previously known as Home Repair Assistance Grants will be available to prevent poor housing conditions having an adverse effect on people's health. They will be provided to enable vulnerable people keep their homes weatherproof, minimise or eliminate Category One hazards and meet the "Decent Homes" standard. These grants will be funded as part of our DFG allocation from the Better Care Fund.

To be eligible for this type of assistance an applicant must:

- 1) Be an owner or legal tenant of a dwelling who lives in the dwelling as his/her only or main residence.
- 2) Be aged 18 or over on the date of application
- 3) Have an owner's interest in the dwelling, alone or jointly with others, or be occupying the dwelling under a right of exclusive occupation granted for life with at least five years to run.
- 4) Have a legal duty or power to carry out the works in question
- 5) Be in receipt of one of the following income related benefits; income support, income based Job Seekers Allowance, Working Tax Credits with a total annual income of less than £16,040 (this figure subject to periodic review) or equivalent,

housing benefit, Council Tax Reduction or Disabled Persons Tax Credits. There could be changes to this criteria once Universal credit is fully introduced.

- 6) As an alternative to 3) above, an applicant may be an occupier of a mobile/park home who is presently living on a permanent licensed residential site and is liable to pay Council tax.

The purposes for which Prevention Grants can be used are outlined below. All applications would be prioritised with those with the most pressing needs being dealt with first.

- a) General Repairs - for urgent and essential repairs to make sure properties are weatherproof and prevent them being a danger to the occupant. To deal with other repairs and improvements concerning matters that could adversely affect the safety and health of the occupant such as Category One and high Category Two hazards e.g. inadequate heating, penetrating dampness, dangerous electrics and gas fittings or missing standard amenities.
- b) Radon Remediation-for works to reduce radon levels in domestic property where it exceeds the radon action level (200 Bqm<sup>3</sup>).
- c) Energy Efficiency - to contribute towards the making of properties more energy efficient where cost effective in situations where full funding from other sources is not available. This form of grant aid would allow people to apply for the cost of gas condensing and other energy efficient boilers, cavity fill, double glazing as well as more usual things, such as loft insulation, lagging of cylinder tanks, thermostatic radiator controls and energy saving light bulbs, etc.
- d) Home Security -to pay for works to improve the security of homes not covered by other Home Security Schemes. This could include items such as deadlocks to front and rear doors, patio door locks, window locks, security spy holes, the toughening up of substandard doors and the installation of smoke alarms.

The amount of Grant awarded will be as follows:

The maximum amount of Prevention Grant awarded will be of £5,000 in any three-year period. This grant will be entered as a charge on the Land Charge Register. The grant shall be repaid in full if the house/mobile home is sold within ten years. These grants are subject to means testing and are only available to people on income related benefit and the Council Tax Reduction scheme. When offering grant aid an initial grant offer of only £2,000 will be made. The client will be offered a loan to pay for any outstanding work costing more than this. In emergency situations however a full £5,000 grant may be offered.

Non-means tested grants of £2,000 will be available to deal with 'Hard to Treat' properties. The council currently operates a 'Hard to Treat Scheme' to insulate hard-to-treat properties with a combination of grants and loans. Typically these are older properties with solid walls and inaccessible roofs that are difficult and expensive to insulate and hence the higher rate of grant. Also included here would be repairs/improvements to mobile homes.

Where energy efficiency grants are given through third parties such as the Centre for Sustainable Energy (CSE) in Bristol that operates the Warm Streets Scheme, the eligibility criteria shall be that which pertains to their scheme at the time. Payment into such schemes will usually be made from funds taken from the Prevention Grant budget.

## **Grant Policy 2: Disabled Facilities Grants – Helping Disabled People In Need**

Disabled Facilities Grants (DFGs) are awarded to disabled applicants to provide specialist facilities to enable them to remain in their homes. Typically these include stair lifts, handrails, bathroom/kitchen adaptations and heating as well as larger scale extensions for more complex needs.

In recent years demand for these grants has become greater due to the ever increasing elderly population and from higher expectations from the public. 62% of hospital patients in Somerset are now over 65, and this growth in demand is driving a £212m increase in annual costs in the Somerset health and care system. A recent National Audit Office report refers to adaptations as part of the 'home with support' discharge pathway.

Much higher funding for Disabled Facilities Grants (DFGs) is available thanks to extra investment from the Department of Health. DFGs are the main source of funding for home adaptations and increasingly are being used more flexibly to meet local needs; for instance, fast-tracking adaptations to make a house safer to return to. The Regulatory Reform (Housing Assistance) (England and Wales) Order 2002, sets out how a local housing authority may provide assistance for the purpose of meeting local needs. Those powers are pretty flexible provided the local housing authority has adopted and published a policy for the provision of assistance as in the case here.

The Care Act 2014 recognises the interdependence between health, housing and care/support needs describing Housing as “a crucial health related service which is to be integrated with care, support and health services to promote the wellbeing of adults and carers in order to improve the quality of services offered” The accessibility of the home is recognised as important for successful hospital discharge, to enable care to take place at home, and to allow people to live independent lives.

Many grants tend to be awarded to elderly people who, due to general infirmity associated with old age can no longer use their baths or climb stairs and consequently have a need for replacement showers or stair-lifts. In all cases we act upon the recommendations of Occupational Therapists from Somerset Social Services. It is recognised that by providing such facilities the need for re-housing is reduced, as is the need for lengthy hospital stays or more complex care packages.

We enjoy a good working relationship with the Occupational Therapist Service of Somerset Social Services who provides the statutory referrals for all DFG work. DFGs continue to be mandatory for approved works and mean testing procedures continue to apply. Currently the limit for mandatory DFGs is £30,000.

Whilst most of the conditions that apply to DFGs are statutory, the following additional policy will apply:

- 1) Mandatory DFGs of up to £30,000 will be awarded with the discretion to pay grant aid up to £40,000 on six separate occasions. Any requests for funding other than this will be referred to the Exceptions and Appeals Panel (see Grant Policy 5) but it has to be recognised that construction costs have increased since the original upper limit was originally set.
- 2) DFGs will be available to the occupants of mobile homes as well as traditional houses.
- 3) DFGs will be available to adapt a dwelling to enable a disabled person who lives or proposes to live in the dwelling as his or her only or main residence to be

cared for (this allows for a situation where someone wishes to bring an elderly disabled relative to come and live with them).

- 4) Relocation Grants - funding of up to £5,000 will be provided to assist with the cost of moving house if this is the most cost efficient option for the Council. This is in the case of properties that cannot easily be adapted for disabled people. This could also include the cost of providing temporary mobile home accommodation in situations where someone's house was beyond the cost of economic repair.

Note: Extra DFG funding is available for certain Ex Service personnel.

### **Grant policy 2.1: Other use of DFG funding agreed with the Joint Commissioning Board (JCB)**

In addition to the purposes described above it has also been agreed with the JCB and the other district councils in Somerset that DFG funding can be used for the purposes outlined below. The DFG allocation for 2016/17 was £984K and assuming it remains at a similar level next year it is intended to use about £110K of this sum for these purposes. This will allow sufficient funding to pay for the rest of the mainstream DFGs. This policy is based on the assumption, as mentioned, that in addition to the amount of funding for DFGs remaining the same that demand for services will remain at a similar level for the next year or so. If there are changes then this policy will be reviewed.

Most of the policies below are aimed at speeding up hospital discharge and/or preventing hospital admission in the first place. In pursuing these policies it will have to be accepted that we will in some cases be departing from the council's established procurement rules. For instance our procurement rules stipulate that for all payments over £5,000 we should go out to tender and the tender process would normally take at least four weeks. What is intended is that in the cases outlined below that we dispense with these rules and in some case offer non-means tested assistance in order to facilitate rapid hospital discharge. This approach would appear to tie in with the transformation agenda of the council.

**2.1.1 Minor adaptations** – Up to £1,000 grant, non-means tested for health related aids and adaptations. This may be for a grab rail, specialist equipment or minor alterations to the framework of the building to enable wheel chair access. This funding could also be used for clearing cluttered rooms to allow access to facilitate rapid hospital discharge. The list is not exhaustive. This funding could be provided to the Joint Community Equipment Service managed by Somerset Social Services using Trusted Assessors who work with the Occupational Therapists or to an approved handyman. This could be done by giving a sum of say £15,000 to the Joint Community Equipment Service for them to spend on our behalf. This would reduce administration costs, avoid the need for tendering. Bulk buying of equipment could also reduce costs. 94% of DFG recipients are on Means Tested Benefits, so there would only be financial implications for a 6% increase in people helped through 'non-means tested' grant funding.

#### **Disabled equipment**

**2.1.2 Ramps** - Concrete ramps provide issues in the future letting of the property and are unsightly and expensive to construct. The cost of a concrete ramp ranges from £1,800 to £2,800. The average cost of a modular ramp is £1,000 and removal and reinstallation in another property which includes administration averages £100. A modular ramp can be fitted in 24 – 48 hours. A concrete ramp which includes both construction and the grant administration can take up to 6 weeks. The shelf life of a modular ramp has an infinite lifespan as none have been scrapped in the 20 years of

their construction. The proposal is to remove ramps and some lifts (see below) from the DFG process to achieve savings in time, admin and costs through offering them on a loan basis. The idea would be to give a sum of say £20,000 to an approved ramp supplier to provide and install ramps quickly on our behalf. All expenditure would be carefully monitored

**2.1.3 Stairlifts** – If an occupant requires a stairlift, they currently need to apply for a Disabled Facilities Grant. The typical cost for a straight run stairlift is approximately £1,500; a curved stairlift £4,000. A straight run stairlift can be manufactured and fitted within two weeks of ordering, a curved stairlift takes up to six weeks after the grant approval due to the specially manufactured rail that it needs to glide on. If however a stock of stairlifts is kept in hand by a contractor they can be installed much quicker providing the staircase is fairly standard. In urgent cases (hospital discharge etc)therefore it is proposed is to loan stairlifts on a non-means tested basis as opposed to providing them via a grant. Less urgent cases would be dealt with in the usual way. In urgent cases the OT would undertake an initial assessment to determine how the equipment would need to be tailored to the persons need. The lift could be fitted within a week or possibly quicker if it was extremely urgent. The lifts would be recycled. To facilitate this it would be necessary to pay up front to purchase and install a number of stairlifts. It is intended to allocate £25,000 for this purpose.

#### **2.1.4 Discretionary funding to Wessex Resolutions**

It is proposed to provide Wessex Resolutions with funding from the Better Care Fund to increase the ability for some applicants to be able to afford repayments on loan packages who otherwise would not be able. If for instance an applicant could only afford to service a loan for £5,000 and the works cost £6,000 then a top up grant of this amount could be given. It is intended to allocate £10,000 for this purpose.

#### **2.1.5 Funding to pay for Housing Occupational Therapists (OTs)**

One of the matters causing delays in hospital discharge has been the lack of OTs to organise and stipulate the care packages and equipment required. To address this problem it has been agreed to allocate £30,000 to assist the funding of a Housing OT to help assess applicants for DFGs and speed up the DFG process. This Housing OT would only be working in South Somerset to assist our local residents.

#### **2.1.6 Funding to provide a subsidised handyman service**

It is intended to allocate £10,000 from the DFG budget to help provide a subsidised handyman service to elderly and vulnerable people. The aim is to provide elderly/vulnerable people with an affordable service to deal with small maintenance items. Currently the Aster Housing Group provides a handyman service across the rest of the County for £10 for people on benefits or £15 without. The cost of the service in South Somerset is £30 per hour as it is not subsidised. The intention is to pay this money to the Aster Housing Group or some other suitable provider to provide a subsidised service to South Somerset residents.

### **Grant Policy 3: Empty Property Grants – Creating Affordable Accommodation**

The Council has an established Empty Property Strategy aimed at bringing as many empty properties as possible back in to use. Several high profile schemes in town centre locations have recently enabled unoccupied accommodation to be brought back into use. This has both helped provide much needed accommodation to reduce council spending on alternative accommodation as well as assisting in town centre regeneration. All empty properties brought back into use currently attract New Homes Bonus of approximately



£8,000 per property. It is therefore recommended that the existing scheme be continued and that grant aid of up to £12,000 per unit be awarded to create flats or other accommodation in property that has been standing empty for at least six months where the scheme is managed by an accredited landlord or experienced developer. To be eligible for an empty property grant the landlord will be required to give the Council nomination rights for five years to re-house tenants from Home Finder Somerset. The property will also have to be let at no more than the LHA rent level.

The maximum figure of £12,000 will only be available for a full-sized two bedroom flat or similar and lower figures will be negotiated for smaller units of accommodation. This maximum grant figure will comprise of an £11,000 grant for repair and refurbishment and an extra £1,000 allocated for energy efficiency work. Higher rates of grant may be available in exceptional circumstances in exchange for longer nomination rights. Higher rates of grant may also be available in exceptional circumstances in exchange for lower outcome rents.

Empty Property Grants of up to £12,000 will therefore be offered to owners of empty properties for conversions and for flats over shops, subject to:

- 1) The amount of grant, being based on a percentage, of the actual cost of the works. A grant of 80% of the cost of the agreed works will be awarded until the maximum amount is reached.
- 2) Prior to the making of the grant application, it can be clearly demonstrated that the property has been stood empty for at least 6 months. Where property has been empty for less than 6 months applications can be referred to the Exceptions and Appeals Panel where they will be considered.
- 3) Agreement that rents charged during the five-year letting period would not exceed the prevailing Local Housing Allowance (LHA) rate.
- 4) That the property is let to tenant(s) nominated by the Council from Home Finder Somerset for five years from the certified completion date of the grant.
- 5) That all of the other regulations in the Department of the Environment circular 17/96, that apply to renovation grants hereby apply to Empty Property Grants.
- 6) That in addition to this grant being awarded in 1 above, up to an extra £1,000 can be awarded for energy efficiency measures.
- 7) Empty property grants will also be available where an empty property is demolished and replaced with a new building.

#### **Grant Policy 4: HMO Grants – Improving Rented Accommodation**

HMO Grants are grants designed to upgrade facilities, deal with disrepair and upgrade the means of escape in case of fire in houses in multiple occupation. HMOs are key providers of rented accommodation for single people, often housing the young and vulnerable.

With recent changes in housing benefit regulations they will continue to meet an essential and increasing need. HMOs are in fact the main type of accommodation used to deal with single person housing need, and the rent deposit scheme has been used to

help young people gain access to HMO accommodation. With the 'bedroom tax' and the single room allowance restricted to persons under 35 years of age, demand for HMOs has continued to increase.

Recent surveys of HMOs have shown that they tend to be the poorest form of any housing tenure. In recent months increased efforts have been made via enforcement work to upgrade substandard HMOs. The Council has a published HMO Policy that outlines the standards expected and the steps being taken to upgrade HMOs. The Housing Act 2004 also introduced the licensing of HMOs over three or more storeys with five or more residents. SSDC has also recently introduced new planning controls over HMOs in large parts of Yeovil.

Experience has shown that when trying to upgrade substandard HMOs, it is best to have a policy of coupling firm enforcement action with the provision of grant aid where appropriate. It is therefore proposed that our existing policy be continued whereby the Council gives HMO Grants as an incentive to assist good landlords to improve substandard HMOs.

### **HMO Grant levels**

To enable the upgrading of HMOs the following grant policy will apply. The grant aid offered will enable the upgrading of existing HMOs but could also be used towards the creation of new HMOs. The policy will be that:

- 1) Grant aid will be available to fund up to 60% of the cost of providing fire precautions in HMOs. In the case of sprinkler systems extra funding may be available from the Somerset & Dorset Fire & Rescue Service.
- 2) Grant aid will be available to fund up to 40% of the cost of providing necessary amenities and eliminating or minimising Category One hazards in HMOs.
- 3) The limit for grant aid is set at £11,000 plus an energy efficiency contribution (see 4 below).
- 4) That up to £1,000 is awarded to pay for energy efficiency measures in addition to the £11,000 grant in 3 above.
- 5) Grant aid will only be available if the HMO is licensed, where required, has planning permission or building regulation approval, where appropriate.
- 6) Grant aid will only be available to accredited landlords under the SSDC Landlords Accreditation Scheme.
- 7) HMO landlords can also apply for loans on top of an HMO grant.

### **Grant Policy 5: Exceptions and Appeals Panel**

In framing any grant policy there will inevitably be exceptions to the rules and it is likely that there will be appeals made against officer's decisions concerning grants. It is proposed that the Leader, Strategic (Strategic), the manager of the private sector housing services and two elected members make up the Exception and Appeals panel and be given delegated authority to deal with any exceptions to the agreed policy and deal with any appeals concerning grants made by the public. It is also recommended

that the Leader, Strategic (Strategy) be given delegated authority to select new members for the Exception and Appeals Panel as and when members retire from the panel.

Whilst the Council will have an agreed policy in place, it is suggested that the Exceptions and Appeals Panel be given the authority to consider any grant applications that falls broadly in line with the policy. This would allow financial and other assistance to be given in exceptional circumstances where it is clearly to the benefit of the Council and the applicant to do so.

#### **Grant Policy 6: Repayment of Grant**

The Council currently has a policy of demanding the repayment of grants where the future occupation and/or associated conditions of the grant are breached. It is intended that this policy should generally continue with any requests for the waiving of repayment conditions being referred to the Exceptions and Appeals Panel. The agreement to waive such conditions only being given in exceptional circumstances.

#### **Grant Policy 7: Return of Equipment**

Where grant aid is provided for specialist medical equipment (e.g. stairlifts etc) and it becomes surplus to the needs of the client during the clawback period the council will exercise its right to reclaim the equipment and allocate it for the use of another individual with similar needs.

#### **Grant Policy 8: Fees**

Fees-The council will pay fees of up to 12% for home improvement agency or other professional fees (architects, surveys etc) for the preparation of grant/loan applications.

#### **Grant Policy 9: Grant processing**

The processing of all grants should comply with the guidance in DoE Circular 17/96 where not covered elsewhere in this policy

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# Agenda Item 11

## **Medium Term Financial Plan and Capital Programme Update 2017/18**

*Executive Portfolio Holder: Peter Seib, Finance and Legal Services*  
*Chief Executive: Alex Parmley, Chief Executive*  
*Assistant Director: Donna Parham, Finance and Corporate Services*  
*Finance Manager: Catherine Hood, Finance Manager*  
*Lead Officer: Jayne Beevor, Principal Accountant Revenue*  
*Contact Details: jayne.beevor@southsomerset.gov.uk or (01935) 462320*

### **Purpose of Report**

1. To update members of the current position on the Medium Term Financial Plan (Revenue Budgets for 2017/18 to 2021/22) and the Capital Programme.

### **Forward Plan**

2. This report appeared on the District Executive Forward Plan for January 2017.

### **Public Interest**

3. This report is an update on setting the Council's budget for the next financial year 2017/18 and beyond.

### **Recommendation**

4. That the District Executive:
  - a) Note the current position and timetable for the Medium Term Financial Plan and Capital Programme;
  - b) Approve in principle the savings and additional income outlined in Appendix A;
  - c) Approve in principle the additional budget pressures outlined in Appendix B;
  - d) Note the impact and position of general fund balances as outlined in paragraphs 29 and 30;
  - e) Approve the internal borrowing policy document and the setting up of an internal borrowing reserve of £1m as detailed in Appendix C;
  - f) Note that all capital bids are being deferred pending an update to the Annual Action Plan within the approved Council Plan;
  - g) Note the current status of funding for Disabled Facilities Grants and that a guarantee has been sought from SCC to enable grant applications to continue to be assessed and approved.

### **Background**

5. The Medium Term Financial Strategy and Medium Term Financial Plan report for the financial year starting in 2017/18 was presented to District Executive in September 2016 outlining the approach to balancing the budget. This report updates members of the current position and requests an "in principle" approval to enable officers to consult on individual savings proposals.

### **The Autumn Statement**

6. The Autumn Statement was announced on the 23rd November 2016. There were a number of announcements that will affect SSDC's budgets going forward including:-

- Devolution remains at the heart of this government's approach to supporting local growth;
- An increase in mandatory rural rate relief to 100% to ensure that rural businesses are not disadvantaged;
- Funding of a £2.3bn housing infrastructure fund, and a further £1.4bn for an additional 40,000 affordable homes.
- More funding for Local Enterprise Partnerships in a bid to tackle productivity and growth, as well as more cash for transport, infrastructure and broadband, including 100% business rate relief for five years for fibre infrastructure.

