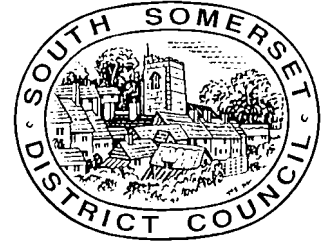


South Somerset District Council

Notice of Meeting



District Executive

Making a difference where it counts

Thursday 10th January 2019

2.00 pm

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



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

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 Specialist on 01935 462148 or democracy@southsomerset.gov.uk

This Agenda was issued on Wednesday 2 January 2019.

Alex Parmley, *Chief Executive Officer*



This information is also available on our website
www.southsomerset.gov.uk and via the mod.gov app

District Executive Membership

Jason Baker
Peter Gubbins
Henry Hobhouse
Val Keitch
Graham Middleton
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.

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 10 January 2019

Agenda

1. Minutes of Previous Meeting

To approve as a correct record the minutes of the District Executive meeting held on Thursday 6th December 2018.

2. Apologies for Absence

3. Declarations of Interest

In accordance with the Council's current Code of Conduct (as amended 26 February 2015), 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.

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. 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.

4. Public Question Time

5. Chairman's Announcements

Items for Discussion

6. **Corporate Peer Challenge: Follow Up Visit** (Pages 5 - 21)
7. **A303 Sparkford to Ilchester Dualling Scheme - Local Impact Report** (Pages 22 - 30)
8. **Assessing Needs and Opportunities for Indoor and Outdoor Sports Facilities in South Somerset** (Pages 31 - 42)
9. **2019/20 Draft Budget and Medium Term Financial Plan Update** (Pages 43 - 55)
10. **Council Tax Support Scheme 2019/20** (Pages 56 - 80)
11. **Council Tax Discount Review** (Pages 81 - 84)
12. **Business Rates Relief** (Pages 85 - 89)
13. **SSDC Transformation Programme - Progress Report** (Pages 90 - 99)

- 14. Notification of an Urgent Executive Decision - Short term funding facility required to SSSDC Opium Power Ltd to accommodate VAT cashflow during VAT reclaim period**
(Pages 100 - 101)
- 15. District Executive Forward Plan** (Pages 102 - 106)
- 16. Date of Next Meeting** (Page 107)

Agenda Item 6

Corporate Peer Challenge Follow Up

Executive Portfolio Holder: Val Keitch, Leader of the Council
Director: Netta Meadows, Director – Strategy & Support Services
Lead Officer: Netta Meadows, Director – Strategy & Support Services
Contact Details: Netta.meadows@southsomerset.gov.uk

Purpose of the Report

1. In March 2017, South Somerset District Council (SSDC) underwent a Local Government Association (LGA) Peer Challenge by a team from councils across the country. This was critical in providing an independent assessment of our plans for the future, and how robust and deliverable they were, before we fully embarked on their delivery. The full report from the Peer Challenge Team was presented to District Executive in July 2017.
2. On 23 October 2018, we welcomed back the LGA Peer Challenge team, to assess our progress since their last visit.
3. This report provides an update to District Executive regarding the follow up visit from the Peer Challenge Team. The full feedback report is attached at Appendix 1.

Forward Plan

4. This report appeared on the District Executive Forward Plan/ with an anticipated Committee date of January 2019

Public Interest

5. This report updates on the findings of the Corporate Peer Challenge follow up review of the Council. A Peer Challenge is a core element of the LGA sector led improvement offer to local authorities. Peer challenges are managed and delivered by the LGA for the sector. They are improvement focused, recognising that all councils always have scope for improvement.

Recommendation

6. That the District Executive note the findings of the Peer Challenge Follow up Team, as set out in their report attached at Appendix 1.

Background

7. On 23 October 2018, we were delighted to welcome back the LGA Peer Challenge team to assess our progress since their last visit. The team focussed on how we've addressed the issues highlighted in their original report. Whilst we could not involve everyone in seeing the team on the day, the team met with staff and Members from across the organisation, as well as some of our key partners, to form an updated view on our progress.
8. Specifically, we asked the Peer Challenge Team to focus on:
 - Overall Transformation Programme: to examine progress so far, benefit realisation, governance and next steps. We also asked them to consider impact on the management and culture of the Council.

- Commercialisation Programme: to examine progress so far (including on land and property), benefit realisation, appropriate focus, governance and possible next steps.
 - Finance and Corporate Management: how the transformation and commercialisation programmes have impacted on the Council's finances and overall soundness of the Council's financial position.
 - Economic and Community Regeneration: to examine the Council's plans for regeneration now that it has progressed its internal transformation.
9. We deliberately chose to have the follow-up visit prior to completing our Transformation Programme to make sure we are in the best possible position to succeed. This also meant that we would be able to use any learning from the Team with regarding to delivering the final stages of the programme.

Findings of the Peer Challenge Follow up visit.