## The Medium Term Financial Plan

7. Figures provided at this stage are still indicative and will continue to be amended until the budget is finalised in February 2017. Budget savings have been included to date and it is estimated that the budget for 2017/18 is balanced pending the final details being confirmed:-

	2017/18	2018/19	2019/20	2020/21	2021/22
	£'000	£'000	£'000	£'000	£'000
Base budget	17,291.3	17,791.6	16,709.1	16,291.4	16,347.0
Additional payroll requirement	911.3	219.2	202.4	191.1	134.7
Inflation allowance on contracts	129.8	163.5	166.8	170.1	173.5
Unavoidable Budget Pressures	718.8	286.9	162.8	319.8	322.8
Savings	(938.5)	(1,011.9)	(663.9)	(52.3)	349.0
Revenue effects of Capital Programme	70.9	99.2	4.7	30.3	(5.9)
Once-Off Expenditure	(392.0)	0.0	0.0	0.0	0.0
<b>Total Budget Requirement</b>	<b>17,791.6</b>	<b>17,548.5</b>	<b>16,581.9</b>	<b>16,950.4</b>	<b>17,321.2</b>
<b>Financed by:</b>					
Revenue Support Grant	802.6	268.9	0.0	0.0	0.0
Council Tax Reduction Scheme Grant to Town and Parish Councils	(104.1)	(34.9)	0.0	0.0	0.0
Rural Services Delivery Grant	133.4	102.6	133.4	0.0	
Transition Grant	57.0				
Council Tax Precept	9,340.3	9,770.9	10,221.9	10,605.6	10,887.1
Council Tax Funding for the Somerset Rivers Authority	(112.3)	(118.4)	(124.0)	(128.6)	(132.0)

Surplus on Collection Fund (Council Tax)	0.0				
Business Rate Income	16,860.0	17,280.0	17,680.0	17,740.0	17,740.0
Business Rate Tariff	(13,140.0)	(13,560.0)	(14,040.0)	(14,040.0)	(14,040.0)
Negative Revenue Support Grant to be Deducted from Business Rate Income			(330.0)	(330.0)	(330.0)
Confirmed New Homes Bonus to Support Revenue Budget	3,000.0	3,000.0	2,750.0	1,508.0	
New Homes Bonus Requirement Future Years	0.0	0.0	0.0	992.0	2,250.0
MTFP support from balances	954.7				
	<b>17,791.6</b>	<b>16,709.1</b>	<b>16,291.4</b>	<b>16,347.0</b>	<b>16,375.1</b>
<b>Budget Shortfall</b>	<b>0.0</b>	<b>(839.5)</b>	<b>(290.5)</b>	<b>(603.4)</b>	<b>(946.1)</b>

### Assumptions Made

8. There are several assumptions in line with the MTFs as part of the overall estimates contained therein:

	2017/18	2018/19	2019/20	Notes
Inflation	contractual obligations	contractual obligations	contractual obligations	Assumes inflation remains below 2%
Council Tax	£5.00 per Band D	£5.00 per Band D	£5.00 per Band D	Assumes that an additional £5 is added each year
Pay	1%	1%	1%	
Pensions	13.9% plus £1,240k As of 8/12 16.1% £1,556k	13.9% plus £1,440k As of 8/12 16.1% £1,580k	13.9% plus £1,440k As of 8/12 16.1% £1,604k	Assume employers contributions increases as per actuarial valuation
Investment Income	Base 0.25%	Base 0.25%	Base 0.25%	Assume no change to interest rates
Revenue Support Grant	-52.1% -£0.88m	-66.5% -£0.53m	-223.1% -£0.6m	Based on the accepted government multi-year settlement
Non-Domestic Rates	-5.3% -£208.2k	0% £0k	1.65% £60k	Estimates based on 2016/17 NDR1 and Government baselines
New Homes Bonus	£3.9m	£2.5m	£2.7m	Based on Government figures for 2017/18 and then reducing from 6 to 4 years.

### The Council Plan

9. Members approved the new Council Plan in April 2016 and as part of that approval agreed that an Annual Action Plan would be provided at the same time as the budget to ensure that there were sufficient funds in place for the Plan. Although the Annual

Action Plan has not yet been completed for 2017/18 the revenue budget still reflects the overarching Council Plan that was approved (see Appendix D). However, it is recommended that all new capital bids are deferred until the Action Plan is updated and approved by members.

### **Pension Costs**

10. SSDC received provisional pension figures on the 8<sup>th</sup> December 2016. These indicated an overall increase in pension costs of £749k compared to 2016/17 and £549k more than budgeted for in the MTFP reported in September 2016. The actuary has been asked for a detailed explanation that will be sent to members as soon as it is received. The initial explanation received outlines that the Government Actuaries Department will be undertaking a review of LGPS valuations/contributions under section 13 of the Public Sector Pensions Act with the likelihood that it will force increases in payments upwards. This has meant that the actuary for Somerset's pension scheme has built additional prudence into the discount rate driving the overall contribution rates up in advance of that inspection.

### **Government Settlement**

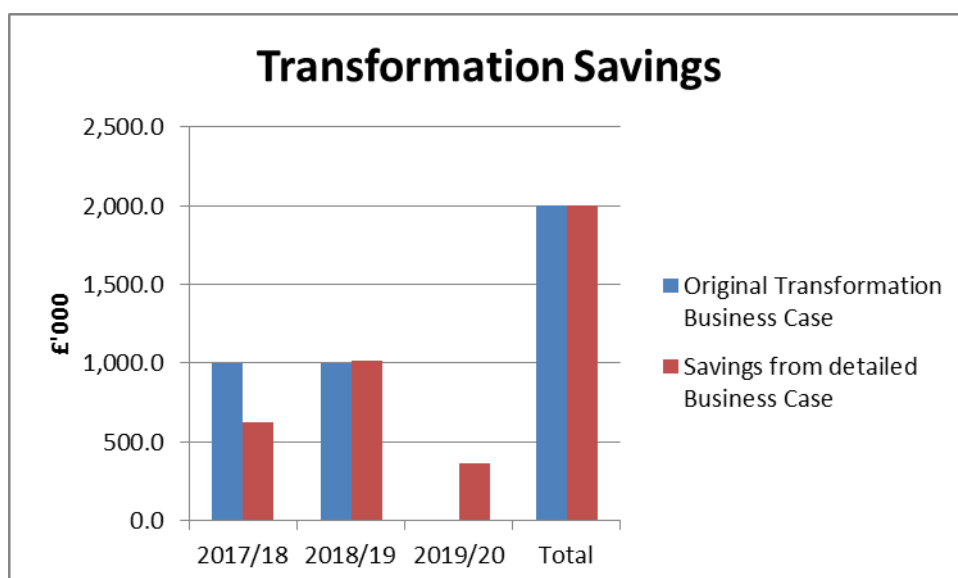
11. Following Full Council approval on October 13<sup>th</sup> 2016, SSDC accepted the offer of fixing its Government settlement for the next three years.

Financial Year	Revenue Support Grant (RSG) £'m	Rural Services Delivery Grant £'m
2016/17	1.675	165.3
2017/18	0.803	133.4
2018/19	0.269	102.6
2019/20	-0.330	133.4

The settlement announced on the 15<sup>th</sup> December has confirmed these figures. Amendments have however been made to NDR to adjust for revaluation.

### **Savings**

12. Savings plans are outlined in Appendix A. Members are requested to approve these in principle at this stage to enable any required consultation to take place.
13. Transformation savings have been reprofiled (as shown in the chart below) in line with the detailed business case, produced in October 2016, confirming that the £2 million already allocated to the MTFP is achievable. The proposed timetable for implementation has required £357k of balances to be proposed to be utilised in 2017/18 due to the timing of savings being achieved. The detailed business case outlined that further investment in the project is likely to be required to deliver it within the timetable set out and to maximise the customer and efficiency benefits. This is not certain at this stage and will depend on a number of factors including the outcome of the technology procurement process. An updated report will be presented to District Executive and full Council for further funding once figures for the procurement of the ICT have been obtained. In the meantime the project is continuing without locking into long-term contracts as stopping the project at this point will delay savings further, with resultant pressures on the budget.



14. Income generation savings are being added but only when the project has been confirmed. Therefore the “target” of £800k is not included in the MTFP at the current time.
15. The revised waste collection and recycling model savings have been included in the MTFP as well as an allowance for an increase in costs once the service is retendered in 2021.

### Unavoidable Budget Pressures

16. Members are requested to approve in principle the unavoidable budget pressures attached at Appendix B.

### Council Tax

17. The MTFP currently reflects a £5 increase in council tax for 2017/18, 2018/19, and 2019/20 followed by annual increases of 2% per annum. The Government has included an expectation that authorities will utilise this ability within their calculations of “spending power”. The Government has outlined that an increase greater than £5.00 will result in a local referendum.

### Somerset Rivers Authority and Council Tax Impact

18. The Government amended the Somerset Council Tax Levels last year to a notional amount to allow each of the Somerset authorities to raise 1.25% towards interim funding for the Somerset Rivers Authority. This will continue for 2017/18 pending legislation that will enable the SRA to become a separate precepting body.

### Council Tax Support Scheme

19. Members of the District Executive will be asked to approve the scheme for 2017/18 in January 2017. The Medium Term Financial Plan currently assumes the same number of recipients as at the end of November 2017 will continue into 2017/18. The estimated budget is £8,556 million compared to £8,478 million in 2016/17. This results in an increase in costs of £0.078 million in 2017/18 of which SSDC’s share is £8k.



20. The Government grant to support the Council Tax Scheme for local authorities and town and parish councils has been absorbed into Revenue Support Grant and cannot be identified separately. Members approved in September that £104,000 would be passported to Town and Parish Councils for 2017/18.
21. As the reduction in Revenue Support Grant has been frontloaded the reduction in grant to the Town and Parish Council will also reduce at a faster rate and the MTFP currently reflects that there will be no allocation by 2019/20.

### **Non-Domestic Rates**

22. In 2013 the Government introduced Non Domestic Rate (NDR) Retention that passed some of the risks and rewards from NDR to local authorities. Each local authority must set a budget for the NDR they expect to retain and in South Somerset this has been delegated to the S151 Officer (Assistant Director – Finance and Corporate Services) because of the considerable time constraints in place. Central Government requires the budget to be set by the 31st January 2017.
23. The current MTFP reflects an estimate of the 2016/17 NDR1 and is £300k above the baseline in 2017/18 and £200k above the baseline for 2018/19. There are a number of adjustments that the Government has introduced because of revaluation and we are still awaiting the final valuation list. The budget for 2017/18 may therefore be set on this estimate if the work cannot be completed on the NDR1 in time.
24. SSDC has participated in the Somerset NDR Pool over the last two years. However, the decision has been made to withdraw from the pool because of the risks of NDR revaluation and also the request for NDR relief by NHS Trusts. The Local Government Association is assisting local authorities with the latter and SSDC will contribute £6,300 towards the associated costs.

### **New Homes Bonus**

25. In October 2012 members agreed that New Homes Bonus would be mainstreamed as part of the overall funding package for SSDC services. This is because in effect it is top-sliced from Revenue Support Grant and then reissued as New Homes Bonus. SSDC has received a provisional figure of £3,862,682 for 2017/18.
26. Previously a sum equivalent to 80% of the average annual council tax is received in grant for every new home once occupied. This sum is payable for six years with an additional bonus of £280 (80% of £350) for every affordable home occupied. The Government has laid out the following as part of the annual financial settlement:-
  - The introduction of national baseline for housing growth of 0.4% and NHB will only be paid for new homes built and occupied above this (so SSDC will not receive NHB for around the first 300 new homes built each year).
  - From 2018/19 the Government will consider “withholding New Homes Bonus payments from local authorities that are not planning effectively, by making positive decisions on planning applications and delivering housing growth”.
  - The Government will also consider withholding payments for homes that are built following an appeal although this will follow further consultation;
  - A reduction will be made in the number of years for which payments are made from 6 years to 5 years in 2017/18, and to 4 years from 2018/19.

27. SSDC had already made a prudent assessment of future payments and with 2017/18 provisional figures can fund £3 million within the MTFP up to and including 2019/20. However, it is expected that further cuts will be made and therefore the Council's dependence on this income should be reduced. The MTFP therefore reflects a reduction of £250k per annum reliance on NHB from 2019/20. This would mean that even if SSDC did not receive any further NHB the MTFP would still be supported by £1.5 million in 2020/21.

### **Public/Stakeholder Consultation**

28. It is recommended that individual savings and additional income plans that are approved in principle are individually consulted upon where there is partnership, economic, or equalities issues to consider.

### **Impact on Balances**

29. Members approved the Transformation Project in March 2016. Some of the £2.7 million funding required, was offset against the Medium Term Support Grant in 2019/20 (from NHB) to give a longer period of time to fund the revenue consequences. To date this has reduced to £1.5 million with a target of £0.5 million to be offset against capital receipts that can be utilised for revenue purposes. Therefore for financial planning purposes the project as approved still requires funding of £1 million.
30. It is possible that further funding may need to be found but this will not be known until the procurement exercise has been completed for the technological solution and will be found from the original allocation that was set aside in the 2016/17 budget of £2 million.
31. The current budget for 2017/18 requires £0.955 million of revenue balances which would leave our balances at £2.9 million and at the bottom of the range required to meet our financial risks. The reprofiling of Transformation savings was expected but the increase in pension contributions was not. Members need to be aware that any reduction below this minimum would mean that any future requests for balances require full Council approval until balances have been replenished. Therefore in year budget monitoring and further use of balances need close scrutiny to manage this.

### **Budget Scrutiny**

32. This report will be presented to Scrutiny Committee in January before District Executive and full Council in February 2017.

### **Diversity and Equality**

33. Each saving put forward has been reviewed by the Equalities Officer to ensure that any impact the saving will have on diversity and equality has been assessed and to ensure that any issues are highlighted to members before a decision is made.

### **Capital Programme 2017/18 to 2021/22**

34. Members are requested to defer any decisions on capital bids until the revised Annual Action Plan of the Council Plan is approved to ensure that all bids can be prioritised fully. There are no bids at present that are fundamental to the functioning of any service at the present time.

## **Disabled Facilities Grants**

35. Disabled Facilities Grant remains a statutory requirement of District authorities although the funding is now made through the Better Care Fund. Funding for DFG's has been ringfenced for the last 2 years but this ceases next year. Somerset County Council has been requested to guarantee that at least 25% of the £984k required will be passported to the District Authorities to enable SSDC to approve allocations in advance. The recommendations as set out in this report reflect this request.

## **Internal Borrowing**

36. The Capital Strategy outlined in the October 2016 Medium Term Financial Strategy report introduced the use of SSDC capital for internal borrowing. This would be utilised in two ways:-
- Internal borrowing would be used for future capital schemes as part of efficient Treasury Management;
  - Replacement assets such as equipment and vehicles could be funded through capital rather than leases
37. The latter links to the Financial Procedures Rules that state "The Assistant Director Finance & Corporate Services shall ensure that there is sufficient budget as outlined and calculate whether a lease or purchase through internal borrowing is the best financial option". However there is no simple mechanism to free up capital funds to facilitate this. Members are therefore requested to approve the procedure outlined as attached at Appendix C. This outlines a process for replacement assets where a revenue budget for lease payments already exists. It is requested that the use of capital for this purpose is delegated to the Assistant Director – Finance and Corporate Services or the S151 Officer. For new assets that require additional revenue funding it is recommended that authorisation is sought from District Executive.

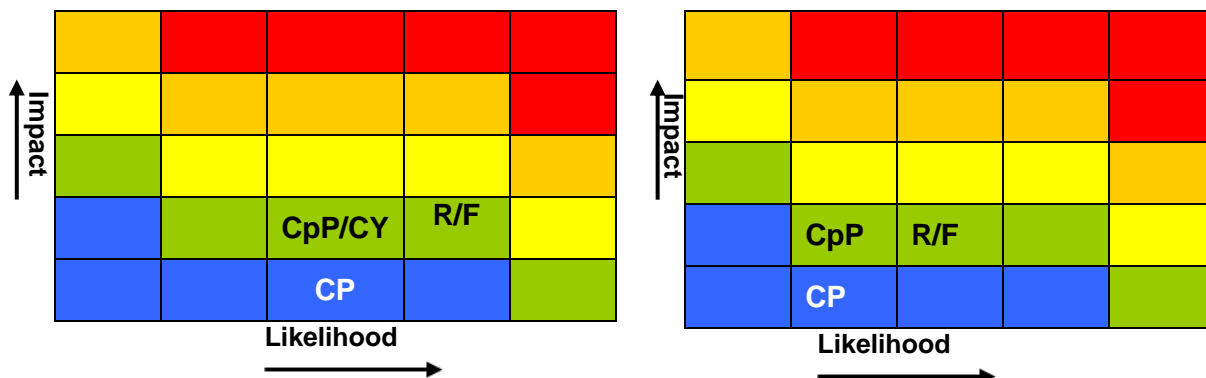
## **Next Steps**

38. Work on the budget for 2017/18 will continue until February 2017. There are a number of issues and final adjustments outstanding:-
- A budget for NDR will be set in January 2017;
  - Confirmation of New Homes Bonus will be given in the middle of January 2017;
  - Members will also review the results of consultation and equalities impacts of the savings outlined before approval in February 2017;
  - Government Grants will be finalised by the middle of January 2017;
  - The Council Tax Reduction Scheme will require approval in January 2017;
  - The level of Council Tax will be approved in February 2017 and Council Tax surpluses in January 2017 as part of the MTFP;
  - Use of Balances and final utilisation of NHB will be approved in February once the overall position of the MTFP is known.

## Risk Matrix

Risk Profile before officer recommendations

Risk Profile after officer recommendations



## Key

Categories	Colours (for further detail please refer to Risk management strategy)
R = Reputation	Red = High impact and high probability
CpP = Corporate Plan Priorities	Orange = Major impact and major probability
CP = Community Priorities	Yellow = Moderate impact and moderate probability
CY = Capacity	Green = Minor impact and minor probability
F = Financial	Blue = Insignificant impact and insignificant probability

## Background Papers

District Executive Reports

- February 2016
- September 2016

Council Reports

- February 2016

## Appendix A

### Savings

#### Equalities Check

	2017/18	2018/19	2019/20	2020/21	2021/22	28/11/16
	£'000	£'000	£'000	£'000	£'000	
<b>Operational Savings/ Economic Changes\Legislation Changes</b>						
Legal-Reduction in Supplies & Services costs	(12.3)					ok
HR-Reduction in Supplies & Services costs	(14.8)					ok
Env Health-Reduction in Supplies & Services costs	(5.5)					ok
Eng & Property-Reduction in Premises costs	(58.7)					ok
Finance-Reduction in Supplies & Services costs	(23.6)					ok
Rev & Benefits-Reduction in Supplies & services costs	(10.3)					ok
Area Development-Reduction in Supplies & Services costs	(9.5)					ok
LSP-contract changes for 2017/18	(12.0)					ok
Strategic Management-Reduction in Supplies & Services costs	(2.4)					ok
Econ Dev-Tourism Printing & Stationery, hospitality	(0.4)					ok
Arts-Reduction in Supplies & Services	(3.7)					ok
Policy & Performance-Reduction in budget for books	(0.2)					ok
Procurement-Reduction in budget for books	(0.3)					ok
Strategic Housing-Reduction in budget for books & hospitality	(0.9)					ok
Housing-Reduction in budget for books	(0.2)					ok
Spatial Policy-Reduction in Supplies & Services costs	(0.8)					ok
Bld Control-Reduction in Supplies & Services costs	(10.0)					ok
All Services-Business rate reduction	(4.1)					ok
Waste-Revised contract			(296.7)	(52.3)	349.0	EQA DX 1/12/16
<b>Transformation</b>						
Transformation-blueprint savings	(625.0)	(1,011.9)	(367.2)			EQA on Ten & updated by C Jones
<b>Income</b>						
Streetscene-Income from MOT's	(10.0)					ok
Dev Control-Pre-application advice income	(25.0)					EQA to be completed by D Norris
Arts-Octagon additional income	(10.0)					ok
Streetscene-Income from work for the Joint Burial Committee	(20.3)					ok
Waste-Additional Income from Garden Waste Collections	(50.0)					ok
Econ Dev-Tourism increased income	(2.5)					ok
Area South-Increased fee income	(1.0)					ok
Civil Contingencies increased income	(5.0)					ok
Sport Facilities-Additional income from Goldenstones	(20.0)					ok
	(938.5)	(1,011.9)	(663.9)	(52.3)	349.0	

## Appendix B - Unavoidable Budget Pressures & Once Offs

	2017/18 £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000	2021/22 £'000	Details
<b>Unavoidable Budget Pressures</b>						
<b>Already Approved</b>						
Allowance for other new inescapables		278.7	300.0	300.0	300.0	
Waste additional properties	21.3	21.3	21.3	21.3	21.3	
Replacement headsets for contact centre (budget required biennial)	1.5	(1.5)	1.5	(1.5)	1.5	
Somerset Growth Board Contribution	0.0	(4.6)				DX March 15
Westlands Complex running costs	62.5					DX Oct 15
80 South Street rent reduction	2.4					DX Jan 2016
Transformation ongoing software maintenance costs	60.0					DX Mar 16
Loss of income Castle Cary Market House	7.4					DX Apr 16
Loss of interest Huish Episcopi Academy Swimming Pool	6.3					DX Apr 16
Loss of interest Westlands foyer & covered walkway	3.3					DX July 16
<b>New Unavoidables</b>						
Apprenticeship Levy	0.0					To be incorporated with Transformation
Democratic Services- Increase in members allowances in line with staff pay awards	19.0					
ICT-Increased security & licensing costs	45.0					
ICT-Maint and support for modern.gov.uk	7.0					
Revs & Bens-Reduction in housing benefit admin grant	31.2					
Revs & Bens-Reduction in council tax support admin grant	17.5					
Area South- Reduction of market income	7.0	(7.0)				
Licensing-Loss of income re taxi drivers from addresses outside of South Somerset area	22.9					
Revs & Bens-Reduction of legal fee income	44.5					
Finance-16/17 salaries vacancy savings not achieved	50.0					
Car Parking-Number plate recognition scheme	150.0					
P4A Funding post withdrawal of funding from SCC	160.0		(160.0)			
<b>Total Unavoidable Commitments</b>	<b>718.8</b>	<b>286.9</b>	<b>162.8</b>	<b>319.8</b>	<b>322.8</b>	
<b>Once Offs</b>						
<b>Remove Previous Year Allocations</b>						
Intern Funding	(48.0)					
P4A Funding post withdrawal of funding from SCC	(319.0)					
Temporary funding for external support	(25.0)					
<b>Total Once Offs</b>	<b>(392.0)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	

## Internal Borrowing to Finance Capital Assets

### Purpose

This policy sets out the process for internal borrowing to fund the purchase of assets such as vehicles, gym equipment and office equipment.

A reserve of £1m is set up for internal borrowing purposes. Internal borrowing should not exceed £60,000 per asset and for a period of time no greater than 10 years. The interest rate charged to services will be certainty PWLB rate at the date of the loan for the term of the internal lease.

Regard must be taken of financial procedure rule 2.7 Purchase & Disposal of Plant & Vehicles over £10,000.

### Background

Capital assets can be financed either by leasing or purchasing outright. Assets to be purchased outright are either bid for via the annual capital resources programme or by a revenue contribution to capital.

Where an asset is to be leased the process has historically been handled by Chrystal Consulting or a similar organisation. They provide a complete lease tender and option appraisal service and challenge claims under the return condition scenarios. Chrystal's fees have been £1,000 and 25% of any identifiable savings arising from asset returns (damage charges and excess mileage claims).

Assets to be leased generally need to be collated together to ensure that there is significant value (around £100k) to go to the market. This can lead to time delays with assets then aging and not attracting the best lease price. There are often conflicts between a service manager's affordability and what is more cost effective for the authority. As an alternative to leasing externally, the Council can make a corporate purchase of the asset and then leases it internally to the Service.

When interest rates are higher than the long term rolling average return on the Council's internal investments (0.72% 2016/17), then it means the cost of borrowing is higher than the lost income forgone by using reserves, so it would make financial sense to use reserves for capital expenditure.

### Calculation of Interest

Interest will be paid on a reducing basis, using the PWLB annuity certainty loan rate relating to the term of the internal lease normally five years although occasionally seven years. A residual value will be assumed and agreed with the service at the start of the period and the balance of the principal will be repaid at the rate each year.

Example:

Length of lease:	5 years
PWLB rate:	1.24%
Capital Cost of Asset	£15,200
Residual value 20%	£ 3,040
Amount to be repaid	£12,160

Year	Balance B/F (£)	Principal Repayment (£)	Interest Repayment (£)	Balance C/F (£)
0	15,200	2,432		12,768
1	12,768	2,432	158.32	10,336
2	10,336	2,432	128.17	7,904
3	7,904	2,432	98.01	5,472
4	5,472	2,432	67.85	3,040
5	3,040	3,040		
		<b>15,200</b>	<b>452.35</b>	

At the end of the term of the internal borrowing the asset would be sold and the balance cleared. Any surplus or deficit would be retained or met by the service. If the service manager wished to keep the asset then they would be required to fund the residual value from within their revenue budgets.

Version 1 February 2017



## 'Tackling the Challenges' : Council Plan on a Page 2016-21

**Vision:** South Somerset: a place where businesses flourish, communities are safe, vibrant and healthy; where residents enjoy good housing and cultural, leisure and sporting activities.

### Aims:

South Somerset will be a confident, resilient and flexible organization, protecting and improving core services, delivering public priorities and acting in the best long-term interests of the district. We will:

- Protect core services to the public by reducing costs and seeking income generation.
- Increase the focus on Jobs and Economic Development.
- Protect and enhance the quality of our environment.
- Enable housing to meet all needs.
- Improve health and reduce health inequalities.

### Our Values:

- Putting the customer and community first when developing plans and services.
- Supporting people and communities, enabling them to help themselves.
- Being open, transparent and with greater accessibility to those that need to use council services.
- Working with partners to improve services, efficiencies, resilience and influence.
- Embracing innovation and improved technology to improve customer service and access.
- Empowering a confident, flexible workforce.

## Our Priorities – Making a Difference Where it Counts

### High quality cost effective services

In order to protect front line services we will:

- Transform customer services through technology.
- Actively manage assets and resources to ensure the best financial or community return.
- Seek business opportunities for the council.
- Work with partners to achieve economies, resilience and influence.

### Economy

To promote a strong economy with thriving urban and rural businesses we will:

- Work with businesses and use our assets to grow our economy.
- Advise and support initiatives that ensure worker skills meet the employers needs.
- Lobby for and support infrastructure improvements to enable growth.
- Capitalise on our high quality culture, leisure and tourism opportunities to bring people to South Somerset.

### Environment

To keep South Somerset clean, green and attractive we will:

- Increase recycling.
- Maintain Country Parks and open spaces to promote good mental and physical health.
- Keep streets and neighborhoods clean and attractive.
- Continue to address the impact of flooding.
- Promote a high quality built environment in line with Local Plan.
- Support communities to develop local, parish and neighbourhood plans.

### Homes

To work with partners to enable the provision of housing that meets the future and existing needs of residents and employers we will:

- Minimise homelessness and rough sleeping.
- Work with the private rented sector to improve the standard and availability of rented accommodation.
- Tackle fuel poverty.
- Enable people to live independently for as long as they are able.

### Health and Communities

To build healthy, self-reliant, active communities we will:

- Support communities so that they can identify their needs and develop local solutions.
- Target support to areas of need.
- Help people to live well by enabling quality cultural, leisure, play, sport & healthy lifestyle facilities & activities.
- Work with partners to tackle health issues such as diabetes and hypertension.
- Help keep our communities safe.

## Appendix 1 : Annual Action Plan on a Page

**Purpose:** The Annual Plan outlines agreed high level actions for each year. It will be updated each year, with an annual monitoring report to Full Council.

**Priority Levels:** Council Plan delivery is designed to be flexible to allow urgent projects to be added mid-year. To aid flexibility, actions are prioritised as **H**igh, **M**edium and **L**ow. Lower priority actions or those in italics will start when capacity allows, when the opportunity arises or if external resource is identified within the project plan.

### Our plans for 2016-17

#### High quality cost effective services

- H** Commence the delivery of the Transformation programme
- H** Set up Income Generation Board and develop prioritised action plan.
- M** Optimise council assets to increase use or receive income.
- H** Take a full role in the emerging Devolution discussions to ensure the best outcome for South Somerset communities.
- H** Work with Sedgemoor District Council on the formation of a strategic alliance to increase influence, resilience and savings.

#### Economy

- H** Engage pro-actively with the LEP to maximise investment in South Somerset.
- H** Progress key strategic projects such as Lufton 2000 and Chard Regeneration.
- H** Agree a prioritised action plan to deliver local projects with Regeneration Boards.
- H** Progress the key infrastructure projects that unlock development.
- M** Support district-wide roll out of superfast broadband.
- H** Progress work hubs in Chard and Yeovil.
- H** Progress options to improve access /regeneration of Yeovil Town Centre.
- H** Continue to support intern and apprentice scheme.

#### Environment

- H** Agree a new waste and recycling collection model to enhance recycling and reduce costs.
- H** Maintain levels of street cleanliness and increase the joint work with parishes via the parish ranger scheme.
- H** Improve gateway to Ham Hill CP through road and high profile signage scheme.
- H** Increase visitor numbers (and YCP café income) via an exciting events programme.
- H** Diversify volunteering opportunities to increase capacity for projects in all Country Parks.
- M** Begin installing 4km of paths within our open spaces to improve 'access for all'.
- H** With SRA, deliver Enhanced Maintenance Programme.
- M** Deliver or enable a range of energy reduction projects

#### Homes

- H** Increase housing supply to meet local needs by the agreed investment of £2.4m.
- H** Contribute to the review of DFG effectiveness led by the Health and Wellbeing Board.
- H** Work with partners to secure supported hostel and move on accommodation for vulnerable individuals.
- M** Continue to bring empty properties back into use.
- M** Continue to work with CSE on fuel poverty schemes.
- M** Promote Careline to increase take up and enable people to continue living independently.
- M** Develop a Lettings Agency project.
- M** Explore an enhanced landlord accreditation scheme.

#### Health and Communities

- H** Support residents through national benefit changes including universal credit.
- H** Agree lease, refurbish and relaunch WLC Sport, Conference & Entertainment Facilities.
- H** Deliver Healthy lifestyles projects inc Yr 1 of project to deliver integrated interventions to those with diabetes and hypertension.
- M** Transfer Castle Cary Market House to community.
- H** Enable enhancement of at least 8 play & youth facilities.
- H** Support Huish Episcopi academy community swimming pool project.
- M** Work with partners on public sector hub in Yeovil.
- H** Support at least 50 community projects.
- H** Prepare a plan to develop & deliver leisure facilities in Chard.

**Appendix 2 : South Somerset Today – A Snapshot Profile (2016)** Purpose: The Council Plan addresses local needs. This summary identifies a number of key facts and figures about the district and suggests areas where we should be focusing our resources to make the maximum impact. Most of the data is taken from the JSNA which is a living document signed off by the Health and Wellbeing Board.

## Our profile

### Corporate

Resident population is 164,569.

Yeovil and Chard are the 2<sup>nd</sup> and 6<sup>th</sup> biggest towns in Somerset.

SSDC annual budget for 2016-17 is £17.3 million.

To balance the budget £9.98m has been found in savings since 2010/11.

SSDC needs to save £4.1m by 2020.

In 2006 SSDC had 646 FTE's. In 2016 there are now 420 FTE's.

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### Jobs

Workday population - 160,193.

South Somerset economy represents over 32% of Somerset's economic value.

5,480 businesses.

Productivity per job is around 85% of UK average.

HoSW ranks 38 out of 39 LEPs on innovation measures including patent registrations and Innovate UK funding.

Top industries are 1 Wholesale, retail, vehicle repair; 2 Manufacturing; 3 Health and social work; 4 Education and 5 Construction.

Somerset GCSE performance 53.8% A\*-C (national 56).

Only 76% pupils in Somerset in education /training / employment the year after A levels.

### Environment

1025 miles of streets and roads to clean.

76 houses flooded and Muchelney cut off for 10 weeks in 2013/14.

Lack of provision of green open space is linked to self-reported levels of health and mental health for all ages and socio-economic groups (Maas et al 2006).

Three Green Flag Country Parks covering 252Ha, with 100,000's visitors / year.

46.20% household waste reused, recycled and composted.

37,460 Customer transactions at Ninesprings café in 1<sup>st</sup> year.

48% of Somerset conservation areas are in South Somerset with 4500 listed buildings.

### Homes

2072 registered on Homefinder Somerset, 277 in gold or emergency band (March 2016).

In 2013, the ratio of lowest quartile house prices to lowest quartile earnings was 6.9.

Average delivery of affordable housing over the past 4 years is 207/year.

Over the same period over £1m funding SSDC has levered in over £23m from HCA.

### Health and Communities

We have a higher proportion of older residents than the national average: 12.8% 65-74yrs (England 9.5%); 10.9% over 75yrs (England 8.1%).

97.3% Somerset residents speak English as their main language.

34,419 of our population are aged 19 and under.

13.2% of children (15 and under) are in child poverty compared to 14.9% in Somerset, 16.2% in SW and 20.6% in England.

HoSW area performs poorly for mental health outcomes.

Some areas of Yeovil are in the 20% most deprived MSOAs in the county.

Above average levels of deprivation around Chard, Crewkerne, Wincanton, Castle Cary and Langport.

### Sources

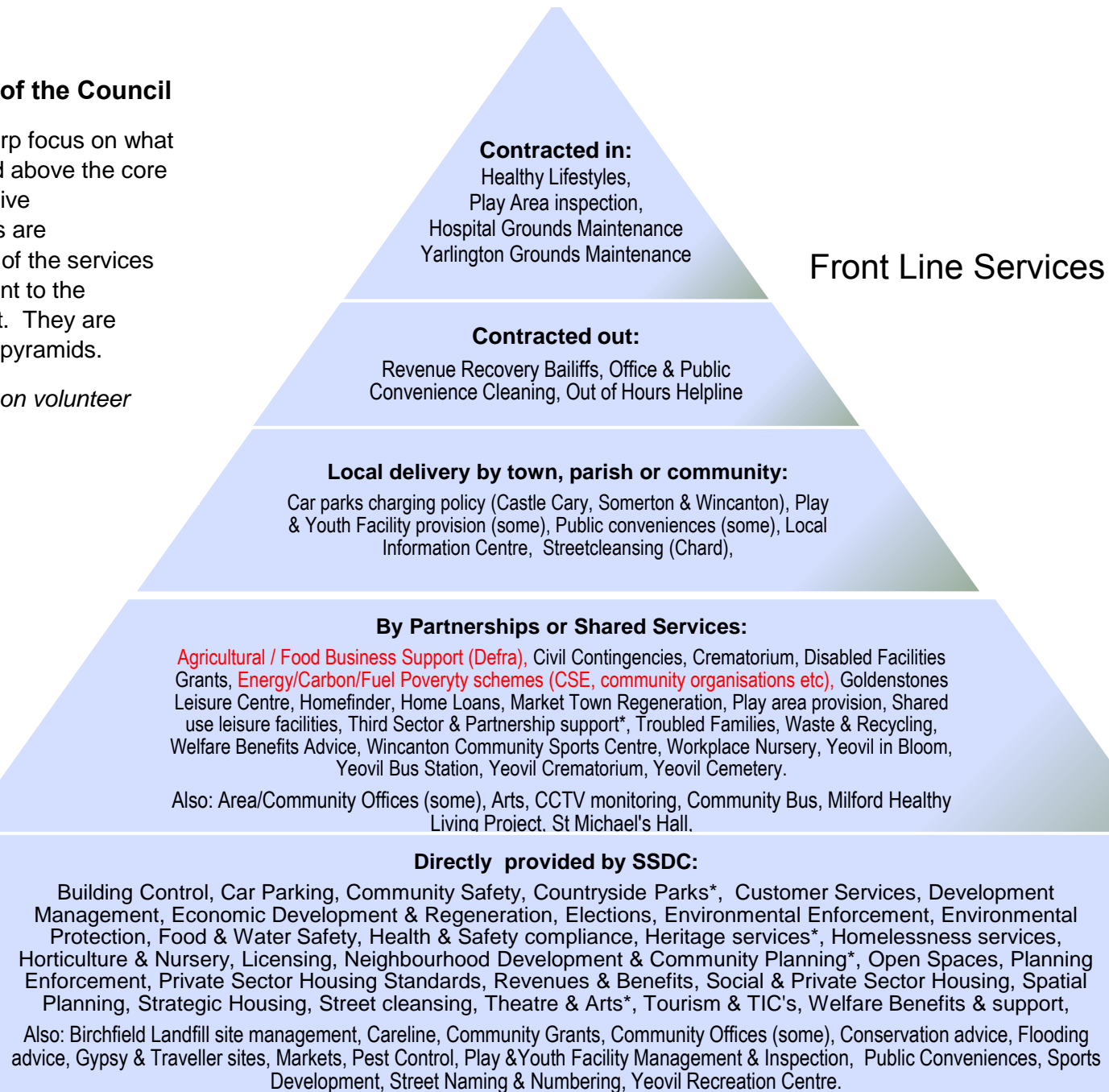
JSNA <http://www.informsomerset.org.uk> (references many data sources inc Somerset Economic Dashboard), Budget papers and 2010–16 savings summary <http://www.southsomerset.gov.uk/about-us/finance/> Housing data from Abris March 2016, Waste data from Q2 performance report December 2015 SWB)



### Appendix 3 : Core work of the Council

The Council Plan puts a sharp focus on what we want to achieve over and above the core council services in the next five years. Clearly, these targets are underpinned by the delivery of the services which are extremely important to the residents of South Somerset. They are outlined in the following two pyramids.

\* Denotes services that rely on volunteer effort to succeed



**Contracted in:**  
Payroll & HR (SWAP,  
Crematorium & Cemetery)

**Contracted out:**  
Cash collection & banking for offices and car  
parks, Occupational Health, Property &  
Maintenance (Mechanical & Electrical), Workplace  
Nursery

**By Partnerships or Shared Services:**  
Audit (SWAP), Benefit Fraud (DWP, National Anti-Fraud Network &  
RSL's), Insurance (EDDC)

**Directly provided by SSDC:**  
Asset Management, Business Continuity/Disaster Recovery, Canteen, Councillor Development,  
Data Protection, Democratic Services, Engineering Services, Equalities, Financial Services, Fleet  
Maintenance, Fraud & Data, Human Resources, ICT, Lean Efficiency work, Legal Services (inc  
Land Charges & Rights of Way advice), Management, Marketing & Communications, Payroll,  
Performance, Post/Printing/Scanning, Procurement & Risk, Property Maintenance, Scrutiny,  
Spatial Systems

## Glossary

AGP	Artificial Grass Pitch	LED	(Used to be known as Leisure East Devon)
CCTV	Closed Circuit Television	LEP	Local Enterprise Partnership(s)
CLICK	Chard, Ilminster and Crewkerne GP Federation	MTIG	Market Towns Investment Group
CSE	Centre for Sustainable Energy	MSOA	Middle Layer Super Output Area (geographical area used for statistical purposes)
CP	Country Park	RSL's	Registered Social Landlords
DFG	Disabled Facility Grant	SASG	Strategic Asset Steering Group
Defra	Department of Farming and Rural Affairs	SDC	Sedgemoor District Council
DWP	Department of Work & Pensions	SRA	Somerset Rivers Authority
DX	District Executive	SSDC	South Somerset District Council
EDDC	East Devon District Council	SWB	Somerset Waste Board
HCA	Homes & Communities Agency	SWAP	South West Audit Partnership
HoSW	Heart of the South West (Devolution)	SWP	Somerset Waste Partnership
HR	Human Resources	TIC	Tourist Information Centre
JLAG	Joint Leaders Advisory Group (with Sedgemoor District Council)	WLC	Westlands Leisure Complex
JSNA	Joint Strategic Needs Assessment	YCP	Yeovil Country Park

## Partnerships that will support the delivery of the Council Plan

Blackdown Hills Area of Outstanding Natural Beauty  
Chard Regeneration Scheme (Chard Vision)  
Cranborne Chase and West Wiltshire Downs AONB  
Heart of the South West (LEP)  
Heart of Wessex Rail Partnership  
Homefinder Somerset Partnership & Strategic IT  
Market Towns Investment Group  
Safer Somerset Partnership  
Joint Leaders Advisory Group (Sedgemoor DC)  
Somerset Armed Forces Community Covenant Partnership  
Somerset Intelligence Partnership  
Somerset Levels & Moors Local Action for Rural Communities  
Somerset Local Authorities Civil Contingencies Partnership  
Somerset Rivers Authority  
Somerset Waste Partnership  
Somerset Water Management Partnership  
South Somerset Together (LSP)  
South West Audit Partnership  
Strategic Partnership Against Hate Crime  
The Stop Line Way  
Town & Parish Councils  
Yeovil Vision

# Agenda Item 12

## **South Somerset Economic Development Monitoring Report (December 2016)**

*Executive Portfolio Holder:* Angie Singleton, Strategic Planning (Place Making)  
*Strategic Director:* Rina Singh, Strategic Director, Place and Performance  
*Assistant Director:* Martin Woods, Assistant Director (Economy)  
*Service Manager:* Paul Wheatley, Principal Spatial Planner  
*Lead Officer:* Paul Wheatley, Principal Spatial Planner  
*Contact Details:* paul.wheatley@southsomerset.gov.uk or (01935) 462598

### **1. Purpose of the Report**

- 1.1. To consider the Employment Economic Development Monitoring Report and inform Members as to the implications for plan-making and decision-taking.