10. The full report is attached at Appendix 1. There were 10 key messages identified in the report:
1. The Council has taken decisive action and made good progress on the first stages of its internal Transformation programme – although it recognises it still has much work ahead of it to complete its desired transformation. It has been successful in maintaining overall performance and staff morale during this difficult period.
 2. The peer team found the enthusiasm and commitment of staff to be truly remarkable given the level of change occurring and as high as any seen in most authorities.
 3. Most adverse feedback from staff was not about having to undertake the Transformation process but more a strong desire to 'get on with it' faster.
 4. It was noticeable that staff felt there had been a real change in management culture in most areas during the last two years and that support and openness had improved significantly.
 5. The Council's finances are managed prudently and with good self-awareness of the financial position. The result of its good financial management (and the effects of Transformation and commercialisation programmes) is that the Council has a short-term revenue financial position which is relatively positive compared to many other councils.
 6. Its commercialisation strategy is progressing with a good property investment approach although, outside of Commercial Services which have approved business plans, it is still in the early stage of implementation across most service areas and needs greater prioritisation.
 7. The good progress that has been made in Transformation and financial management is also allowing the Council to give greater emphasis to its desired economic and community regeneration activities.
 8. While the Council has dealt with some challenging issues so far, some of the hardest parts of Transformation are to come. The introduction of new working practices and channel shift in customer-facing services will place considerable strains on staff and members alike.
 9. A significant factor is that some members have not bought into the Transformation programme.
 10. The Council does have a good awareness of what still has to be done and committed leadership to do this.

11. The report concludes with eight recommendations. These are:
1. The next stage of your transformation will be the hardest - ensure your plan is realistic and appropriately resourced
 2. Staff development should be a key strand within your next stage
 3. The Council needs to ensure it remains focussed on the delivery of its Transformation Plans and that the resources directed towards this are maintained at appropriate levels with a view to ensuring swift implementation of redesigned service processes and the IT required to support new ways of working and the overall transformation.
 4. Take advantage of the incoming council to embed the new working practices for all members
 5. Commercialisation requires greater prioritisation, a clear business development process, and clearer policies to guide investment decisions and prioritisation
 6. Be clearer in the decision making process as to purpose of investment projects – are they for profit or council service priorities
 7. Office review and disposal is welcomed but should include making an early decision on the central civic offices
 8. The Council has an ambitious programme around transformation, commercialisation and economic development & regeneration – it needs to ensure it remains focussed on its stated priorities and be mindful of the stretched capacity of the organisation in delivering the agreed priorities before considering additional priorities.

Response to Peer Challenge Follow Up

12. The Peer Challenge follow up is an incredibly useful test of our progress in delivering the priorities of the council, transforming what we do and delivering on the recommendations they gave us in 2017.
13. The team provided a positive and accurate reflection of the progress we have made. One area that we would like to specifically highlight are the comments regarding our remarkable staff. This year has been disruptive for staff as we have embarked on an ambitious transformation programme. Despite the disruption and anxieties that staff have felt, they have continued to work hard and deliver good levels of service and fantastic results for our communities and customers whilst also engaging in transforming the organisation. They are committed to ensuring we deliver the best results we can for Members, the organisation and the communities we serve, and we are delighted that the Peer Challenge team saw this when they returned.
14. Our ambitious Transformation Programme delivers a newly positioned workforce in new roles alongside a new operating model, which is supported with new processes, systems and technology. The scale of this change across the whole organisational cannot be understated. It is akin to creating a new organisation. Whilst some of the temporary resource associated with the Programme comes to an end (as planned) at the end of January 2019 we know that the next steps of our Transformation Programme are going to continue to be challenging.
15. We have robust plans in place regarding transition, as we move the remaining parts of the Council (Service Delivery and Income Generation & Commercialisation teams) into their new roles, and most importantly to our new ways of working. We will continue to closely monitor the performance of

services and do our best to keep disruption to customers at a minimal and we will continue to be protect key service delivery areas while new ways of working are established and the new technology platform is fully operational in the New Year. Where necessary, we have, and will continue to, either create additional capacity from lower priority areas, or have had the opportunity to use additional funding for staffing on a temporary basis, to support service delivery through this transition period.

16. The work to embed our new ways of working, including the way we will serve our customers to adopt digital channels, will require significant effort and management. We have plans in place to ensure the appropriate resourcing, governance and monitoring continues during this key implementation phase.
17. We agree that we need to continue to invest in our staff, and have developed a People Strategy, which outlines how we will ensure our workforce is fully skilled and experienced to deliver the requirements of the organisation. We now have a specific Specialist role for Organisational Development who will work to ensure our focus on staff continues.
18. The Peer Challenge follow up also identified that more work was required to ensure that Members are fully behind the Transformations programme. During 2018 there has been a Members Working Group in place which has not only considered the way Members will work in our transformed council, but also Member development requirements. As we approach the 2019 elections, we have started work on a new Members Induction Programme, which takes forward the recommendations from the Members Working Group, and which will set out a clear offer to Members in terms of training, development and guidance. This will be integral to the success of our new ways of working as new processes systems and technology goes live throughout 2019.
19. 2018 has seen a lot of work undertaken to develop the Council's commercialisation approach in readiness for a rolling out more widely across the organisation. This process has begun with commercial training for all managers in the organisation. Throughout 2019, more detailed planning will take place with individual services to identify the potential commercial opportunities. Work will also be progressed on agreeing a company structure through which the Council can take forward trading activities. In relation to investments, adjustments will be made to the Council's investment process to clarify whether an opportunity is commercial or is aimed at delivering the one or more of the Council's other objectives. In addition, greater clarity will be added around the benefit for South Somerset communities that will be derived from the proposed investment.
20. Members will be aware that in July 2019 there will be a proposal regarding the office provision for us as a District Council, now that we have moved to a much more agile way of working and our office space requirement is very much reduced. This work is continuing and will come forward in July as planned.
21. Finally, the Peer Challenge Team commented on our requirement to keep focus on our key strategic priorities before adding in new or additional ones. We have invested considerable time over the last few months working with Members to identify the key priority areas and projects for the 2019/20 Council Plan. This will be coming forward in February and March for approval. Alongside this we have developed a new set of key performance indicators which monitor our progress on our Council Plan priorities and we will continue to ensure Members are kept up to date on progress for these. Throughout 2019 we will be implementing new ways of working such as Communities of Practice and Programme Management that will ensure we are focused on and direct resources towards delivering the Members stated priorities as set out in the Council Plan. This includes the Area Chapters where the Area+ arrangements will support us in delivering the different needs and priorities of our different communities.

Financial Implications

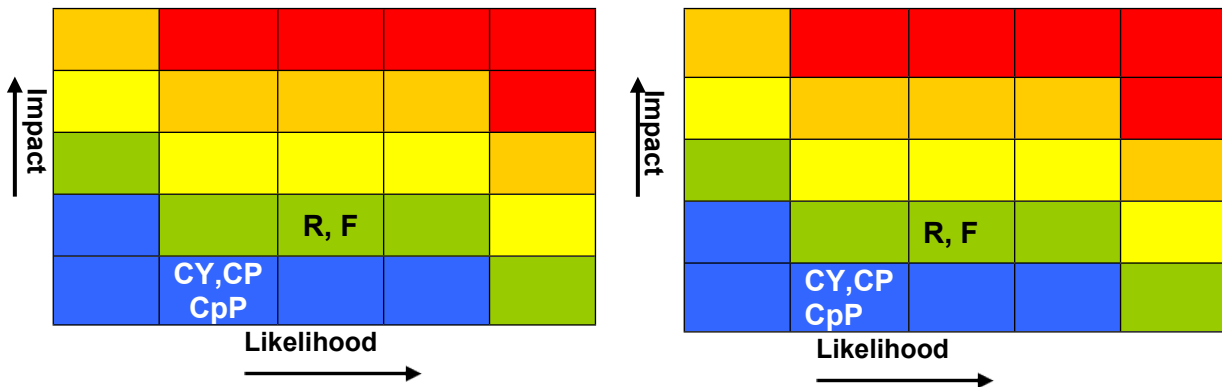
22. None relating to the recommendation in the report.

Risk Matrix

The risk matrix shows risk relating to the Council Plan 2016-21 headings.

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

23. As outlined above in paragraph 21.

Carbon Emissions and Climate Change Implications

24. Not applicable.

Equality and Diversity Implications

25. Not applicable

Privacy Impact Assessment

- Nothing to note

Corporate Peer Challenge: Follow Up Visit **South Somerset District Council**

Date October 2018

Feedback Report

Key messages

A short Peer Challenge was undertaken on 23 and 24 October 2018. This was a follow up to the full Corporate Peer Challenge undertaken in March 2017 and designed to examine progress since that time. The key points from the follow up Peer Challenge are summarised below and are discussed in more detail in section 3.

The Peer Team found that the Council has taken decisive action and made good progress on the first stages of its internal transformation programme - although it recognises it still has much work ahead of it to complete its desired transformation. It has been successful in maintaining overall performance and staff morale during this difficult period. Its commercialisation strategy is progressing with a good property investment approach, although, outside of the Commercial Services which have approved business plans, it is still in the early stages of implementation across most service areas and needs greater prioritisation and the Council need to see through the planned business development processes.

The Council's finances are managed prudently and with good self-awareness of the financial position. The result of its good financial management (and the effects of the transformation and commercialisation programmes) is that the Council has a short-term revenue financial position which is relatively positive compared to many other councils. In addition it has significant reserves. These include a £24.6million capital receipts reserve of which £13.4m is available to invest in commercial investment and/or new schemes. Financial targets are being achieved to timescale (or slightly ahead) although not all the necessary savings/ income in the Medium Term Financial Plan are 'in the bag'.

The good progress that has been made in transformation and financial management is also allowing the Council to give greater emphasis to its desired economic and community regeneration activities. It has put in place plans and governance to give added momentum to its desired projects.

Whilst the Council has dealt with some challenging issues so far, notably around staffing, some of the hardest parts of the transformation are to come and significant challenges still to be overcome on its transformation journey. The introduction of new working practices and channel shift in customer facing services will place considerable strains on staff and members alike. A significant factor is that some members have not 'bought into' the transformation programme.