### **2. Forward Plan**

- 2.1. This report was on the District Executive Forward Plan.

### **3. Public Interest**

- 3.1. The Council previously published its Authority Monitoring Report (AMR) in September 2016. The AMR noted that additional analysis of employment land delivery in South Somerset would be presented in December 2016.
- 3.2. The monitoring of employment land and floorspace is important to judge the level of delivery against the objectives set out in the South Somerset Local Plan (2006 – 2028). The data is also useful for considering whether or not the policies in the local plan should be amended or revised as part of the Early Review of the Local Plan.

### **Recommendation(s):**

That the District Executive:-

- i. note and consider the Economic Development Monitoring Report (**See Appendix A**); and
- ii. delegate responsibility to the Assistant Director for Economy in consultation with the Portfolio Holder for Strategic Planning to make any final minor text amendments which may be necessary to enable the Economic Development Monitoring Report to be published.

### **4. Background**

- 4.1. The South Somerset Local Plan (2006 – 2028) sets out a policy approach for shaping and influencing employment land delivery in South Somerset. Policy SS3 (Delivering New Employment Land) sets out that just under 150 hectares of employment land should be delivered over the local plan period. The policy also sets out a spatial distribution of this employment land, with a focus on ensuring delivery in Yeovil, followed by the larger towns in the district.



- 4.2. In order to understand whether the policy approach in the local plan is being successful, it is necessary to regularly monitor delivery records, by year, by settlement, and by type of development.
- 4.3. This monitoring information will normally be documented in the AMR produced annually. The AMR (2016) did not include an analysis of employment land delivery because the data at that point in time was not in a suitable robust state to support a robust analysis. The reason for this is that the data had historically not been held and ordered in a uniform manner. As such, significant work has been required to restructure, re-order and re-present the data so that some clear conclusions can be reached. A substantial amount of “data cleansing” has also been required to remove errors and discrepancies.
- 4.4. The employment land monitoring database and overall approach to monitoring has now been rationalised and so the data present in Appendix A and summarised below is robust. The work carried out in the background will also ensure a consistency of approach in all monitoring work in the future.

## 5. Summary of Employment Land Monitoring

- 5.1. Since 2006, South Somerset has delivered 49 hectares of net additional land, and 200,000 square metres of net additional floorspace. Table 1 sets out the delivery of land and floorspace in more detail. Additional information relating to delivery of land and floorspace over each year since 2006, in each of the main settlements across the district, and by each Use Class is set out in Table 2, Table 3 and Table 4 respectively.

**Table 1: Total Land and Floorspace Completed in South Somerset (2006/2007 to 2015/2016)**

South Somerset		
	Land (Hectares)	Floorspace (Square Metres)
<b>Gross</b>	71.9	328,698
<b>Losses</b>	23.0	128,956
<b>Net</b>	<b>48.9</b>	<b>199,742</b>

*Source: South Somerset's Employment Monitoring Database*

**Table 2: Annual Land and Floorspace Completed (2006/2007 to 2015/2016)**

Year	Land (Hectares)			Floorspace (Square Metres)		
	Gross	Losses	Net	Gross	Losses	Net
2006/2007	1.9	0.0	1.9	9,017	656	8,361
2007/2008	15.7	3.1	12.6	63,993	22,011	41,982
2008/2009	9.4	1.8	7.6	29,950	10,417	19,532
2009/2010	6.0	0.9	5.1	43,794	12,323	31,471
2010/2011	4.4	1.7	2.7	39,769	13,542	26,227
2011/2012	4.6	0.9	3.7	18,561	4,519	14,041
2012/2013	8.5	4.4	4.1	34,609	12,951	21,658
2013/2014	2.4	0.2	2.1	20,893	12,208	8,685
2014/2015	3.9	2.0	1.9	12,056	7,221	4,835
2015/2016	15.3	8.0	7.2	56,056	33,107	22,949
<b>Total</b>	<b>71.9</b>	<b>23.0</b>	<b>48.9</b>	<b>328,698</b>	<b>128,956</b>	<b>199,742</b>

Source: South Somerset's Employment Monitoring Database

**Table 3: Land and Floorspace Completed by Settlement (2006/2007 to 2015/2016)**

Settlement	Land (Hectares)			Floorspace (Square Metres)		
	Gross	Losses	Net	Gross	Losses	Net
Yeovil	10.4	9.3	1.1	75,239	53,287	21,952
Chard	1.0	1.5	-0.5	38,882	13,874	25,007
Crewkerne	1.8	0.4	1.3	11,976	7,871	4,105
Ilminster	4.2	0.4	3.8	17,512	2,205	15,307
Wincanton	1.8	0.6	1.2	17,337	6,594	10,743
Somerton	2.3	0.9	1.4	14,976	4,832	10,144
Ansford & Castle Cary	9.3	0.4	8.9	18,265	1,953	16,313
Langport & Huish Episcopi	0.1	0.1	0.0	4,525	3,159	1,366
Bruton	0.9	0.4	0.5	6,031	2,814	3,218
Ilchester*	0.1	0.1	0.0	1,159	310	849
Martock & Bower Hinton	0.2	0.0	0.2	1,956	2,261	-305
Milborne Port	0.2	4.0	-3.8	909	8,716	-7,807
South Petherton	0.5	0.0	0.5	2,841	362	2,479
Stoke Sub Hamdon*	0.0	0.0	0.0	829	607	222
Rest of District	39.0	4.8	34.2	116,260	20,111	96,149
<b>Total</b>	<b>71.9</b>	<b>23.0</b>	<b>48.9</b>	<b>328,698</b>	<b>128,956</b>	<b>199,742</b>

Source: South Somerset's Employment Monitoring Database

\* N.B. figures for net land completed in Ilchester and Stoke Sub Hamdon are (-0.03) and (-0.01) respectively

**Table 4: Land and Floorspace Completed by Use Class (2006/2007 to 2015/2016)**

Use Class	Land (Hectares)			Floorspace (Square Metres)		
	Gross	Losses	Net	Gross	Losses	Net
A1	6.0	4.7	1.3	28,660	20,237	8,423
A2	0.3	0.5	-0.2	7,143	4,262	2,880
A3	0.3	0.0	0.3	8,660	1,295	7,365
A4	0.5	0.2	0.3	3,623	3,231	392
A5	0.0	0.0	0.0	1,653	213	1,440
B1	13.5	6.9	6.6	54,115	41,031	13,084
B2	16.8	7.9	8.9	74,576	19,395	55,182
B8	10.5	0.6	9.8	51,460	15,061	36,399
C1	1.4	0.3	1.1	14,413	810	13,603
C2 (not Care Homes)	0.0	0.0	0.0	805	0	805
D1	2.9	0.7	2.3	25,897	6,642	19,255
D2	1.2	0.2	1.1	18,924	4,002	14,923
Sui Generis	11.2	0.3	10.9	20,425	7,502	12,923
Mixed Use	7.2	0.7	6.5	18,344	5,276	13,068
<b>Total</b>	<b>71.9</b>	<b>23.0</b>	<b>48.9</b>	<b>328,698</b>	<b>128,956</b>	<b>199,742</b>

Source: South Somerset's Employment Monitoring Database

- 5.2. Policy SS3: Delivering New Employment Land sets out that provision will be made for sufficient development to meet an overall district requirement of at least 149.51 hectares of land for economic development over the plan period (1st April 2006 and 31st March 2028).
- 5.3. The data set out above shows that 1,039 planning applications delivering economic development were completed between 1st April 2006 and 31st March 2016.
- 5.4. This has resulted in gross completions of 72 hectares of land, and 329,000 square metres of floorspace since 2006/2007.
- 5.5. After losses are taken into account, this equates to net completions of 49 hectares of land and 200,000 square metres of floorspace since 2006/2007.
- 5.6. Between 2006/2007 and 2015/2016 the annual amount of land and floorspace completed has been relatively consistent. Where year-on-year fluctuations do exist, these can be explained by unique larger-scale completions.
- 5.7. 70% (34 hectares) of the net additional land completed since 2006/2007 has been in the "Rest of the District", and therefore outside of the main settlements in South Somerset.
- 5.8. Yeovil has delivered 10.42 hectares of employment land, but this is a gross figure. Once losses have been taken into account (9.28 hectares), the net delivery falls to just over 1 hectare of additional land.
- 5.9. Given the size of settlement – Ansford & Castle Cary and Somerton have delivered impressive land and floorspace delivery figures. This may be due to large, possibly

one-off, developments in these locations (Royal Canin and Bancombe Road respectively).

- 5.10. Delivery figures for land and floorspace in the remaining Local Market Towns and the Rural Centres have been modest.
- 5.11. Traditional employment uses (B1 office, B2 general industrial, and B8 storage) continue to generate the largest amount of net additional land and net additional floorspace. Their role in the economy remains a vitally important one.
- 5.12. However, there is a clear rise in the amount of net additional land and floorspace generated by development which falls into the A use class, D use class, and Sui Generis. This is an indication of the increased prominence of the service-based industries to the economy of South Somerset.
- 5.13. The relationship between net additional land net additional floorspace is not directly proportional. At a settlement-level, there are places experiencing little net gain in land, but relatively high levels of net additional floorspace. This indicates that expansion of existing premises, changes of use within existing buildings, the intensification of use on an existing site are playing an important role in driving economic activity; as much, if not more so, than delivering new land for economic development.
- 5.14. The local plan policy is 10 years' into its life, which corresponds to 45% of the way through the plan's overall timeframe. In comparison, the total net land completion figure represents 33% of the local plan's overall target.
- 5.15. The level of progress towards the policy target is significantly enhanced by the "Rest of the District" figures. When looking at the level of delivery across the main settlements progress is somewhat mixed, with some of the larger towns only delivering small amounts of net additional land.
- 5.16. However, as the previous chapters have highlighted – achieving positive economic development is not solely about the delivery of net additional land. Therefore, in considering the effectiveness of Policy SS3, and the implications for the scheduled Early Review of the Local Plan, there must be question marks as to whether measuring performance only via analysing the quantum of net additional land realised is the correct metric; and whether a package of monitoring measures is required to provide a more rounded and more comprehensive assessment of how South Somerset's economy is performing.
- 5.17. Total jobs in South Somerset have increased over the period 2006 – 2016. And the economy appears to have recovered from the worst impacts of the recession. When considered alongside other factors – economic activity rates, claimant counts, GVA by sector, GVA per capita – then the general outlook for the South Somerset economy is strong.
- 5.18. However, it is fair to say that in terms of delivery of net additional employment land and floorspace that progress since 2006 is mixed. Total net land delivery since 2006 has been 49 hectares, and total net floorspace generated has been 200,000 square metres. When looking at progress against the target figure set out in the South Somerset Local Plan Policy SS3, the figures show that performance is behind a notional 'average' land delivery target after 10 years.

- 5.19. But it is also accepted that economic development activity doesn't really work in an average or uniform manner. Investment decisions respond to economic cycles and that decision making is not uniform.
- 5.20. The data and analysis begs the question – what does this mean for the longer term relationship between economic development and land delivery? Looking critically at the data versus the policy objective set out in Policy SS3 of the local plan, it would appear to signify the end of “predict and provide” style approaches to allocating employment sites and considering economic development purely through the lens of employment land requirements.
- 5.21. In addition, with significant delivery in the “Rest of the District” and very little in the main settlements as defined in local plan, it would seem that there is a real challenge in terms of delivering land. And, again, questions whether this narrow pursuit is the correct one to realise economic growth and productivity.
- 5.22. On this basis the data suggests there may be a need to re-consider the strategy on land requirements. The information suggests there are issues associated with unlocking ‘large’ sites and that this is a disconnect between land allocations and true business needs.
- 5.23. With changes of use, churn, recycling of land, and intensification of existing premises playing a critical role in driving forwards economic activity – a greater policy focus on these issues is required. Furthermore, a more flexible policy approach is likely to be required to cater to the trends in A1 – A3, and D1 and D2 Use Classes and the shift and change in economy; whilst still recognising that “traditional” B1, B2, and B8 have provided the greatest amount of land and floorspace in the district.
- 5.24. With delivery and supply dominated by Yeovil, Chard, and then the Rest of the District it also suggests a two-tier strategy for economic activity is required. And in bring this strategy to fruition; the Council may need to place as much emphasis on supporting existing businesses to expand on existing sites, as to simply support them in pursuing new development opportunities.

## **6. Next Steps**

- 6.1. The data summarised above and presented in Appendix A will be incorporated within all future AMRs produced annually.
- 6.2. The data, intelligence and analysis will also be used in decisions on current and future planning applications, and the Council's corporate approach to facilitating future employment land delivery.
- 6.3. In addition, the data and analysis will be used to inform discussions, options and possible policy revisions as part of the Early Review of the Local Plan. Given that the data indicates that overall employment land delivery is below the expectations for this point in the local plan period, it would seem to indicate that a more tailored approach to employment land deliver across the district is required.
- 6.4. To this extent, a more nuanced understanding of the differences *and* relationship between employment “land” versus employment “premises” is required. The nature of the economy in South Somerset, along with the changing nature of permitted development rights and an overall relaxation of the rules surrounding change of use means that both the current and future strategies for delivering employment and economic growth need to recognise that this growth and regeneration does not

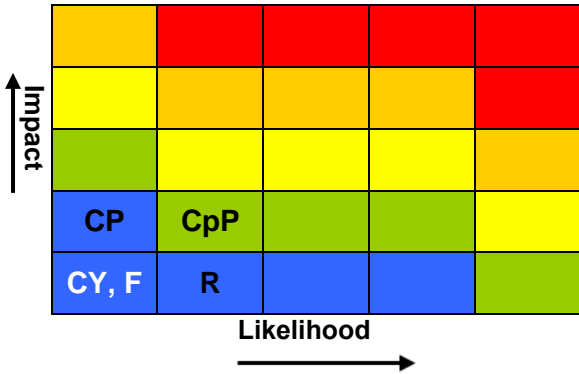
automatically equal “new” land. Accordingly, choices and decisions on the locations and sites for new land need to be scrutinised and where relevant, existing allocations re-appraised to ensure that the sites represent the right sites, in the right locations.

## 7. Financial Implications

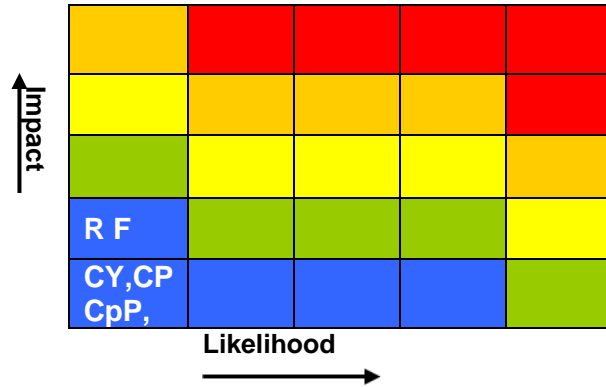
7.1. There are no direct financial implications stemming from this report or the decision of District Executive.

## 8. Risk Matrix

Risk Profile before officer recommendations



Risk Profile after officer recommendations



### Key

Categories	Colours (for further detail please refer to Risk management strategy)
R = Reputation	Red = High impact and high probability
CpP = Corporate Plan Priorities	Orange = Major impact and major probability
CP = Community Priorities	Yellow = Moderate impact and moderate probability
CY = Capacity	Green = Minor impact and minor probability
F = Financial	Blue = Insignificant impact and insignificant probability

## 9. Corporate Priority Implications

9.1. The Council has consistently stated in the Corporate Plan that the delivery of land to support economic activity and growth is a high priority.

## 10. Carbon Emissions and Climate Change Implications

10.1. No direct implications.

## 11. Equality and Diversity Implications

11.1. No direct implications.

## 12. Privacy Impact Assessment

12.1. No direct implications.

## 13. Background Papers

13.1 Appendix A – Economic Development Monitoring Report

# Economic Development Monitoring Report: Land and Floorspace Delivered in South Somerset (December 2016)

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## Executive Summary

Report provides specific data and analysis of economic development to complement the overall Authority Monitoring Report (AMR) produced in September 2016. It sets out data on the amount of land and floorspace delivered between 2006 and 2016; and also outlines land and floorspace which is currently “*under construction*”, and that which has planning permission but has “*not yet started*”.

In overall terms, South Somerset has delivered **49 hectares of net additional land** since 2006. Over the same timeframe, South Somerset has generated **300,000 square metres of net additional floorspace**.

The vast majority of the net additional land and floorspace has occurred outside of the main settlements as defined in the South Somerset Local Plan (2006 – 2028). In locations outside of the main settlements, identified as the “*Rest of the District*”, the level of delivery has been 34 hectares of net additional employment land and 96,000 square metres of net additional floorspace. This equates to 70% of the total land delivered, and 32% of the total floorspace delivered.

The relationship between net additional land and net additional floorspace is not directly proportional. At a settlement-level, there are places experiencing little net gain in land, but relatively high levels of net additional floorspace. This indicates that expansion of existing premises, changes of use within existing buildings, and the intensification of use on an existing site are playing an important role in driving economic activity; as much, if not more so, than delivering new land for economic development.

Analysing land and floorspace which is currently “*under construction*” allows for a perspective on the strength of the short term supply. At 31<sup>st</sup> March 2016, there were 74 permissions for economic development, where the development site was “*under construction*”. These proposals are set to yield 59 hectares of net additional land, and 11,000 square metres of net additional floorspace.

As with the completion figures, the “*Rest of the District*” is expected to deliver the majority of the short-term future supply of net additional land and floorspace – accounting for 63% of future land and 93% of future floorspace provision.

Looking at the longer term pipeline, there are 113 approved planning applications for economic development in South Somerset, where the development has “*not yet started*”. These applications equate to 35 hectares of net additional land and 79,000 square metres of net additional floorspace. Some sizable Local Plan allocations in Yeovil are included in this longer term potential, including the Bunford Park site, Lufton Business Park (Phase III) and land at Seafire Park on the Lynx Trading Estate.

The land and floorspace illustrated as “*not yet started*” is expected to be delivered over the plan period, but there is a degree of uncertainty over delivery as circumstances change - applications can lapse, can be superseded, and therefore never get built. The degree of uncertainty is greater than that associated with sites “*under construction*” because in that scenario investment decisions have already been made.

Traditional employment Use Classes (e.g. B1, B2, and B8) continue to provide significant amounts of new land and new floorspace. Taken together these three Use Classes represent nearly 52% of net additional land, and over 52% of net additional floorspace. This would appear to reflect and respond to the nature of the existing South Somerset economy, with, for example, prominent advanced manufacturing and aerospace sectors requiring these Use Classes.