The Council does have a good awareness of what still has to be done and a committed leadership to do this. It has a settled senior management structure, has invested in transformation skills, and has truly remarkable staff commitment and enthusiasm to see it through the challenges ahead.

1. Introduction and background

South Somerset District Council (SSDC) received an LGA Corporate Peer Challenge in March 2017. The Peer Team concluded at that time that the Council had in previous years been regarded as being at the leading edge of local government. The Council had good self-awareness, acknowledging that it has been through some difficult times and that it has in recent years lost that edge. In view of this the Council had started an ambitious transformation programme. Financial pressures were part of the reason for this, but the main driver is accessible customer focussed services and support to local communities.

The Council had a good understanding of the diverse communities it serves. This understanding is significantly assisted through the Council's area based committee system and locality working.

There had been prudent financial management over many years and this had enabled SSDC to manage past financial challenges. The Council was in a relatively strong financial position in comparison to many other councils, was debt free and had significant financial reserves and capital receipts.

Despite this comparatively good financial position there were still significant financial challenges that needed to be tackled. There was a heavy reliance on transformation/ greater commercialisation being achieved and producing the anticipated savings/ income generation. As some income generation will take time, this financial shortfall, therefore, was a risk and the Council was aware of this.

The transformation programme was ambitious and the Council was placing great emphasis on this to preserve and improve services as well as meeting its financial challenges. The Council had taken external advice on the transformation programme and set aside significant financial resources to fund its implementation. There were, however, two main issues that needed to be addressed swiftly if the programme is to be successful:

- There was not a consistent understanding throughout the organisation of what the transformation programme is intended to achieve.
- The Council was lacking capacity in key areas which are necessary to implement the transformation programme.

The Council planned to create a more commercial culture. This intention needed a clear council wide commercialisation strategy which is realistic regarding the areas in which commercialisation is most likely to be successful and where commercialisation would not be pursued. There was a good focus on property, but it was not clear how other opportunities will be analysed and grown. The Council would require new and different roles and skills to those currently within the organisation to be successful commercially.

Good progress had been made on resolving the senior officer structure, but the Council still had a long way to go on its transformation journey. This journey will require considerable resolve, some difficult decisions and willingness at all levels to embrace the changes that the Council has identified as required. At that time the Council had shown considerable political and financial commitment to making the transformation happen.

The purpose of the follow up visit on 23rd and 24th October 2018 was to help the Council take stock of progress made against the areas of improvement identified in March 2017. This report provides a written summary of the key observations made by the peer team during their visit to South Somerset District Council

Peer review and challenge

Peer challenges are improvement-focussed and tailored to meet individual councils' needs. They are designed to complement and add value to a council's own performance and improvement focus. The peer team used their experience and knowledge of local government to reflect on the information presented to them by people they met, things they saw and material that they read. The process is not designed to provide a technical assessment or due diligence on specific proposals. Neither is it intended to provide prescriptive recommendations. The peer challenge process provides feedback, observations and insights from experienced practitioners that will help validate, reality check and further develop the Council's current plans, proposals and evolving thinking about the future.

Scope and focus

The peer team were asked to consider the progress made since March 2017 and provide observations about whether the Council is still on track to deliver its transformation, commercialisation and financial strategies. The team were also asked to examine the Council's renewed emphasis on economic and community regeneration. In doing so peers considered the areas for improvement identified by the original peer challenge and the key recommendations made at that time i.e.:

- 1) **Articulate the transformation vision simply and clearly.** It is essential that all levels within the Council appreciate what you are trying to achieve and why. Create an approach to engagement that builds on written communications and emphasises face-to-face messages from the top.
- 2) **Invest in further capacity as soon as possible.** The scale of the transformation and commercialisation programmes is large and complex. You should invest in additional specialist resources now especially strategic programme management, commercialisation, strategic human resources, communications and marketing.
- 3) **Develop a detailed implementation plan for your transformation programme as soon as possible.** This will require detailed workstream outputs. Dependencies and integrations between these workstreams must also be identified and communicated. These should dictate the Council's timescales.

- 4) **Ensure the Chief Executive and SLT have appropriate personal authority and visibility to see through the changes required.** It is important that members understand their strategic role and allow the Chief Executive and his Senior Leadership Team (SLT) personal authority to implement the culture change and system issues which are part of the transformation programme.
- 5) **Make sure your Transformation Implementation Plan is adaptable, and explicitly includes how you will undertake strategic workforce development and your desired cultural change.** The plan must be adaptable to your own needs and capable of being adapted further as it proceeds. It needs to have a clear statement as to the development needs that will be required of the workforce and a definition of the cultural changes the Council requires.
- 6) **Create a co-ordinated commercialisation approach that has a clear focus on what areas you will and will not pursue.** The Council needs to back up its commercial intentions with a clear council wide commercialisation strategy. This strategy must be realistic regarding which areas of commercialisation are most likely to be successful in and be clear where commercialisation will not be pursued. There is also a need to establish clear governance arrangements around this programme including the creation of new trading operations.
- 7) **Ensure a more structured, rigorous and timely process to the assessment of capital investments.** The Council should ensure that a clear criteria and process for determining capital allocations within its overall strategy is in place. This should support as far as possible its commercialisation/ income generation ambitions.
- 8) **Take action to see if there are any 'quick wins' to help the Council's financial position by:**
 - **Reviewing reserves and capital allocations to see if all are required.** The Council has significant reserves and capital allocations in addition to its unallocated capital receipts. The scale of these justify review, as there may be scope for re-allocation or further support to revenue pressures.
 - **Reviewing charging for services and car parking.** There is scope for a financial 'quick win' as regarding charging for existing services including adding premium charges when the service is 'gold standard'.

Peer team

Peer challenges are delivered by experienced elected member and officer peers. The make-up of the peer team reflected the Council's requirements and the focus of the peer challenge. Peers were selected on the basis of their relevant experience and expertise and agreed with the Council. The peers who undertook the follow up visit to South Somerset were:

- **Colin Carmichael**, Chief Executive, Canterbury City Council
- **Caroline Adlem**, Head of Traded and Commercial Development at Essex County Council
- **Councillor Peter Fleming**, Leader Sevenoaks District Council
- **Steve Jordan**, Director of Communities and Housing, Swindon Borough Council
- **Councillor Steven Lambert**, Aylesbury Vale District Council and Buckinghamshire County Council
- **Bob Ross**, LGA Peer Challenge Manager

All of the team had been involved in the original Peer Challenge in March 2017. The team spent two days onsite at South Somerset on 23rd and 24 October during which time they spoke to more than 50 stakeholders including councillors, senior managers, members of staff and external partners. Peers prepared for their visit by reviewing a range of documents and information in order to ensure they were familiar with the Council, the challenges it is facing and the recent progress and developments made.

2. Specific findings and observations

The sub-sections below set out the observations of the Peer Team during the October follow up peer challenge against the areas they were asked to explore.

Transformation Programme

At the time of the Peer Challenge in March 2017 the Council was in the planning stage of its transformation programme. Since that time the Council has taken decisive action and made good progress on the first stages of the implementation phase. This has been supported by the elected member leadership keeping its focus and resolve to implement the transformation, the senior officer structure settling in well and being well regarded by members and staff and the Council having invested in a range of specialist transformation skills. An expected drop in performance during the implementation period did occur in some service areas (not surprisingly) but this was not as great as anticipated.

This resolve and capacity has allowed the Council to create a detailed, fully costed four-phase transformation plan. A major stage in identifying and recruiting to the new officer structure across the Council has been completed successfully. This has been a large, complex and difficult process for all concerned. It is a credit to the Council that morale across the organisation has remained so high and many people spoke highly of the support they had received during the process. However, probably some of the hardest stages of transformation are yet to come with the embedding of the new delivery model into customer facing services. This will require new ways of working for staff and for managers in the way they manage staff and this will 'stretch' people considerably. It is also when the transformation process will actually reach the 'customer' which will add a new dimension to the process. The Council acknowledges that channel shift in particular will be a major challenge.

There are a few key points that will influence the success or otherwise of the next stages of implementation and these are discussed in the paragraphs below.

Firstly, it is apparent that some members have not 'bought into' the transformation programme. The new ways of working for customers and staff will also require new ways of working for members. It is important that there is not a situation whereby there is a 'divide' where some members are working to the new methods but others have found a 'way around' to maintain traditional practices. Whilst the Council has to ensure that this does not happen, it also has to ensure that members do have the tools and access channels that are vital for them to fulfil their specific role as the elected representatives of the district. Specific consideration should be given to this and it is understood that plans are well advanced in their development through the Member Working Group. However, it also means that individual members should not place pressure on officers to undermine the transformation process and there were a few pieces of anecdotal evidence to suggest that this may be occurring, although the team did not have time to investigate this in full.

Secondly, although the Council is well aware of this, the peer team did want to stress that it is crucial that the IT deployment to support new ways of working is timely and effective in supporting the new workflows etc. This was probably the main concern arising from staff, many of whom did not seem to know 'what will happen when' as regards IT. Whilst the peer team were informed that the plans are in place for the deployment of IT, and they are well advanced in their implementation, it is important that this ambiguity is removed as soon as possible and that the plans are communicated. Any misunderstanding or failure to deploy IT effectively to support the new ways of working is a significant risk to benefit realisation of the programme.

Thirdly, the Council will shortly be starting on its Area+ transformation which it intends will enhance area and locality working. This is still at an early stage and is one area where there did not seem to be a consistent or widespread understanding as to how it will operate. This requires greater clarification and communication.

Fourthly, The Council has deliberately undertaken its staffing changes before the new working practices are in place. The peer team understand this as a way of ensuring that the financial savings are achieved and that real change does take place and that the Council is prepared to have some decrease in performance whilst the process is underway (although, as stated above, the decrease to date is not as great as anticipated). This approach does mean that, whilst there is a clear methodology behind the planned staffing numbers, only time will tell if the staff numbers are truly correct and cannot be judged until staff have had a chance to adapt to the new working practices and have access to the IT systems mentioned above.