However, there is a noticeable rise in the amount of new land and new floorspace created by non-traditional, service-sector based Use Classes (e.g. A, D and Sui Generis). It will be important to continue to monitor the inter-relationship between these two different facets of the economy, to understand whether those Use Classes associated with the service-sector may overtake and dominate traditional uses in terms of their impacts on land-use planning.

Of course, it is not just the use of land and buildings which needs to be borne in mind when analysing this data. There are wider issues associated with the number of jobs, the productivity of those jobs, and the type and location of businesses that these non-traditional Use Classes support. Nonetheless, any shift in the economy and way that land and buildings are being used and developed is an important factor in future policy-making and decision-taking.

Robust data on land and floorspace is important to properly judge the performance of the South Somerset Local Plan (2006 – 2028) policies. The local plan policy is 10 years’ into its life, which corresponds to 45% of the way through the plan’s overall timeframe. In comparison, the total net land completion figure represents 33% of the local plan’s overall target.

The level of progress towards the policy target is significantly enhanced by the “*Rest of the District*” figures. When looking at the level of delivery across the main settlements progress is somewhat mixed, with some of the larger towns only delivering small amounts of net additional land.

Little net additional land delivery has occurred in the main settlements as defined in the local plan. Delivery in the Local Market Towns and Rural Centres has been especially low. Taken together, all of the 14 settlements identified in the local plan have delivered 14.7 hectares of net additional employment land. A simple average figure would mean that only 1.05 hectares has been delivered per settlement, which would mean only 0.105 hectares per annum.

This would suggest that the delivery of net additional land is complicated and challenging. It would also suggest that facilitating economic activity and economic development is not solely about realising new additional land. There are clearly other factors at play. Therefore, in considering the effectiveness of Policy SS3, and the implications for the scheduled Early Review of the Local Plan, there must be question marks as to whether measuring performance only via analysing the quantum of net additional land realised is the correct metric; and whether a package of monitoring measures is required to provide a more rounded and more comprehensive assessment of how South Somerset’s economy is performing.



Exploring the data in more detail highlights that the relationship between net additional land and net additional floorspace is not directly proportional. Challenges in terms of the availability of finance, increased levels of risk, fluctuations in the economy, the long term impacts of the recession on investor confidence, and the short term impact of external factors (such as Brexit) mean that businesses are still being cautious in their plans. Feedback from stakeholders confirms there is no appetite for speculative development, and it seems clear that alternative approaches to grow businesses and/or raise productivity are being followed, which does not necessarily translate into additional employment land requirements.

Looking at the pipeline of future land and floorspace, the data indicates that supply is somewhat limited. What supply is consented (either “*under construction*” or “*not started*”) is focused mainly in Yeovil and Chard, and the “*Rest of the District*”, outside of the main settlements. Reflecting on what this means for the economy in the short and long term; and South Somerset’s ability to be competitive and increase productivity will be important questions for future economic policy-making. It may be that that a greater emphasis is required on supporting existing businesses to change or expand on existing sites, rather than simply pursue new land?

Furthermore, whilst the data suggests that delivery of net additional land and floorspace may be below perhaps what was expected in South Somerset as laid out in the policy of the local plan; the jobs generated in South Somerset has increased over the period 2006 – 2016.

The economy appears to have recovered from the worst impacts of the recession; and when considered alongside other factors – economic activity rates, claimant counts, GVA by sector, GVA per capita – then the general outlook for the South Somerset economy is strong.

In terms of what this means for the longer term plan for stimulating economic development, it may suggest there is a need to move away from a sole focus on the delivery of new employment land. The data suggests that the strategy of “*predict and provide*” for new employment land is overly simplistic, and that there may be a disconnect between the Council’s approach to allocating land, and what is truly needed by the business community.

Having considered the findings and drawn conclusions there are some important questions that need addressing when looking at the Early Review of the Local Plan and the future economic development policies for the district. These are set out below:

Q1. Is a two-tier economic development strategy – focussing on the five large towns and opportunities across the Rest of the District – now required?

Q2. Given the quantum of net employment land and floorspace realised since 2006, is there a need to re-think the overall scale of anticipated employment land set out in Policy SS3?

Q3. The work carried out in September 2015 indicates that the Function Economic Market Area for South Somerset extends primarily along the A303. How should this shape future economic development allocations? How does South Somerset utilise its locational advantages?

Q4. What does the proposed A303 and A358 strategic highway upgrade mean for locations along the A303 corridor? Will these locations be more, or less, attractive for businesses?

Q5. What is the relationship between traditional economic development Use Classes (B1, B2, and B8), and the wider shift towards a service-sector economy and the rise in developments linked to A1 – A3, D1, D2 and Sui Generis Use Classes?

Q6. Future discussions about economic policy should develop a greater understanding of associated issues, and their impact on the competitiveness of the South Somerset economy, such as:

- size and age of the labour force;
- productivity and the need to increase GVA per capita;
- the current low wage, low skill economy in the district;
- infrastructural deficiencies (transport, utility, communication);
- land acquisition and viability; and
- business needs in terms of land and/or premises.

# 1. Introduction

- 1.1. The South Somerset Authority Monitoring Report (AMR) was produced in September 2016<sup>1</sup>. The report gave an overview of the economy in South Somerset, using secondary data from sources such as ONS, NOMIS and Census to set out the overall scale of the economy, key economic sectors, levels of employment and productivity, and economic forecasts.
- 1.2. The AMR set out that a subsequent paper would provide a more in-depth analysis of the delivery of economic development in South Somerset.
- 1.3. This paper provides an analysis of employment land and floorspace, which has gained planning permission in South Somerset over the period 2006/2007 to 2015/2016. Analysing data across the timeframe allows for a robust appraisal of the Council's track record of delivery against the targets set out in the South Somerset Local Plan (2006 to 2028).
- 1.4. The report sets out in detail the amount of land and floorspace:
  - **“Completed”** –including separating the data by:
    - overall total;
    - annual total for each year between 2006/2007 and 2015/2016;
    - the main settlements in South Somerset; and
    - the different *“economic development”* Use Classes.
  - **“Currently Under Construction”**; and
  - **“Not Yet Started”**.
- 1.5. Further analysis on the average amount of time taken for economic development to be “completed”; along with an assessment of the average size of land and floorspace “completed” in the district is also provided.
- 1.6. The data and analysis set out in this paper will be incorporated in to all future AMRs produced by the Council.

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<sup>1</sup> South Somerset Authority Monitoring Report (September 2016)  
[http://www.southsomerset.gov.uk/media/849925/authroity\\_monitoring\\_report\\_final\\_issue\\_to\\_website\\_090916.pdf](http://www.southsomerset.gov.uk/media/849925/authroity_monitoring_report_final_issue_to_website_090916.pdf)

## 2. Background and Context

### Employment Land Monitoring in South Somerset

- 2.1. The Council has been monitoring the use and development of employment land for over 15 years, and has electronic records dating back to 1999. The focus of the monitoring since 1999 has been on “*traditional*” employment uses, i.e. those classified under the Town and Country Planning (Use Classes) Order 1987 (as amended) as:
  - **B1 Business** (Offices [other than those that fall within A2], research and development of products and processes, light industry appropriate in a residential area);
  - **B2 General Industrial** (all industrial processes excluding incineration, chemical treatment, landfill or hazardous waste); and
  - **B8 Storage and Distribution** (including open air storage).
- 2.2. As such, previous monitoring reports have specified the amount of employment land developed in the district, separating out the data by B1, B2, and B8 Use Classes only.
- 2.3. Consideration of other employment generating uses has previously been addressed through the monitoring of “*town centre*” activities, i.e. those classified under the Town and Country Planning (Use Classes) Order 1987 (as amended) as:
  - **A1 Shops;**
  - **A2 Financial and Professional Services** (other than health and medical services); and
  - **D2 Assembly and Leisure** (cinemas, music hall, swimming baths, indoor and outdoor recreation etc.).
- 2.4. Therefore, there has been little consolidated analysis of the full range of economic development activity occurring within South Somerset. The previous analysis has also tended to report the amount of land taken up for employment purposes, and has not explored the relationship between employment ‘land’ and employment ‘floorspace’ in any detail. This disjointed approach leaves the Council potentially vulnerable to challenge as to whether it is truly meeting the economic needs of residents and businesses.
- 2.5. Furthermore, over the last decade, a greater awareness as to the range of functions which constitute “*economic development*” has emerged. This is linked to a clearer understanding of the structural changes in the UK economy, with recognition that the country is generally moving more towards a service-based economy, and away from traditional sectors. This prompts the need to take a more inclusive approach to monitoring and analysing the full range of economic development activity.
- 2.6. This stance has been strengthened since the publication of the National Planning Policy Framework (NPPF) in 2012. The publication of the NPPF did two things:
  - First – it emphasised that local planning authorities should positively recognise the role that other services and industries play in the economy and cater to their needs; and

- Second – it placed a greater responsibility on local planning authorities to introduce more robust monitoring and analysis of employment land requirements to support policy making and a sound Local Plan.

2.7. Annex 2 within the NPPF defines “*Economic Development*” as:

*“development, including those within the B Use Classes, public and community uses and main town centre uses (but excluding housing development)”.*

2.8. Paragraph 161 of the NPPF also introduces a requirement for local planning authorities to have an evidence base which enables the assessment of the needs for land and/or floorspace for economic development. This includes the needs for all foreseeable types of economic activity including retail and leisure development.

2.9. In line with the NPPF, the South Somerset Local Plan (2006 – 2028) sets out a requirement for land for economic development (Policy SS3). In order to robustly monitor this policy, the Council’s monitoring database has therefore been updated to monitor traditional *and* other employment generating uses.

## South Somerset Local Plan (2006 – 2028)

2.10. The South Somerset Local Plan (2006 – 2028) contains a number of policies which support the delivery of economic development:

- **Policy SS2: Development in Rural Settlements** – strictly controls development, allowing proposals which provide employment opportunities appropriate to the scale of the settlement.
- **Policy SS3: Delivering New Employment Land** – sets out that provision will be made for sufficient development to meet an overall district requirement of at least 149.51 hectares of land for economic development over the local plan period (206 to 2028). It also specifies the distribution of economic development across the each settlement, which is presented in Table 2.1 below.
- **Policy EP1: Strategic Employment Sites** – identifies Crewkerne Key Site and the three sites in Ilminster as strategically significant sites for local and inward investment.
- **Policy EP2: Office Development** – identifies that office development should be located within the defined Town Centre and where this is not possible a sequential approach to the location of such developments is identified.

2.11. Given section 2.9 above, this report focuses on the progress made towards achieving the land requirements set out in Policy SS3. This also provides evidence for what is Subsequent AMRs will consider Policy SS2, Policy EP1 and Policy EP2.

**Table 2.1: Policy SS3: Delivering New Employment Land**

<b>Settlement</b>	<b>Employment Land Requirement (2006-2028) (Hectares)</b>
Yeovil Town	44.84
Yeovil Urban Extensions	5.16
Chard	17.14
Crewkerne	10.10
Ilminster	23.05
Wincanton	7.94
Somerton	6.63
Ansford/Castle Cary	18.97
Langport / Huish Episcopi	4.01
Bruton	3.06
Ilchester	1.02
Martock / Bower Hinton	3.19
Milborne Port	0.84
South Petherton	2.47
Stoke sub Hamdon	1.09
Rural Settlements	n/a <sup>2</sup>
<b>Total</b>	<b>149.51</b>

*Source: South Somerset Local Plan (2006 – 2028)*

<sup>2</sup> There is no land requirement for the Rural Settlements set out in Policy SS3. Given the small-scale nature of development expected in the Rural Settlements, no figure is required. A number of job target figure is set out in Policy SS3, with a total of 1,181 jobs by 2028.

## 3. Monitoring Land and Floorspace for Economic Development

### Overhauling the Employment Land Database

- 3.1. The extant employment monitoring database held by the Council only recorded information for traditional employment uses (B1, B2 and B8 uses), and certain 'Town Centre' uses. It also lacked data for certain years within the local plan timeframe (2006 to 2016). Without resolving these data gaps it would prevent the Council from fully monitoring the effectiveness of the South Somerset Local Plan (2006 – 2028) policies.
- 3.2. In order to make the database complete and ensure robust monitoring of the full range of economic development activities, the database required a significant overhaul. To make the database fit for purpose, all planning permissions granted across all “*economic development*” related Use Classes, in each year since 2006 were added. This has required an appraisal of over 3,000 individual records, linked to planning applications and planning permissions.
- 3.3. The progress these various planning applications and planning permissions had made on the ground, whether they had been “*completed*”, were “*currently under construction*”, or had “*not started*” also needed to be added and tracked.

### Methodology

- 3.4. The basic methodology to generate a complete database was as follows:
  - i. **Record all planning approvals for economic development activities in South Somerset:**
    - The planning application database was interrogated to capture all planning permissions approved for economic development uses since 1<sup>st</sup> April 2006.
    - Application numbers were cross-referenced against those held on the extant database to avoid duplication. Duplicates were removed.
    - For each new application further details were obtained from the planning application file. This included: a description of the development, approval and expiry date, the use class, the site area (floorspace/hectares), and location (e.g. within a town centre or business park).
  - ii. **Establish the progress made on each approval:**
    - Once the complete list of records was compiled, each application was appraised to establish the progress made on-site (in any). For example, an application approved in 2006 could by 2009 have expired; been renewed; been superseded by another application; be under construction; or have been completed.
    - The following sources were used to establish the progress:
      - Building Control records;
      - Commencement notices on planning application system;
      - Council’s Housing and Retail monitoring databases;
      - Officer knowledge; and
      - Google Maps / Internet searches.

**iii. Confirm the Assumptions:**

- For any approved applications, where there is a known commencement date, but no known completion date, but it has been proven that the scheme is built-out in full; the land and/or floorspace completed has been assigned to the monitoring year after the known commencement date. Sources to confirm the development has been completed include: Building Control records, Officer knowledge, and site visits.
- Any applications approved before 1<sup>st</sup> April 2012, where no information exists regarding progress, have been automatically expired following discussions with Officers and attempts to liaise with a known point of contact.

3.5. Whilst this approach has been very time intensive, it has resulted in the Council being able to monitor planning permissions for all economic development uses. Going forward this will enhance the Council's understanding of the economic development activities occurring across South Somerset and will be valuable evidence, not only to inform the Early Review of the Local Plan, but also the policy and strategy-making across other corporate working agendas, such as: Economic Development Strategy.

3.6. Over 3,000 records have been analysed, including those already on the employment monitoring system to ensure that all the information now held is accurate and fit for purpose. To comply with the NPPF, and provide the Council with a more comprehensive database, the following types of "*economic development*" are now monitored:

- A1 Shops;
- A2 Financial and Professional Services (other than health and medical services);
- A3 Restaurants and Cafes;
- A4 Drinking Establishments;
- A5 Hot Food Takeaways;
- B1 Businesses (offices);
- B2 General Industrial (all industrial processes excluding incineration, chemical treatment, landfill or hazardous waste);
- B8 Storage and Distribution (including open air storage);
- C1 Hotels;
- C2 Residential institutions (excluding Care Homes and nursing homes);
- D1 Non-residential institutions (for example clinics, vets, schools, health centres);
- D2 Assembly and Leisure (cinemas, music hall, swimming baths, indoor and outdoor recreation etc.); and
- Sui Generis (uses which do not fall within any use class such as nightclubs, betting offices, casinos etc).

*N.B. Residential Care Homes and Holiday Lets are recorded separately because of their implications for residential development.*

3.7. The database can now identify where development has taken place and whether it is located within a defined 'Town Centre' (as set out in the South Somerset Local Plan) or a Business Park, or Trading Estate (as defined in the Employment Land Review, 2009<sup>3</sup>). Additionally, the build out time of each development can be established.

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<sup>3</sup> The defined Business Parks and Trading Estates need to be reviewed.



## 4. Land and Floorspace: Completed

### SUMMARY OF KEY ISSUES:

- 1,039 planning applications delivering economic development were completed between 1<sup>st</sup> April 2006 and 31<sup>st</sup> March 2016.
- This has resulted in gross completions of 72 hectares of land, and 329,000 square metres of floorspace since 2006/2007.
- After losses are taken into account, this equates to net completions of 49 hectares of land and 200,000 square metres of floorspace since 2006/2007.
- Between 2006/2007 and 2015/2016 the annual amount of land and floorspace completed has been relatively consistent. Where year-on-year fluctuations do exist, these can be explained by unique larger-scale completions.
- 70% (34 hectares) of the net additional land completed since 2006/2007 has been in the “Rest of the District”, and therefore outside of the main settlements in South Somerset.
- Yeovil has delivered 10.42 hectares of employment land, but this is a gross figure. Once losses have been taken into account (9.28 hectares), the net delivery falls to just over 1 hectare of additional land.
- Given the size of settlement – Ansford & Castle Cary and Somerton have delivered impressive land and floorspace delivery figures. This may be due to large, possibly one-off, developments in these locations (Royal Canin and Bancombe Road respectively).
- Delivery figures for land and floorspace in the remaining Local Market Towns and the Rural Centres have been very modest.
- Traditional employment uses (B1 office, B2 general industrial, and B8 storage) continue to generate the largest amount of net additional land and net additional floorspace. Their role in the economy remains a vitally important one.
- However, there is a clear rise in the amount of net additional land and floorspace generated by development which falls into the A use class, D use class, and Sui Generis. This is an indication of the increased prominence of the service-based industries to the economy of South Somerset.
- The relationship between net additional land net additional floorspace is not directly proportional. At a settlement-level, there are places experiencing little net gain in land, but relatively high levels of net additional floorspace. This indicates that expansion of existing premises, changes of use within existing buildings, the intensification of use on an existing site are playing an important role in driving economic activity; as much, if not more so, than delivering new land for economic development.

## Overview

- 4.1. Between the 1<sup>st</sup> April 2006 and 31<sup>st</sup> March 2016, 1,039 planning applications for economic development have been “*completed*” (i.e. built out and finished) across South Somerset.
- 4.2. Of these completions, there are four typologies that emerge:
- Development that generates new land, and new floorspace (e.g. brand new development on greenfield land);
  - Development that generates new land, but no new floorspace (e.g. land used for open storage – relatively uncommon);
  - Development that generates new floorspace, but no new land (e.g. expansion of an existing business premises, or an existing building being used more intensively); and
  - Development that generates no new land and no new floorspace (e.g. the change of use of a building from one economic development activity to another, but with no change in land or buildings).

## Total Land and Floorspace Completed

- 4.3. Between 2006/2007 and 2015/2016, the gross completions for land and floorspace in South Somerset adds up to 71.9 hectares of land (gross); and 328,698 square metres of floorspace (gross).
- 4.4. Over the same period of time, there have been losses of land and floorspace, this adds-up to 23.0 hectares of land; and 128,956 square metres of floorspace.
- 4.5. Therefore, taking the losses into account, between 2006/2007 and 2015/2016, the net completions for land and floorspace add-up to: **48.9** hectares of land (net); and **199,742** square metres of floorspace (net).

**Table 4.1: Total Land and Floorspace Completed (2006/2007 to 2015/2016)**

South Somerset		
	Land (Hectares)	Floorspace (Square Metres)
Gross	71.9	328,698
Losses	23.0	128,956
<b>Net</b>	<b>48.9</b>	<b>199,742</b>

*Source: South Somerset's Employment Monitoring Database*

## Annual Land and Floorspace Completed

- 4.6. It is possible to breakdown the total amount of completed land and floorspace by each year of the local plan period. The annual rates of delivery are set out in Table 4.2 below.
- 4.7. The data illustrates that the net annual completions for land and floorspace have been relatively consistent, albeit with some notable peaks and troughs. The data shows an annualised average delivery rate of 4.9 hectares per annum.