The peer team would also like to stress some points regarding staff. The main point is that the peer team found the enthusiasm and commitment of the staff to be truly remarkable given the level of change occurring and as high as any seen in most authorities. Most adverse feedback from staff was not about having to undertake the transformation process but more a strong desire to 'get on with it' faster. This applies to staff at all levels. It was also noticeable that staff felt that there had been a real change in management culture in most areas (it was already good in some) during the last two years and that support and openness had improved significantly. Middle management was also very enthusiastic and were able to express clearly how they are operating as one mutually supportive team. Some concerns however were raised over the challenge of maintaining staff morale and

resilience whilst changing working practises, implementing a new IT system, maintaining 'business as usual' and delivering on community priorities all at the same time.

This enthusiasm and commitment will be tested during the difficult stages ahead. It was noticeable that most staff felt far more directly involved with the transformation process which is greatly helping morale and speed of implementation. Many people, however, will require new skills and approaches and the Council needs to make up time lost in delays in its workforce development/ People Strategy. This is crucial to transformation success and maintaining the pace of change and the resilience of the organisation.

Commercialisation Programme

The Council has made significant progress with its commercial strategy and activity. During the first Peer Challenge, the Director for Commercial had recently been appointed, but no commercial strategy was in place. The new commercial function now comprises commercial property expertise, income generation capacity, and serves as a home and focus for the authority's traded activity including leisure, tourism, the arts, environmental health, MOTs, grounds maintenance and house clearance. A Commercial Strategy has been published and undergone an update.

The peer team found that the commercial leadership had embedded well into the authority, and was well regarded. A sense of excitement, positivity and teamwork was also noted. While steps have been taken to increase commercial acumen generally, these should be continued and reflected in the people plan.

The Council has enhanced the governance arrangements of its commercial activities, including the creation of the Investment Assessment Group. It was noted that the Finance Portfolio Holder is not a member of this group and it is suggested that he be 'better sighted' on investment decisions and how they may affect overall council finances at an early a stage as possible. The Council has a clear due diligence process regarding investments but would benefit from greater clarity around investment policy to provide clarity of decision making and avoid any suggestion of undue influence by any members outside of agreed policy. The Council is about to undergo its first audit of the Commercial Strategy and should utilise this to refine policy and governance to ensure clarity around decisions - making now that it has been operational for the first year.

Allied to the point regarding clarity of decision making it would be helpful to clarify, in order to maintain focus, why different commercial activities are being progressed. As an example the Council informed the team of commercial activity "to support our communities", but the authority is also investing in an out of area housing development. Whilst we are aware the profits from this investment are earmarked to support the delivery of the Council's regeneration ambitions, this would benefit from being more clearly articulated in the investment decision-making process. To be clear, there is no particular problem with out of area investments as such but clarity of purpose is important and may be achieved through a sliding scale similar to the below

The Peer Team also felt that there would be merit in a 'root and branch' fees and charges review, to consider:

- What are our current services?
- What do we charge?
- Does this recover cost?
- Could we stop doing it?
- Is there market failure?
- What could we charge?
- What are our charging abilities?
- Could we deliver it more efficiently?
- What would the market stand?
- Could we charge more through an alternative vehicle?
- Could we increase volume?
- Could we introduce variable pricing

2. What additional services could we provide?

Financial Management

The Council has a clear financial strategy and associated targets. There is also a high degree of self-awareness regarding the financial situation across the Council. The Peer Team was keen to ensure that it was satisfied that the Council has a prudent and realistic approach to the management of its finances and was satisfied that this is the case. The Council only builds factors into its Financial Strategy where there is a high degree of confidence that they will actually take place.

Through its prudent financial management the Council has achieved a short-term revenue financial position which is relatively positive compared to many other councils. It has a 'clean bill of health' from its auditors as regards its status as a 'going concern' and was able to have a balanced budget for 2018/19, without reducing services and is heading for this in 2019/20.

Its transformation programme is now fully costed and funded. This programme and the commercialisation programme have supported good progress in tackling budget pressures and the Council is slightly ahead of savings/ income target. The Council does have a savings target of £6m by 2023 and has already identified with at least a high degree of certainty £4m of this. However, whilst the financial strategy sets out how it envisages future savings will be made, the remaining savings/ income (circa £2m) are still not certain although the Council is very actively working on this.

The Council also has significant reserves. These include a £24.6million capital receipts reserve of which £13.4m is available to invest in commercial investment and/or new schemes. The Council has, rightly, been proud of its debt free status in past years. However, it is now willing to take advantage of its overall financial position and low interest

rates to consider borrowing to support its service and investment ambitions. The Peer Team supports this willingness within an appropriate governance structure.

The Council's overall strategy is to achieve a position of non-reliance on government grants. The Peer Team welcomes this as a prudent strategy.

Economic and Community Regeneration

The Peer Team only had limited time to examine the Council's economic and community regeneration activities. However, it was noted that the Council is keen to re-vitalise its economic and community regeneration now that it has its internal transformation programme well underway. Its willingness to borrow money and advantageous rates should support this strategy. It also intends its Area+ approach to support area and locality working.

Plans have been developed to provide tangible outcomes to this ambition backed with a significant investment commitment from the Council. These include completing the Yeovil Refresh for Yeovil Town Centre and progress implementation, regeneration of Chard and a town centre action plan for Wincanton. Revised Programme Board arrangements have been agreed for these programmes.

Although these projects are welcomed there was evidence of some degree of lack of belief as to when/ if they would happen and whilst current plans are relatively new, the ambition for some regeneration projects has existed for a considerable time. The new council needs to prioritise and ensure greater momentum in actual implementation, especially for projects located outside Yeovil. This should include mechanisms for maximizing the use of members locality based knowledge. Having said which, the projects which are under way are clearly being driven well, and are designed to make substantial improvements to the urban areas.

There is also evidence that the Council is investing in economic development and regeneration beyond the traditional public realm improvement projects.

The previous Peer Challenge report noted 'Local collaborative working is strong and district partners spoke highly of the Council. However, some broader partners (i.e. those outside just the immediate district area) reported that there was a perception that the Council could be too risk averse and, particularly at officer level, that the impression is sometimes given that it has to be 'South Somerset's way or not at all'. It should be noted that there were also reports that this reputation and perception is improving. The Peer Team found that district partners continued to speak highly of the Council as a partner and that many outside district partners also felt that relationships and the potential for partnership working had increased considerably.

The Peer Team found particularly strong support for the Council from the business and Further Education communities. Communication between the Council and the broader community was reported as much better; the Council was operating more strategically, with a clear plan, it is investing in imaginative Higher Education opportunities for workers in traditional industries. The Council

was described as having 'a budget, a plan, the drive, visionary leadership, and stakeholders prepared to work with them'. The Peer Team see this as being substantially different perception since the previous Peer Review.

3. Recommendations

Arising from the follow up Peer Challenge the team would make the following recommendations:

- 1) The next stage of your transformation will be the hardest - ensure your plan is realistic and appropriately resourced
- 2) Staff development should be a key strand within your next stage
- 3) The Council needs to ensure it remains focussed on the delivery of its Transformation Plans and that the resources directed towards this are maintained at appropriate levels with a view to ensuring swift implementation of redesigned service processes and the IT required to support new ways of working and the overall transformation.
- 4) Take advantage of the incoming council to embed the new working practices for all members
- 5) Commercialisation requires greater prioritisation, a clear business development process, and clearer policies to guide investment decisions and prioritisation
- 6) Be clearer in the decision making process as to purpose of investment projects – are they for profit or council service priorities
- 7) Office review and disposal is welcomed but should include making an early decision on the central civic offices
- 8) The Council has an ambitious programme around transformation, commercialisation and economic development & regeneration – it needs to ensure it remains focussed on its stated priorities and be mindful of the stretched capacity of the organisation in delivering the agreed priorities before considering additional priorities.

4. Next steps

We appreciate the Council will want to reflect on these findings and suggestions with the senior managerial and political leadership in order to determine how the organisation wishes to take things forward.

As part of the peer review/challenge process, there is an offer of further activity to support this. The Local Government Association (LGA) is well placed to provide additional support, advice and guidance on a number of the areas for development and improvement and we would be happy to discuss this. Andy Bates, Principal Adviser is the main contact between your authority and the LGA. His contact details are: Tel. 07919 562849 and Email. Andy.Bates@local.gov.uk

In the meantime we are keen to continue the relationship we have formed with the Council throughout the peer challenge. We will endeavour to provide additional information and signposting about the issues we have raised in this report to help inform on-going consideration.

Agenda Item 7

A303 Sparkford to Ilchester Dualling Scheme – Local Impact Report

Executive Portfolio Holder: Angie Singleton, Strategic Planning (Place Making)
Henry Hobhouse, Property, Climate Change and Income Generation

Ward Member(s) Mike Lewis, Tony Capozzoli

Director: Netta Meadows, Strategy and Support Services

Service Manager: Jan Gamon, Lead Specialist – Strategic Planning

Lead Officer: Jo Manley, Specialist – Strategic Planning

Contact Details: jo.manley@southsomerset.gov.uk or 01935 462442

Purpose of the Report

1. To update District Executive on the A303 Sparkford to Ilchester Dualling Scheme and set out the Examination timetable for the Development Consent Order (DCO). Also highlight emerging issues to be covered in the Local Impact Report and request delegation of the Local Impact Report to the Lead Specialist, Strategic Planning, Strategic Planning Portfolio Holder and Property, Climate Change and Income Generation Portfolio Holder. The report also asks Members to agree that the Council submit a Written Representation to the Examining Authority.