**Table 4.2: Annual Land and Floorspace Completed (2006/2007 to 2015/2016)**

Year	Land (Hectares)			Floorspace (Square Metres)		
	Gross	Losses	Net	Gross	Losses	Net
2006/2007	1.9	0.0	1.9	9,017	656	8,361
2007/2008	15.7	3.1	12.6	63,993	22,011	41,982
2008/2009	9.4	1.8	7.6	29,950	10,417	19,532
2009/2010	6.0	0.9	5.1	43,794	12,323	31,471
2010/2011	4.4	1.7	2.7	39,769	13,542	26,227
2011/2012	4.6	0.9	3.7	18,561	4,519	14,041
2012/2013	8.5	4.4	4.1	34,609	12,951	21,658
2013/2014	2.4	0.2	2.1	20,893	12,208	8,685
2014/2015	3.9	2.0	1.9	12,056	7,221	4,835
2015/2016	15.3	8.0	7.2	56,056	33,107	22,949
<b>Total</b>	<b>71.9</b>	<b>23.0</b>	<b>48.9</b>	<b>328,698</b>	<b>128,956</b>	<b>199,742</b>

Source: South Somerset's Employment Monitoring Database

- 4.8. The local plan is 10 years in to its life, and at this point in time, based upon a simple average figure, the district may have expected to have delivered 68 hectares of land by 2016. As such, the data would indicate that the district is behind target.
- 4.9. However, comparing economic development activity rates against an annualised average figure should be treated with caution. Decision-making associated with purchasing land, or committing capital expenditure to refurbish a building, or build new premises is not made in a consistent manner. These decisions respond to a multitude of different internal and external factors, linked to the success of the business in question, its expected future competitiveness, and strategy for growth.
- 4.10. As such, it can be expected that fluctuations in the delivery of land and floorspace occur across the local plan period, as businesses respond to the prevailing market circumstances at that time. A smooth annualised average delivery figure is highly unlikely.
- 4.11. For example, the modest net land completion figures seen since 2010/2011 are likely to be explained by the continued effects of the global recession, with businesses taking a more precautionary approach to investment, growth and expansion.
- 4.12. More positively, the figures for 2015/2016 show a significant upturn in delivery, with the completion rate akin to pre-recession levels. This can be explained by some recent sizable completions across the district, and may be an indication of a return in confidence in the market. Next year's monitoring data will be able to explore whether this represents a true upturn in confidence, or whether external factors, such as the vote to leave the European Union, and the Autumn Statement, may or may not affect business confidence and decision-making.

4.13. Notable completions in 2015/2016 include:

- Extensions to Cadbury Business Park and Lopen Head Nursery;
- Extensions to existing buildings for Bradfords (Crewkerne), Brecknell Willis (Chard), Rochfords (Wincanton), Wydale Plastics (Crewkerne), and Toolstream (Yeovil);
- Completion of the Keymarket House development in Yeovil Town Centre; and
- Replacement building at Numatic, Chard.

## Land and Floorspace Completed by Settlement

4.14. The rates of delivery by settlement over the period 2006/2007 to 2015/2016 are identified in Table 4.3 below. It is interesting to note that the figures seem to indicate that there is not a direct relationship between the delivery of employment land and the delivery of employment floorspace. Locations with only modest net land completions have seen reasonably high levels of net floorspace completion. This seems to indicate that there are other aspects which influence the delivery of economic development, and that it is not solely a case of delivering new and extra land.

4.15. The table illustrates that the “Rest of the District” has delivered the vast majority of the land and floorspace completed in South Somerset since 2006. This figure includes some significant development, including land at Henstridge Airfield, Lopen Head Nursery, and the expansion of Cadbury Business Park.

4.16. Such a significant amount in the Rest of the District poses some interesting questions as to the strategy for delivery of land in the main settlements across South Somerset. To emphasise the point, if one was to remove the Rest of District amount from the total figures, the delivery levels would reduce to 14.7 hectares and 103,593 square metres of floorspace. This would represent just 10% of the total land delivery expected through via the local plan.

4.17. Yeovil has delivered the most employment land in gross terms (10.42 hectares) but once losses have been taken into account (9.28 hectares) this figure falls to just over 1 hectare.

4.18. Policy SS3 of the local plan is focused on net, new employment land delivery, and so the 1.1 hectares is somewhat off the target for Yeovil. However, the gross land delivery figure should be borne in mind when reflecting on what is happening in the settlement, and it demonstrates that the town is clearly capable of realising a reasonable level of new employment land. But, what the data is also showing is that other changes are occurring in the town, with high levels of existing employment land being lost to other uses, and changes of use generating net additional floorspace but without necessarily requiring new land.

4.19. Given that Yeovil is the largest urban area in the district, it is expected that there will be a degree of replacement, churn and loss as older buildings and premises become obsolete and new land/buildings are developed. To some extent, this represents the natural cycle of stock upgrades and replacement seen within all urban areas.

- 4.20. The majority of losses have been to residential use and include developments such as the loss of a warehouse and premises on Newton Road and construction of 83 flats and change of office at Goldcroft to 11 residential apartments. The losses also include the change of use of land for open storage on Pen Mill Trading Estate (3.3 hectares recorded as a loss of B2, general industrial but gain of 3.3 hectares B8 storage land) and the demolition of the Box Factory and use as public car park.
- 4.21. Ansford & Castle Cary has delivered the most land for economic development (net) over the plan period. This can be explained by the Royal Canin pet food factory development, which was 8.1 hectares. There is a question mark as to whether this scale of development can be replicated within Ansford & Castle Cary, and whether this represents a unique set of circumstances linked to the decision-making of one firm.
- 4.22. Ilminster has delivered the next largest quantity of land at 3.78 hectares. Development of Tesco, the new medical centre at Canal Way, and development of the public house at Harts Close are included in this figure.
- 4.23. Chard, Milborne Port and Stoke Sub Hamdon have all delivered net losses of employment land. In Chard, this is a result of the redevelopment of a number of small sites to residential uses. The loss of the Tannery site, Clark House and Wheathill Nurseries to residential contributes to the loss of 3.8 hectares in Milborne Port. The change of use of the hairdresser's at 12 High Street, in Stoke Sub Hamdon to residential explains the loss recorded.
- 4.24. When looking more closely at the floorspace delivery figures it can be seen that the relationship to the delivery of land is not proportional. For example, Crewkerne has delivered only 4,100 square metres of net additional floorspace for a net gain of 1.3 hectares. Whereas, for approximately the same amount of net additional land, Yeovil has realised over five times as much net new floorspace. Similarly, whilst actually recording an overall net loss of employment land, Chard has realised over six times as much net additional floorspace as Crewkerne.
- 4.25. Given the quantum of development that has been realised in the Rest of the District, it has delivered the most amount of net additional floorspace. To put the rate of net additional floorspace in to context, the Rest of District has delivered more than the largest five settlements in South Somerset combined (Yeovil, Chard, Crewkerne, Ilminster and Wincanton).
- 4.26. It must be borne in mind that even with the scale of development witnessed since 2006, the overall level of floorspace which exists in the Rest of the District will, in overall terms, be much smaller than that in the urban areas. But the data does highlight the significant role that areas outside of the main settlements play in supporting economic activity in the district. And, in relation to the objective of meeting the policy target set out in Policy SS3, the Rest of the District's figures play a major role in being able to get close to the target. With the Rest of the District's figures the overall level of progress at 2016 is 33%. Without the Rest of the District, the main settlements would have achieved less than 10% of the overall policy target.
- 4.27. Appendix A2 of this report provides a more detailed breakdown of delivery levels per settlement. The data in Appendix A2 is set out by year and by use class, and is accompanied by a summary of key points.

Table 4.3: Land and Floorspace Completed by Settlement (2006/2007 to 2015/2016)

Settlement	Land (Hectares)			Floorspace (Square Metres)		
	Gross	Losses	Net	Gross	Losses	Net
Yeovil	10.4	9.3	1.1	75,239	53,287	21,952
Chard	1.0	1.5	-0.5	38,882	13,874	25,007
Crewkerne	1.8	0.4	1.3	11,976	7,871	4,105
Ilminster	4.2	0.4	3.8	17,512	2,205	15,307
Wincanton	1.8	0.6	1.2	17,337	6,594	10,743
Somerton	2.3	0.9	1.4	14,976	4,832	10,144
Ansford & Castle Cary	9.3	0.4	8.9	18,265	1,953	16,313
Langport & Huish Episcopi	0.1	0.1	0.0	4,525	3,159	1,366
Bruton	0.9	0.4	0.5	6,031	2,814	3,218
Ilchester*	0.1	0.1	0.0	1,159	310	849
Martock & Bower Hinton	0.2	0.0	0.2	1,956	2,261	-305
Milborne Port	0.2	4.0	-3.8	909	8,716	-7,807
South Petherton	0.5	0.0	0.5	2,841	362	2,479
Stoke Sub Hamdon*	0.0	0.0	0.0	829	607	222
Rest of District	39.0	4.8	34.2	116,260	20,111	96,149
<b>Total</b>	<b>71.9</b>	<b>23.0</b>	<b>48.9</b>	<b>328,698</b>	<b>128,956</b>	<b>199,742</b>

Source: South Somerset's Employment Monitoring Database

\* N.B. figures for net land completed in Ilchester and Stoke Sub Hamdon are (-0.03) and (-0.01) respectively

## Land and Floorspace Completed by Use Class

4.28. The rates of delivery by use class over the period 2006/2007 to 2015/2016 are shown in Table 4.4 below:

Table 4.4: Land and Floorspace Completed by Use Class (2006/2007 to 2015/2016)

Use Class	Land (Hectares)			Floorspace (Square Metres)		
	Gross	Losses	Net	Gross	Losses	Net
A1	6.0	4.7	1.3	28,660	20,237	8,423
A2	0.3	0.5	-0.2	7,143	4,262	2,880
A3	0.3	0.0	0.3	8,660	1,295	7,365
A4	0.5	0.2	0.3	3,623	3,231	392
A5	0.0	0.0	0.0	1,653	213	1,440
B1	13.5	6.9	6.6	54,115	41,031	13,084
B2	16.8	7.9	8.9	74,576	19,395	55,182
B8	10.5	0.6	9.8	51,460	15,061	36,399
C1	1.4	0.3	1.1	14,413	810	13,603
C2 (not Care Homes)	0.0	0.0	0.0	805	0	805
D1	2.9	0.7	2.3	25,897	6,642	19,255
D2	1.2	0.2	1.1	18,924	4,002	14,923
Sui Generis	11.2	0.3	10.9	20,425	7,502	12,923
Mixed Use	7.2	0.7	6.5	18,344	5,276	13,068
<b>Total</b>	<b>71.9</b>	<b>23.0</b>	<b>48.9</b>	<b>328,698</b>	<b>128,956</b>	<b>199,742</b>

Source: South Somerset's Employment Monitoring Database

- 4.29. The data shows that traditional employment uses, e.g. B1 office, B2 general industrial, and B8 storage) continue to deliver the largest amount of net additional employment land (25.33 hectares). These uses also continue to deliver significant amounts of net additional floorspace, with B2 uses generating the most amount of net floorspace, representing nearly a quarter of the overall net floorspace created since 2006.
- 4.30. This highlights that whilst there are structural changes in the economy, and a general shift towards a service sector based economy (as highlighted in September's AMR), traditional sectors with historical links to manufacturing / advanced manufacturing continue to play a vital role in the economy of South Somerset.
- 4.31. Sui Generis uses, which are those uses that do not fall within any use class, feature strongly in the land completion figures. It is these figures, when combined with the levels of delivery in the 'A' uses and the 'D' uses, which reflect the rise of the service sector economy in South Somerset. It will be interesting to continue to monitor this apparent 'split' in the South Somerset economy, with traditional uses vying with alternative economic activities.
- 4.32. In theory if both elements are growing, this should bode well for the economy in South Somerset, as resilience through diversification is built in to the economy. It will be important to make sure that sufficient support is provided to the alternative development uses, and flexible policies are put in place to adequately address their needs.
- 4.33. It is interesting to note that traditional uses seem to generate both additional land and floorspace. In comparison, A-uses and D-uses seem to generate reasonable amounts of net additional floorspace but without the need for net additional land. This can, in part, be explained through the changes of use that occur in the Town Centres, from retail to alternative town centre uses, and sui generis uses.
- 4.34. D uses, which includes leisure and non-residential institutions (schools, health centres etc) have delivered a significant amount of floorspace over the plan period. This can be explained by a number of applications for additional school classrooms, to cater for growing school population, as well as the delivery of some significant health care improvements, for example in South Petherton and Ilminster.

## 5. Land and Floorspace: Under Construction

### SUMMARY OF KEY ISSUES:

- As at 31<sup>st</sup> March 2016, there were 74 permissions for economic development, where the development site was “*under construction*”.
- These proposals total a gross amount of 65 hectares of land, and 30,000 square metres of floorspace. After losses are taken into account, the proposals are set to yield a net amount of 59 hectares of land and 11,000 square metres of floorspace.
- As with the “completion” figures, the Rest of the District is expected to deliver the majority of the short-term future supply of net additional land and floorspace – accounting for 63% of future land and 93% of future floorspace provision.
- Figures for economic activity “under construction” also indicate that the relationship between land and floorspace is not directly proportional. For example, Yeovil is expected to deliver 1.6 hectares of net additional land, but is expecting to see a net loss of nearly 2,500 square metres of floorspace.
- The figures only include the built development area of the visitor attraction currently being completed at Hadspen House. This is because the overall site area at Hadspen House is very large, and would disproportionately skew the data and lead to some unjustified conclusions.
- The majority of proposals “*under construction*” have commenced within the last 12 months. However there a number of proposals where the scheme has been under construction for a considerable period time, with some stretching back as far as 2006. There must be some question marks as to whether these proposals will ever be completed. Future monitoring will explore these longstanding sites in more detail and may result in them being removed from the database.

### Overview

- 5.1. As at 31<sup>st</sup> March 2016, there are 7 planning applications for economic development, which can be classified as “*under construction*”. For a site to be “under construction”, a material start must have occurred on-site.

### Total Land and Floorspace Under Construction

- 5.2. Development sites under construction are set to provide 18.3 hectares of land (gross); and 29,603 square metres of floorspace (gross). Expected losses are set to occur, and these equate to 6.5 hectares of land and 18,278 square metres of floorspace. It is noteworthy that all of the 6.49 hectares of land which is expected to be lost will be to residential uses.
- 5.3. Taking the losses into account, leaves **11.8 hectares** of land (net), and **11,324 square metres** of floorspace (net) under construction.



**Table 5.1: Total Land and Floorspace Under Construction (As at 31<sup>st</sup> March 2016)**

South Somerset		
	Land (Hectares)	Floorspace (Square Metres)
Gross	18.3	29,603
Losses	6.5	18,278
<b>Net</b>	<b>11.8</b>	<b>11,324</b>

Source: South Somerset's Employment Monitoring Database

## Land and Floorspace Under Construction by Settlement

- 5.4. The employment land and floorspace under construction in each settlement, as at 31<sup>st</sup> March 2016, is set out in Table 5.2 below.
- 5.5. The table illustrates that the short-term future supply of land represents approximately two years' worth of the land target set out in the local plan. Similarly to the "completion" figures, the majority of planned future supply is expected to occur in the Rest of the District – 63% of net additional land, and 93% of net additional floorspace.
- 5.6. Yeovil is set to experience a net gain in employment land, but interestingly will expect to have an overall reduction in floorspace. This can primarily be explained by planned losses to residential development.
- 5.7. Chard and Ilchester have the most amount of floorspace under construction. In Chard, this includes a storage building for CPL Industries on the Beeching Close Trading Estate and in Ilchester the development of commercial units at Costello Hill.

**Table 5.2: Land and Floorspace Under Construction by Settlement (As at 31<sup>st</sup> March 2016)**

Settlement	Land (Hectares)			Floorspace (Square Metres)		
	Gross	Losses	Net	Gross	Losses	Net
Yeovil	2.0	0.4	1.6	7,884	10,312	-2,428
Chard	2.5	0.3	2.2	1,819	303	1,516
Crewkerne	0.0	0.1	-0.1	0	250	-250
Ilminster	0.5	0.1	0.4	1,062	245	817
Wincanton	1.4	0.8	0.6	2,975	2,722	253
Somerton	0.0	0.1	-0.1	0	168	-168
Ansford & Castle Cary	0.2	0.0	0.2	496	0	496
Langport & Huish Episcopi	0.0	0.1	-0.1	1,202	702	500
Bruton	0.0	0.3	-0.3	0	285	-285
Ilchester	0.4	0.0	0.4	1,140	0	1,140
Martock & Bower Hinton	0.0	0.3	-0.3	553	620	-67
Milborne Port	0.0	0.0	0.0	0	0	0
South Petherton	0.0	0.2	-0.2	0	700	-700
Stoke Sub Hamdon	0.0	0.0	0.0	0	0	0
Rest of the District	11.4	3.9	7.4	12,472	1,972	10,500
<b>Total</b>	<b>18.3</b>	<b>6.5</b>	<b>11.8</b>	<b>29,603</b>	<b>18,279</b>	<b>11,324</b>

Source: South Somerset's Employment Monitoring Database

- 5.8. Hadspen House, which is under construction, is set to deliver 3,450 square metres of floorspace and 47.8 hectares of land. These figures do not truly reflect the development, which is for a visitor attraction which will leave the majority of the estate untouched. To better reflect the scheme, 1 hectare is taken for the site.
- 5.9. There are a series of planned developments which involve a straight change of use of land and/or floorspace from one economic development use to another. An example is the planned scheme at 5 Market Place, Wincanton where development was approved to change 170 square metres of existing floorspace from a commercial office (A2 use) to a mixed use children's activity centre with cafe (A3/D2 use). There is not net gain here, but a variation in economic activity is occurring and needs tracking to see what, if any, impacts may be generated on the back of these changes of use.
- 5.10. Some relatively large schemes are currently under construction, including:
- renovation of barns and change of use to B1 offices and workshop space for a decorative arts company at Bratton Seymour;
  - The medical centre (and its associated development) at Wincanton which is set to deliver 2,052 square metres of commercial/economic floorspace;
  - 1,540 square metres of floorspace for a warehouse and premises at Higher Holton; and
  - The erection of an extension on site at Bow Bridge Works, Henstridge Airfield would deliver 1,250 square metres of B8 storage floorspace.
- 5.11. Appraising the sites "under construction" in more detail shows that the majority of schemes have commenced within the last 12 months, with only a small number having been "under construction" for a number of years. This would seem to indicate that when developments get permission, and commence construction, that the Council can have confidence that they are built out in full. Therefore, there is a high degree of confidence in the pipeline of net additional land and floorspace set out in Table 5.2.

## 6. Land and Floorspace: Not Yet Started

### SUMMARY OF KEY ISSUES:

- As at 31st March 2016, there were 113 approved planning applications for economic development in South Somerset.
- These applications equate to 99,919 square metres of floorspace and 45.61 hectares of land (gross).
- Taking potential losses into account, the net figure for applications approved for economic development uses is 79,083 square metres of floorspace and 38.54 hectares of land
- Some sizable Local Plan allocations in Yeovil are included in these commitments, including the Bunford Park site, Lufton Business Park (Phase III) and land at Seafire Park on the Lynx Trading Estate.
- The land and floorspace illustrated here is expected to be delivered over the plan period but there is a degree of uncertainty over delivery as circumstances change - applications can lapse, be superseded or never get built. The degree of uncertainty is greater than that of the sites under construction as investment has been made in these sites already.

### Overview

- 6.1. As at 31<sup>st</sup> March 2016, there were 114 approved planning applications for economic development in South Somerset.

### Total Land and Floorspace Not Yet Started

- 6.2. These applications have the potential to deliver up to 42.2 hectares of land and 99,919 square metres of floorspace and (gross). Once losses of 7.1 hectares of land and 20,836 square metres of floorspace have been taken into account this leaves a potential net gain of **35.1 hectares of land** and **79,083 square metres of floorspace**.
- 6.3. These figures reflect land and floorspace which is consented, but has not yet started. Therefore, the development is “on the books”, but it has to be accepted that there is a degree of uncertainty as to whether all (or any) of it will be built out. As has been highlighted, business decision-making to open up a development site and outlay capital expenditure to construct a building or new premises are highly complex. Decisions will not be taken lightly and will reflect the strength of the business in question and its ability to shoulder the risk of expansion / re-development / re-location whilst still delivering a product or service.
- 6.4. Accordingly, it will be true that as circumstances change, some of the permissions set out will lapse, be superseded, and/ or never get built out. The degree of uncertainty is greater than that associated with the sites that are already “under construction”. For those sites “under construction” the investment decision has already been made.

**Table 6.1: Total Land and Floorspace Not Yet Started (As at 31<sup>st</sup> March 2016)**

<b>South Somerset</b>		
	<b>Land (Hectares)</b>	<b>Floorspace (Square Metres)</b>
Gross	42.2	99,919
Losses	7.1	20,836
<b>Net</b>	<b>35.1</b>	<b>79,083</b>

*Source: South Somerset's Employment Monitoring Database*

## Land and Floorspace No Yet Started by Settlement

- 6.5. The employment land and floorspace approved, as at 31<sup>st</sup> March 2016, but not yet started in each settlement is illustrated in Table 6.1 below.
- 6.6. These commitments include some sizable allocations from the local plan, including:
- Yeovil – 20.30 hectares (59,759 square metres of floorspace) for B1 office use on the Bunford Park site;
  - Yeovil – 4.98 hectares of land for B1, B2 & B8 uses at Lufton Business Park (Phase III); and
  - Yeovil – 4.24 hectares of land for B1, B2 & B8 use at Seafire Park (Lynx Trading Estate).
- 6.7. Taken together these schemes in Yeovil account for 29.52 hectares, nearly 65% of the gross supply of land.
- 6.8. Other significant potential developments include:
- the development of a community building and sports facilities at Kingsbury (Rest of District) for 3.55 hectares of land and 496 square metres of A1(retail) and D2(assembly & leisure) floorspace;
  - The relocation of a business from Yeovil to Henstridge Airfield accounts for 2.13 hectares of B1 land and 8,212 square metres of floorspace in the Rest of the District;
  - A 1.6 hectare site at Stoke Road, Martock which was previously in agricultural use that has had approval to convert the existing five buildings, and existing grain silo, to provide 15 B1/B8 units, ranging from 48 square metres to 260 square metres in floor area. The primary use of the site is expected to be as an artisan craft facility providing craft and studio space, however the site would offer flexibility to allow for a diverse range of occupants. In total 2,130 square metres of B1 and B8 floor space is proposed.
- 6.9. Extensions to existing Business Parks account for a significant level of potential growth, including:
- Badgers Cross, Somerton - 1.39 hectares;
  - Oakland Road Industrial Estate, Martock - 1.29 hectares;

- Land at Willows Business Park, Langport - 2,945 square metres on 0.95 hectares<sup>4</sup>; and
- Expansion of Cadbury Business Park - 2,457 square metres on 0.45 hectares.

6.10. Table 6.2 indicates that apart from Yeovil and the Rest of the District, there is very little long term supply of net additional land. This is particularly stark in the Market Towns and Rural Centres, where the level of net additional land supply is extremely low. However, there is a reasonable long terms supply of floorspace across the main settlements, with some particularly positive opportunities for net additional floorspace in Langport and Martock.

6.11. As an aside, the figures underline feedback received from the development industry that there is little or no appetite for planning applications seeking approval on a speculative basis.

**Table 6.2 Land and Floorspace Not Yet Started by Settlement (As at 31<sup>st</sup> March 2016)**

Settlement	Land (Hectares)			Floorspace (Square Metres)		
	Gross	Losses	Net	Gross	Losses	Net
Yeovil	29.7	0.8	28.9	64,575	5,220	59,355
Chard	0.3	0.6	-0.3	47	903	-856
Crewkerne	0.2	1.0	-0.8	242	5,327	-5,085
Ilminster	0.2	2.1	-1.8	1,343	2,362	-1,019
Wincanton	0.1	0.0	0.1	1,745	1,199	546
Somerton	0.0	0.1	-0.1	682	327	355
Ansford & Castle Cary	0.0	0.0	0.0	221	53	168
Langport & Huish Episcopi	1.0	0.0	0.9	3,005	380	2,625
Bruton	0.0	0.0	0.0	995	409	586
Ilchester	0.0	0.0	0.0	62	40	22
Martock & Bower Hinton	2.9	0.0	2.9	4,307	537	3,770
Milborne Port	0.0	0.0	0.0	313	215	98
South Petherton	0.0	0.0	0.0	0	0	0
Stoke Sub Hamdon	0.0	0.5	-0.5	0	731	-731
Rest of the District	7.8	2.0	5.8	22,383	3,134	19,249
<b>Total</b>	<b>42.2</b>	<b>7.1</b>	<b>35.1</b>	<b>99,919</b>	<b>20,837</b>	<b>79,082</b>

Source: South Somerset's Employment Monitoring Database

<sup>4</sup> The Council has received a further planning application on this site to reduce the employment land provision and develop houses. Illustrating uncertainty with delivery of some site with planning permission.

## 7. Progress against Local Plan Target

- 7.1. Having analysed the level of completed economic development since 2006, it is possible to relate this progress to the targets set out in Policy SS3 of the South Somerset Local Plan (2006 – 2028).
- 7.2. The local plan’s intention is to deliver additional employment land, and therefore Table 7.1 only compares the net additional land completed in the district since 2006. Table 7.2 provides a wider assessment of progress, but includes figures associated with sites that have not yet started. As such these figures must be considered with caution.

**Table 7.1: Comparison of Progress against Local Plan – “Completions” only**

Settlement	Local Plan Employment Land Requirement	Total Employment Land Completions (2006-2016) (Net)	Residual Employment Land Requirement
Yeovil	50.00	1.14	48.86
Chard	17.14	-0.48	17.62
Crewkerne	10.10	1.34	8.76
Ilminster	23.05	3.78	19.27
Wincanton	7.94	1.23	6.71
Somerton	6.63	1.37	5.26
Ansford & Castle Cary	18.97	8.92	10.05
Langport & Huish Episcopi	4.01	0.04	3.97
Bruton	3.06	0.49	2.58
Ilchester	1.02	-0.03	1.05
Martock & Bower Hinton	3.19	0.20	2.99
Milborne Port	0.84	-3.79	4.63
South Petherton	2.47	0.49	1.98
Stoke Sub Hamdon	1.09	-0.01	1.10
Rest of the District	n/a	34.19	n/a
<b>Total</b>	<b>149.51</b>	<b>48.88</b>	<b>100.63</b>

*Source: South Somerset Local Plan and Somerset’s Employment Monitoring Database*

- 7.3. The local plan policy is 10 years’ into its life, which corresponds to 45% of the way through the plan’s overall timeframe. In comparison, the total net land completion figure represents 33% of the local plan’s overall target.
- 7.4. The level of progress towards the policy target is significantly enhanced by the “Rest of the District” figures. When looking at the level of delivery across the main settlements progress is somewhat mixed, with some of the larger towns only delivering small amounts of net additional land.
- 7.5. However, as the previous chapters have highlighted – achieving positive economic development is not solely about the delivery of net additional land. Therefore, in considering the effectiveness of Policy SS3, and the implications for the scheduled Early Review of the Local Plan, there must be question marks as to whether measuring performance only via analysing the quantum of net additional land realised is the correct metric; and whether a package of monitoring measures is required to provide a more rounded and more comprehensive assessment of how South Somerset’s economy is performing.

Table 7.2: Comparison of Progress against Local Plan – including sites “under construction” and “not started”

Settlement	Local Plan 2006-2028 Total Employment Land Requirement (A)	Total Employment Land Completions (2006-2016) (net) (B)	Employment Land “Under Construction” at 31st March 2016 (net) (C)	Employment Land “Not Started” at 31st March 2016 (net) (D)	Total “Completions”, “Under Construction” & “Not Started” (net) (B) + (C) + (D) = (E)	Residual Employment Land Requirement After “Completions”, “Under Construction” & “Not Started” (net) (A) – (E)
Yeovil	50.00	1.14	1.63	28.93	31.70	18.30
Chard	17.14	-0.48	2.22	-0.27	1.47	15.67
Crewkerne	10.1	1.34	-0.07	-0.81	0.46	9.64
Ilminster	23.05	3.78	0.36	-1.84	2.30	20.75
Wincanton	7.94	1.23	0.56	0.13	1.92	6.02
Somerton	6.63	1.37	-0.12	-0.08	1.17	5.46
Ansford & Castle Cary	18.97	8.92	0.19	-0.03	9.08	9.89
Langport & Huish	4.01	0.04	-0.07	0.92	0.89	3.12
Bruton	3.06	0.49	-0.28	0.02	0.23	2.84
Ilchester	1.02	-0.03	0.43	0.00	0.40	0.62
Martock & Bower Hinton	3.19	0.20	-0.29	2.89	2.80	0.39
Milborne Port	0.84	-3.79	0.00	0.00	-3.79	4.63
South Petherton	2.47	0.49	-0.23	0.00	0.26	2.21
Stoke Sub Hamdon	1.09	-0.01	0.00	-0.49	-0.50	1.59
Rest of District*	n/a	34.19	7.43	5.75	47.37	n/a
<b>Total</b>	<b>149.51</b>	<b>48.88</b>	<b>11.76</b>	<b>35.12</b>	<b>95.76</b>	<b>53.75</b>

## 8. Relationship to Jobs

- 8.1. The total number of jobs in South Somerset was presented in the AMR in September. This is a workplace-based measure and comprises employee jobs, self-employed, government-supported trainees and HM Forces. The number of residents aged 16-64 figures used to calculate jobs densities are based on the relevant mid-year population estimates.
- 8.2. Table 8.1 indicates that the total number of jobs fell in the years following the recession, but have now recovered slightly, and are at 82,000 in 2014. It should be noted that some fluctuations are also related to the accuracy of the ONS data rather than structural changes in the economy.

**Table 8.1: Total Jobs and Job Density (2001 – 2014)**

Year	South Somerset	South Somerset	South West	Great Britain
		(density)	(density)	(density)
2001	77,000	0.83	0.82	0.8
2002	76,000	0.82	0.83	0.8
2003	78,000	0.83	0.83	0.8
2004	80,000	0.84	0.83	0.8
2005	81,000	0.85	0.82	0.8
2006	81,000	0.84	0.82	0.79
2007	84,000	0.85	0.82	0.79
2008	82,000	0.83	0.81	0.79
2009	80,000	0.81	0.82	0.77
2010	81,000	0.82	0.82	0.77
2011	85,000	0.87	0.82	0.78
2012	80,000	0.82	0.81	0.78
2013	83,000	0.85	0.83	0.79
2014	82,000	0.84	0.86	0.82
<b>Change (2001 – 2014)</b>	5,000			
<b>Change (2006 – 2014)</b>	1,000			

Source: NOMIS / ONS

- 8.3. Data on economic activity rates, employee jobs by sector, unemployment, claimant counts, and sectoral productivity are also set out in Chapter 5 of the AMR. Taken together this data shows that South Somerset's economy is resilient and has recovered from the worst impacts of the recession. Unemployment is low, claimant count levels are low, and productivity is increasing. As such, the wider story about the strength of the economy in South Somerset is a positive one.
- 8.4. Only after looking at these datasets in conjunction with one another it is clear that just analysing data on land and floorspace is not sufficient to understand the full picture on economic performance. It is advocated that a more comprehensive, in-depth assessment of performance continues to be carried out through the next iterations of the AMR; and that the economic issues that need to be tackled are brought in to sharper focus. This should mean that the policies in the local plan are adapted and refined to address these issues, and do not remain narrowly focused on delivering additional employment land.



## 9. Conclusion

- 9.1. The data set out in this report shows that the delivery record for net additional employment land and net additional floorspace in South Somerset has been mixed.
- 9.2. Since 2006, total net land delivery has been 49 hectares, and total net floorspace generated has been 200,000 square metres. When looking at progress against the target figure set out in the South Somerset Local Plan Policy SS3, the figures show that performance is behind a notional 'average' land delivery target after 10 years.
- 9.3. However, it is accepted that economic development activity doesn't really work in an average or uniform manner; and that investment decisions respond to economic cycles and are linked to the strength and hoped future competitiveness of a particular business.
- 9.4. The data shows significant delivery outside of main settlements. The Rest of the District has delivered approximately 70% of all net additional employment land, and nearly 50% of all net additional floorspace in the district.
- 9.5. Little net additional delivery has occurred in the main settlements as defined in the local plan. Delivery in the Local Market Towns and Rural Centres has been especially low. Taken together, all of the 14 settlements identified in the local plan have delivered 14.7 hectares of net additional employment land. A simple average figure would mean that only 1.05 hectares has been delivered per settlements, which would mean only 0.105 hectares per annum. This would indicate that the delivery of net additional land is complicated and challenging. It would also suggest that facilitating economic activity and economic development is not solely about realising new additional land. There are clearly other factors at play.
- 9.6. Exploring the data in more detail highlights that the relationship between net additional land and net additional floorspace is not directly proportional. Challenges in terms of the availability of finance, increased levels of risk, fluctuations in the economy, the long term impacts of the recession on investor confidence, and the short term impact of external factors (such as Brexit) mean that businesses are still being cautious in their plans. Feedback from stakeholders confirms there is no appetite for speculative development, and it seems clear that alternative approaches to grow businesses and/or raise productivity are being followed, which does not necessarily translate into additional employment land requirements.
- 9.7. When looking at the floorspace figures, it is clear that a major part of economic development in South Somerset stems from changes of use of existing buildings, the recycling of land or premises, churn within existing trading estates and business parks, intensification of uses within existing premises, and incremental expansion within an overall site envelope.
- 9.8. From the perspective of trends in Use Classes, it is true that there has been a rise in A1 – A3, D1 and D2, and Sui Generis uses. This links with the overall shift towards a service-sector economy, and also marries up with the fact that development is happening via changes of use and incremental expansion of existing premises.
- 9.9. However, it is undeniable from the data that the South Somerset economy continues to be heavily influenced by 'traditional' uses (B1, B2, and B8). Taken together these three Use Classes represented nearly 52% of all net additional land, and over 52% of

net additional floorspace. The type of the existing South Somerset economy, with the prominent advanced manufacturing and aerospace sectors, and their increasing productivity, would seem to indicate that B1, B2 and B8 uses will still have a very prominent role to play in the future.

- 9.10. Looking at the pipeline of future land and floorspace, the data indicates that supply is somewhat limited. What supply is consented (either “*under construction*” or “*not started*”) is focused mainly in Yeovil and Chard, and then within the Rest of the District, outside of the main settlements.
- 9.11. Reflecting on what this means for the economy in the short and long term; and South Somerset’s ability to be competitive and increase productivity will be important questions for future economic policy-making. It may be that that a greater emphasis is required on supporting existing businesses to change or expand on existing sites, rather than simply pursue new land?
- 9.12. Whilst the data suggests that delivery of net additional land and floorspace may be below perhaps what was expected in South Somerset as laid out in the policy of the local plan; the jobs generated in South Somerset has increased over the period 2006 – 2016.
- 9.13. The economy appears to have recovered from the worst impacts of the recession; and when considered alongside other factors – economic activity rates, claimant counts, GVA by sector, GVA per capita – then the general outlook for the South Somerset economy is strong.
- 9.14. In terms of what this means for the longer term plan for stimulating economic development, it may suggest there is a need to move away from a sole focus on the delivery of new employment land. The data suggests that the strategy of “predict and provide” for new employment land is overly simplistic, and that there may be a disconnect between the Council’s approach to allocating land, and what is truly needed by the business community.

## 10. Next Steps

10.1. Having considered the findings and drawn conclusions there are some important questions that need addressing when looking at the Early Review of the Local Plan and the future economic development policies for the district. These are set out below:

**Q1. Is a two-tier economic development strategy – focussing on the five large towns and opportunities across the Rest of the District – now required?**

**Q2. Given the quantum of net employment land and floorspace realised since 2006, is there a need to re-think the overall scale of anticipated employment land set out in Policy SS3?**

**Q3. The work carried out in September 2015 indicates that the Function Economic Market Area for South Somerset extends primarily along the A303. How should this shape future economic development allocations? How does South Somerset utilise its locational advantages?**

**Q4. What does the proposed A303 and A358 strategic highway upgrade mean for locations along the A303 corridor? Will these locations be more, or less, attractive for businesses?**

**Q5. What is the relationship between traditional economic development Use Classes (B1, B2, and B8), and the wider shift towards a service-sector economy and the rise in developments linked to A1 – A3, D1, D2 and Sui Generis Use Classes?**

**Q6. Future discussions about economic policy should develop a greater understanding of associated issues, and their impact on the competitiveness of the South Somerset economy, such as:**

- size and age of the labour force;
- productivity and the need to increase GVA per capita;
- the current low wage, low skill economy in the district;
- infrastructural deficiencies (transport, utility, communication);
- land acquisition and viability; and
- business needs in terms of land and/or premises.

## Appendix 1: Completions by Settlement, by Year

### Yeovil

	Land in hectares		
	gross	losses	net
2006	1.81	0.01	1.80
2007	1.18	0.03	1.15
2008	0.20	0.10	0.10
2009	0.19	0.58	-0.39
2010	1.18	0.43	0.75
2011	0.65	0.02	0.63
2012	3.61	3.93	-0.32
2013	0.03	0.09	-0.06
2014	0.97	0.03	0.94
2015	0.60	4.06	-3.46
<b>Total</b>	<b>10.42</b>	<b>9.28</b>	<b>1.14</b>

Floorspace in square metres		
gross	losses	net
5,933	66	5,867
12,354	6,762	5,592
8,119	6,256	1,863
7,988	4,240	3,748
8,204	4,421	3,782
4,489	1,416	3,073
8,341	6,328	2,013
8,111	7,235	877
1,634	781	852
10,067	15,782	-5,715
<b>75,239</b>	<b>53,287</b>	<b>21,952</b>

### Chard

	Land in hectares		
	gross	losses	net
2006	0.00	0.00	0.00
2007	0.00	0.02	-0.02
2008	0.60	0.62	-0.02
2009	0.01	0.01	0.00
2010	0.00	0.01	-0.01
2011	0.02	0.46	-0.44
2012	0.10	0.10	0.00
2013	0.00	0.01	-0.01
2014	0.00	0.00	0.00
2015	0.31	0.30	0.02
<b>Total</b>	<b>1.04</b>	<b>1.53</b>	<b>-0.48</b>

Floorspace in square metres		
gross	losses	net
290	0	290
5,585	4,126	1,459
348	477	-129
4,430	1,427	3,003
6,154	1,373	4,781
1,508	98	1,410
5,312	1,808	3,504
626	746	-120
33	191	-158
14,595	3,629	10,967
<b>38,882</b>	<b>13,874</b>	<b>25,007</b>

### Crewkerne

	Land in hectares		
	gross	losses	net
2006	0	0	0.00
2007	3,698	3,173	525.00
2008	3,499	298	3200.70
2009	308	339	-31.00
2010	589	226	362.80
2011	456	523	-67.00
2012	1,701	834	867.50
2013	408	345	63.00
2014	0	0	0.00
2015	1,318	2,134	-815.95
<b>Total</b>	<b>11,976</b>	<b>7,871</b>	<b>4,105</b>

Floorspace in square metres		
gross	losses	net
0.00	0.00	0
0.00	0.03	0
1.18	0.00	1
0.00	0.03	0
0.00	0.03	0
0.00	0.00	0
0.21	0.09	0
0.00	0.00	0
0.00	0.00	0
0.38	0.25	0
<b>1.77</b>	<b>0.42</b>	<b>1.34</b>

### Iminster

	Land in hectares		
	gross	losses	net
2006	1,801	316	1485.00
2007	6,944	0	6944.00
2008	2,085	246	1838.50
2009	3,107	389	2717.60
2010	137	151	-13.60
2011	0	0	0.00
2012	2,466	315	2150.55
2013	718	248	470.00
2014	0	0	0.00
2015	255	540	-284.60
<b>Total</b>	<b>17,512</b>	<b>2,205</b>	<b>15,307</b>

	Floorspace in square metres		
	gross	losses	net
	0.00	0.00	0.00
	2.03	0.00	2.03
	0.00	0.00	0.00
	1.60	0.01	1.59
	0.00	0.13	-0.13
	0.00	0.00	0.00
	0.26	0.08	0.18
	0.00	0.00	0.00
	0.00	0.00	0.00
	0.32	0.21	0.11
<b>Total</b>	<b>4.21</b>	<b>0.43</b>	<b>3.78</b>

### Wincanton

	Land in hectares		
	gross	losses	net
2006	0.00	0.00	0.00
2007	0.37	0.02	0.35
2008	0.86	0.55	0.31
2009	0.00	0.00	0.00
2010	0.00	0.00	0.00
2011	0.00	0.00	0.00
2012	0.58	0.01	0.57
2013	0.00	0.00	0.00
2014	0.01	0.00	0.01
2015	0.00	0.01	-0.01
<b>Total</b>	<b>1.82</b>	<b>0.59</b>	<b>1.23</b>

	Floorspace in square metres		
	gross	losses	net
	425	0	425.00
	3,225	1,303	1922.00
	2,354	517	1837.02
	831	272	559.85
	1,979	1,714	265.00
	1,158	885	273.00
	3,775	120	3654.50
	64	79	-15.00
	910	188	721.50
	2,617	1,517	1100.00
<b>Total</b>	<b>17,337</b>	<b>6,594</b>	<b>10,743</b>

### Somerton

	Land in hectares		
	gross	losses	net
2006	0.00	0.00	0.00
2007	1.21	0.00	1.21
2008	0.51	0.00	0.51
2009	0.24	0.00	0.24
2010	0.00	0.20	-0.20
2011	0.26	0.00	0.26
2012	0.01	0.01	0.00
2013	0.00	0.01	-0.01
2014	0.08	0.00	0.08
2015	0.00	0.72	-0.72
<b>Total</b>	<b>2.31</b>	<b>0.94</b>	<b>1.37</b>

	Floorspace in square metres		
	gross	losses	net
	0	0	0.00
	6,871	908	5963.00
	2,675	0	2674.60
	1,081	406	675.00
	360	505	-145.00
	1,620	0	1620.00
	219	542	-323.00
	379	225	154.00
	1,039	0	1039.00
	732	2,246	-1513.90
<b>Total</b>	<b>14,976</b>	<b>4,832</b>	<b>10,144</b>

**Ansford & Castle Cary**

	Land in hectares		
	gross	losses	net
2006	0.00	0.00	0.00
2007	9.06	0.00	9.06
2008	0.00	0.01	-0.01
2009	0.00	0.08	-0.08
2010	0.00	0.10	-0.10
2011	0.00	0.02	-0.02
2012	0.25	0.00	0.25
2013	0.00	0.00	0.00
2014	0.00	0.00	0.00
2015	0.00	0.18	-0.18
<b>Total</b>	<b>9.31</b>	<b>0.39</b>	<b>8.92</b>

Floorspace in square metres		
gross	losses	net
0	0	0.00
13,872	361	13511.00
0	90	-90.00
636	468	168.00
33	389	-356.00
0	244	-243.50
522	0	522.40
0	0	0.00
3,111	0	3111.00
91	401	-310.10
<b>18,265</b>	<b>1,953</b>	<b>16,313</b>

**Langport & Huish Episcopi**

	Land in hectares		
	gross	losses	net
2006	0.00	0.00	0.00
2007	0.00	0.00	0.00
2008	0.00	0.01	-0.01
2009	0.00	0.00	0.00
2010	0.10	0.00	0.10
2011	0.00	0.00	0.00
2012	0.00	0.00	0.00
2013	0.00	0.06	-0.06
2014	0.00	0.00	0.00
2015	0.02	0.01	0.01
<b>Total</b>	<b>0.12</b>	<b>0.08</b>	<b>0.04</b>

Floorspace in square metres		
gross	losses	net
0	0	0.00
1,038	260	778.00
131	209	-78.00
1,005	1,040	-35.45
356	203	153.00
0	0	0.00
40	22	18.50
963	612	351.00
400	400	0.00
592	413	178.70
<b>4,525</b>	<b>3,159</b>	<b>1,366</b>

**Bruton**

	Land in hectares		
	gross	losses	net
2006	0.00	0.00	0.00
2007	0.00	0.00	0.00
2008	0.07	0.00	0.07
2009	0.07	0.00	0.07
2010	0.00	0.00	0.00
2011	0.01	0.00	0.01
2012	0.13	0.01	0.12
2013	0.00	0.00	0.00
2014	0.10	0.00	0.10
2015	0.50	0.38	0.12
<b>Total</b>	<b>0.88</b>	<b>0.39</b>	<b>0.49</b>

Floorspace in square metres		
gross	losses	net
0	0	0.00
570	30	540.00
1,584	70	1514.00
1,355	699	656.00
132	132	0.00
49	0	48.60
1,296	517	778.95
117	200	-83.00
351	201	150.00
578	965	-387.00
<b>6,031</b>	<b>2,814</b>	<b>3,218</b>

### Ilchester

	Land in hectares		
	gross	losses	net
2006	0.00	0.00	0.00
2007	0.00	0.00	0.00
2008	0.01	0.01	0.00
2009	0.00	0.00	0.00
2010	0.00	0.00	0.00
2011	0.08	0.00	0.08
2012	0.01	0.13	-0.12
2013	0.01	0.00	0.01
2014	0.00	0.00	0.00
2015	0.00	0.00	0.00
<b>Total</b>	<b>0.11</b>	<b>0.14</b>	<b>-0.03</b>

	Floorspace in square metres		
	gross	losses	net
	0	0	0.00
	206	137	69.00
	214	48	166.00
	283	0	283.00
	60	60	0.00
	365	0	365.00
	12	65	-52.85
	19	0	19.00
	0	0	0.00
	0	0	0.00
<b>Total</b>	<b>1,159</b>	<b>310</b>	<b>849</b>

### Martock & Bower Hinton

	Land in hectares		
	gross	losses	net
2006	0.00	0.00	0.00
2007	0.00	0.01	-0.01
2008	0.00	0.00	0.00
2009	0.00	0.00	0.00
2010	0.00	0.00	0.00
2011	0.20	0.00	0.20
2012	0.00	0.00	0.00
2013	0.00	0.00	0.00
2014	0.00	0.00	0.00
2015	0.01	0.00	0.01
<b>Total</b>	<b>0.21</b>	<b>0.01</b>	<b>0.20</b>

	Floorspace in square metres		
	gross	losses	net
	80	80	0.00
	853	50	802.70
	70	349	-279.00
	164	0	164.00
	0	0	0.00
	480	0	479.90
	260	260	0.00
	7	0	6.50
	28	0	28.00
	15	1,522	-1507.00
<b>Total</b>	<b>1,956</b>	<b>2,261</b>	<b>-305</b>

### Milborne Port

	Land in hectares		
	gross	losses	net
2006	0.00	0.00	0.00
2007	0.21	2.40	-2.19
2008	0.00	0.01	-0.01
2009	0.00	0.00	0.00
2010	0.00	0.04	-0.04
2011	0.00	0.34	-0.34
2012	0.00	0.00	0.00
2013	0.00	0.00	0.00
2014	0.00	1.20	-1.20
2015	0.00	0.01	-0.01
<b>Total</b>	<b>0.21</b>	<b>4.00</b>	<b>-3.79</b>

	Floorspace in square metres		
	gross	losses	net
	0	0	0.00
	380	4,280	-3900.00
	252	309	-57.00
	45	0	45.33
	181	90	91.08
	0	345	-345.00
	0	0	0.00
	51	51	0.00
	0	3,540	-3540.00
	0	101	-101.00
<b>Total</b>	<b>909</b>	<b>8,716</b>	<b>-7,807</b>

### South Petherton

	Land in hectares		
	gross	losses	net
2006	0.00	0.00	0.00
2007	0.00	0.01	-0.01
2008	0.00	0.03	-0.03
2009	0.00	0.00	0.00
2010	0.00	0.00	0.00
2011	0.00	0.00	0.00
2012	0.49	0.00	0.49
2013	0.00	0.00	0.00
2014	0.00	0.00	0.00
2015	0.04	0.00	0.04
<b>Total</b>	<b>0.53</b>	<b>0.04</b>	<b>0.49</b>

Floorspace in square metres		
gross	losses	net
0	0	0.00
166	31	135.00
178	134	44.00
106	0	106.00
1,040	0	1040.00
0	0	0.00
900	68	832.00
28	28	0.00
0	0	0.00
423	101	321.72
<b>2,841</b>	<b>362</b>	<b>2,479</b>

### Stoke Sub Hamdon

	Land in hectares		
	gross	losses	net
2006	0.00	0.00	0.00
2007	0.00	0.00	0.00
2008	0.00	0.00	0.00
2009	0.00	0.01	-0.01
2010	0.00	0.00	0.00
2011	0.00	0.00	0.00
2012	0.00	0.00	0.00
2013	0.00	0.00	0.00
2014	0.00	0.00	0.00
2015	0.00	0.00	0.00
<b>Total</b>	<b>0.00</b>	<b>0.01</b>	<b>-0.01</b>

Floorspace in square metres		
gross	losses	net
0	0	0.00
180	0	180.00
48	48	0.00
45	23	22.46
0	0	0.00
0	0	0.00
506	506	0.00
50	30	20.00
0	0	0.00
0	0	0.00
<b>829</b>	<b>607</b>	<b>222</b>

### ROD

	Land in hectares		
	gross	losses	net
2006	0.10	0.01	0.09
2007	1.63	0.57	1.06
2008	5.94	0.46	5.48
2009	3.85	0.14	3.71
2010	3.13	0.73	2.40
2011	3.34	0.06	3.28
2012	2.82	0.04	2.78
2013	2.33	0.07	2.26
2014	2.76	0.81	1.95
2015	13.08	1.90	11.18
<b>Total</b>	<b>38.98</b>	<b>4.79</b>	<b>34.19</b>

Floorspace in square metres		
gross	losses	net
488	194	294.40
8,051	590	7461.33
8,393	1,366	7027.40
22,411	3,022	19389.32
20,545	4,278	16266.75
8,436	1,009	7426.88
9,259	1,566	7692.88
9,352	2,410	6942.20
4,551	1,920	2631.25
24,773	3,756	21016.69
<b>116,260</b>	<b>20,111</b>	<b>96,149</b>



# Agenda Item 13

## **District Executive Forward Plan**

*Executive Portfolio Holder:* Ric Pallister, Leader, Strategy and Policy  
*Assistant Director:* Ian Clarke, Legal and Corporate Services  
*Lead Officer:* Ian Clarke, Legal and Corporate Services  
*Contact Details:* [ian.clarke@southsomerset.gov.uk](mailto:ian.clarke@southsomerset.gov.uk) or (01935) 462184

### **1. Purpose of the Report**

1.1 This report informs Members of the current Executive Forward Plan, provides information on Portfolio Holder decisions and on consultation documents received by the Council that have been logged on the consultation database.

### **2. Public Interest**

2.1 The District Executive Forward Plan lists the reports due to be discussed and decisions due to be made by the Committee within the next few months. The Consultation Database is a list of topics which the Council's view is currently being consulted upon by various outside organisations.

### **3. Recommendations**

3.1 The District Executive is asked to:-

- I. approve the updated Executive Forward Plan for publication as attached at Appendix A;
- II. note the contents of the Consultation Database as shown at Appendix B.

### **4. Executive Forward Plan**

4.1 The latest Forward Plan is attached at Appendix A. The timings given for reports to come forward are indicative only, and occasionally may be re scheduled and new items added as new circumstances arise.

### **5. Consultation Database**

5.1 The Council has agreed a protocol for processing consultation documents received by the Council. This requires consultation documents received to be logged and the current consultation documents are attached at Appendix B.

### **6. Background Papers**

6.1 None.

**Appendix A - SSDC Executive Forward Plan – January 2017**

<b>Date of Decision</b>	<b>Decision</b>	<b>Portfolio</b>	<b>Service Director</b>	<b>Contact</b>	<b>Committee(s)</b>
February 2017	Charging for Mobile Home Sites	Portfolio Holder for Strategy and Policy	Assistant Director (Environment)	Alasdair Bell, Environmental Health Manager	District Executive
February 2017	Somerset Waste Partnership Business Plan 2017 - 2021	Portfolio Holder for Environment & Economic Development	Director Commercial Services & Income Generation	TBA	District Executive
February 2017	Capital & Revenue Budget monitoring reports for quarter 3	Portfolio Holder for Finance and Legal Services	Assistant Director (Finance and Corporate Services)	Donna Parham, Assistant Director (Finance & Corporate Services)	District Executive
February 2017	Prevention Charter for Somerset (from the Director of Public Health, SCC)	Portfolio Holder Leisure & Culture	Assistant Director (Health and Well-Being)	Angela Cox, Democratic Services Manager	District Executive
February 2017	Proposed redevelopment of Yeovil Crematorium	Portfolio Holder for Area South	Assistant Director (Environment)	Alasdair Bell, Environmental Health Manager	District Executive
February 2017	2017/18 funding for Citizens Advice South Somerset and SPARK (SSVCA)	Portfolio Holder Leisure & Culture	Assistant Directors (Communities)	David Crisfield, Third Sector & Partnerships Co-ordinator	District Executive

Date of Decision	Decision	Portfolio	Service Director	Contact	Committee(s)
February 2017 February 2017	Medium Term Financial Strategy & Medium Term Financial Plan for 2017/18 to 2019/20	Portfolio Holder for Finance and Legal Services	Assistant Director (Finance and Corporate Services)	Donna Parham, Assistant Director (Finance & Corporate Services)	District Executive South Somerset District Council
February 2017	SSDC Data Protection Policy	Portfolio Holder for Finance and Legal Services	Assistant Director (Legal and Corporate Services)	Lynda Creek, Fraud and Data Manager	District Executive
February 2017	Allowenshay Private Water Supply	Portfolio Holder for Environment & Economic Development	Assistant Director (Environment)	Vicki Dawson, Principal Environmental Protection Officer	District Executive
February 2017	Car Park Enforcement Offer (Confidential)	Portfolio Holder for Property & Climate Change	Assistant Director (Environment)	Garry Green, Engineering & Property Services Manager	District Executive
February 2017	Public Space Protection Orders relating to Dogs	Portfolio Holder for Environment & Economic Development	Assistant Director (Environment)	Vicki Dawson, Principal Environmental Protection Officer	District Executive
March 2017	Civil Penalties - Council Tax and Council Tax Support	Portfolio Holder for Finance and Legal Services	Assistant Director (Finance and Corporate Services)	Ian Potter, Revenues and Benefits Manager	District Executive
March 2017	Quarterly Performance and Complaints Monitoring Report	Portfolio Holder for Strategy and Policy	Strategic Director (Place & Performance)	Anna-Maria Lenz, Performance Officer	District Executive

Date of Decision	Decision	Portfolio	Service Director	Contact	Committee(s)
March 2017	District Wide Voluntary Sector Grants	Portfolio Holder Leisure & Culture	Assistant Directors (Communities)	David Crisfield, Third Sector & Partnerships Co-ordinator	District Executive
April 2017	Community Right to Bid - 6 monthly update	Portfolio Holder for Strategic Planning (Place Making)	Assistant Directors (Communities)	David Crisfield, Third Sector & Partnerships Co-ordinator	District Executive
May 2017	Update report on Intelligent Enforcement Proposal for Council car parks	Portfolio Holder for Property & Climate Change	Assistant Director (Environment)	Garry Green, Engineering & Property Services Manager	District Executive
May 2017	Capital & Revenue Budget monitoring reports for quarter 4 - Outturn Reports	Portfolio Holder for Finance and Legal Services	Assistant Director (Finance and Corporate Services)	Donna Parham, Assistant Director (Finance & Corporate Services)	District Executive
June 2017	Quarterly Performance and Complaints Monitoring Report	Portfolio Holder for Strategy and Policy	Strategic Director (Place & Performance)	Anna-Maria Lenz, Performance Officer	District Executive

## APPENDIX B - Current Consultations – January 2017

Purpose of Document	Portfolio	Director	Response to be agreed by	Contact	Deadline for response
<p><b>Consultation on introducing fees for social housing regulation</b></p> <p>The regulator is proposing to introduce fees for regulating private registered providers of social housing in England from April 2017 in accordance with our statutory powers under the Housing and Regeneration Act 2008. This includes a one-off fixed fee for all successful applications for initial registration and ongoing annual fee to fund the majority of costs of social housing regulation with the remainder funded by government grant.</p> <p><a href="https://www.gov.uk/government/consultations/consultation-on-introducing-fees-for-social-housing-regulation">https://www.gov.uk/government/consultations/consultation-on-introducing-fees-for-social-housing-regulation</a></p>	Strategy and Policy	Assistant Director (Economy)	Officers in consultation with Portfolio Holder	Colin McDonald	9 <sup>th</sup> January 2017
<p><b>Social housing regulation: using a Legislative Reform Order to establish the Regulator as a stand-alone body</b></p> <p>The Tailored Review of the Homes and Communities Agency recommends the separation of the social housing regulator into a new standalone non-departmental public body, to address the potential conflict of interest that arises from the Agency's current configuration.</p> <p>The aim of this consultation is to set out the proposed legislative changes to the Housing and Regeneration Act 2008 to implement the separation of the social housing regulator to reflect the principles of better regulation, especially transparency and accountability. This measure will not change how registered providers are regulated; the regulatory</p>	Strategy and Policy	Assistant Director (Economy)	Officers in consultation with Portfolio Holder	Colin McDonald	27 <sup>th</sup> January 2017

Purpose of Document	Portfolio	Director	Response to be agreed by	Contact	Deadline for response
<p>framework and regulatory powers will not alter as a result of the Review.</p> <p>Views are invited on all aspects of the consultation paper, with a specific focus on eligibility against criteria for using a Legislative Reform Order.</p> <p><a href="https://www.gov.uk/government/consultations/social-housing-regulation-using-a-legislative-reform-order-to-establish-the-regulator-as-a-stand-alone-body">https://www.gov.uk/government/consultations/social-housing-regulation-using-a-legislative-reform-order-to-establish-the-regulator-as-a-stand-alone-body</a></p>					
<p><b>Funding for supported housing</b></p> <p>This consultation seeks views on the government's plans for a new housing costs funding model for supported housing as well as views on how funding for emergency and short term placements should work. It covers the following areas:</p> <ul style="list-style-type: none"> <li>• devolved top-up funding to local authorities in England</li> <li>• funding for emergency and short term supported housing placements across Great Britain.</li> </ul> <p><a href="https://www.gov.uk/government/consultations/funding-for-supported-housing">https://www.gov.uk/government/consultations/funding-for-supported-housing</a></p>	Strategy and Policy	Assistant Director (Economy)	Officers in consultation with Portfolio Holder	Colin McDonald	13 <sup>th</sup> February 2017
<p><b>Consultation on proposed 'banning order offences' under the Housing and Planning Act 2016</b></p> <p>The Housing and Planning Act 2016 introduces a power for the first-tier tribunal to serve a banning order on a landlord or property agent. The purpose of this consultation paper is to invite views and comments on which offences should constitute 'banning order offences' as defined by section 14 of</p>	Environmental Health, Health and Safety	Assistant Director (Environment)	Officers in consultation with Portfolio Holder	Alasdair Bell	10 <sup>th</sup> February 2017

Purpose of Document	Portfolio	Director	Response to be agreed by	Contact	Deadline for response
<p>the Act.            Through the Act, we have introduced a package of measures which will enable local authorities to effectively tackle these rogue or criminal landlords and property agents. The package comprises a national database of rogue landlords/property agents convicted of certain offences (or who have received multiple civil penalties as an alternative to prosecution in relation to certain offences).            We are also introducing civil penalties of up to £30,000 as an alternative to prosecution and extending Rent Repayment Orders to cover illegal eviction, breach of a banning order or failure to comply with certain statutory notices.</p> <p><a href="https://www.gov.uk/government/consultations/consultation-on-proposed-banning-order-offences-under-the-housing-and-planning-act-2016">https://www.gov.uk/government/consultations/consultation-on-proposed-banning-order-offences-under-the-housing-and-planning-act-2016</a></p>					

# Agenda Item 14

## **Date of Next Meeting**

Members are asked to note that the next scheduled meeting of the District Executive will take place on **Wednesday, 1<sup>st</sup> February 2017** in the Council Chamber, Council Offices, Brympton Way, Yeovil commencing at 9.30 a.m.



# Agenda Item 15

## **Exclusion of Press and Public**

The Committee is asked to agree that the following item (agenda item 16) be considered in Closed Session by virtue of the Local Government Act 1972, Schedule 12A under paragraph 3:

“Information relating to the financial or business affairs of any particular person (including the authority holding that information).”

It is considered that the public interest in maintaining the exemption from the Access to Information Rules outweighs the public interest in disclosing the information.

# Agenda Item 16

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

Document is Restricted

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

Document is Restricted