Forward Plan

2. This report appears on the District Executive Forward Plan.

Public Interest

3. The report outlines the Examination timetable for the DCO application by Highways England to obtain permission to dual the A303 from Sparkford to Ilchester. The report highlights areas where the Council have concerns over the impact of the proposed scheme and where mitigation will be sought through the DCO Examination. This is not a detailed or exhaustive list as work is ongoing and issues may emerge through the Examination process and at the detailed design stage which will be post consent of the scheme by the Secretary of State.

Recommendations


4. That the District Executive:
 - a. note this report and its contents;
 - b. approve delegation of the Local Impact Report (LiR) to the Lead Specialist, Strategic Planning, Strategic Planning Portfolio Holder and Property, Climate Change and Income Generation Portfolio Holder; and
 - c. agree that the Council submit a Written Representation to the Examining Authority and give delegation of the contents of that Written Representation to the Leader of the Council, Strategic Planning Portfolio Holder and Property, Climate Change and Income Generation Portfolio Holder and the Ward Members for Camelot and Ivelchester.

Background

5. District Executive has considered the dualling of the A303 between Sparkford and Ilchester twice before. In July 2018, Members approved a Statement of in Principle Support for the Scheme to be submitted to Highways England. The principle of the Council entering into a Planning Performance Agreement with Highways England was also approved, alongside a Scheme of Delegation for the Council's input into the Development Consent Order process and a budget to seek external resource for some of that input.

6. In October 2018, Members were notified that an Adequacy of Consultation Response (AoCR) had been submitted to the Planning Inspectorate, that officers were no longer pursuing a Planning Performance Agreement with Highways England and that external resources had been secured to give ecology, cultural heritage and landscape support to the project. At this meeting, Members delegated authority for the Council's Relevant Representations to the Lead Specialist, Strategic Planning, Strategic Planning Portfolio Holder and Property, Climate Change and Income Generation Portfolio Holder, as time constraints meant approval via District Executive was not achievable.
7. We are now in the Examination Period (see below for an outline of the stages the application will go through). The Preliminary Meeting was held on 12th December and the Examination began that afternoon with the first Open Floor Hearing. The Planning Inspectorate have a period of up to 6 months within which they can examine the application and so the Examination will close by the 12th June (the Examination timetable is set out below).

Diagram1: Stages of a Development Consent Order Application

Pre-application	Period before submitting an application. Potential applicants have a statutory duty to carry out consultation on their proposals at this stage.
Acceptance	The Acceptance stage begins when an applicant submits an application for development consent to the Planning Inspectorate. The Planning Inspectorate, on behalf of the Secretary of State decides whether or not the application meets the standards required to be accepted for examination.
Pre-examination	At this stage, the public will be able to register with the Planning Inspectorate to become an Interested Party by making a Relevant Representation. An Examining Authority is also appointed at the Pre-examination stage, and all Interested Parties will be invited to attend a Preliminary Meeting, run and chaired by the Examining Authority. There is no statutory timescale for this stage of the process, but it usually takes approximately three months from the Applicant's formal notification and publicity of an accepted application.
We are here: 	Examination The Planning Inspectorate has up to six months to carry out the examination. During this stage Interested Parties who have registered by making a Relevant Representation are invited to provide more details of their views in writing.
Recommendation and Decision	The Planning Inspectorate must prepare a report on the application to the relevant Secretary of State, including a recommendation, within three months of the close of the six month Examination stage. The relevant Secretary of State then has a further three months to make the decision on whether to grant or refuse development consent.

Post Decision

Once a decision has been issued by the relevant Secretary of State, there is a six week period in which the decision may be challenged in the High Court, known as Judicial Review.

8. The high level timetable remains as it was reported to members previously, for convenience this is reproduced below:
- Recommendation to Secretary of State by the Examining Authority (ExA) – September 2019
 - Decision by Secretary of State - end of 2019
 - Road construction to commence by March 2020
 - Road open - 2022/2023

Update on Actions Agreed at District Executive in October 2018

9. Officers produced joint Relevant Representations with Somerset County Council and these were submitted to the Examining Authority (ExA) on the 19th October 2018. This along with all the other Relevant Representations is published on the Planning Inspectorate website and can be viewed here:
<https://infrastructure.planninginspectorate.gov.uk/projects/south-west/a303-sparkford-to-ilchester-dualling/?ipcsection=overview>

Examination

10. The Examination, as explained above, has now commenced. Both the Preliminary Meeting and the Open Floor Hearing were well attended by members of the public and officers from other public bodies including Historic England, Environment Agency, Wiltshire Council and Devon County Council.
11. At the meeting the Planning Inspectorate explained that Highways England are considering making some changes to the application, these are:
- Relocating the main compound to the west to avoid a clash with proposed landing lights. Whilst the compound will remain in the same field as previously, it will be beyond the original Red Line Boundary;
 - Providing an alternative for Blackwell Farm. Currently an access track is proposed from Blackwell Road. The amendment seeks to improve the corner of Traits Lane and Blackwell Road, therefore removing the track from the proposals. Highways England believe that this is more cost effective and will address concerns of a nearby property; and
 - Relocating the proposed concrete batching plant from its current proposed location which is adjacent to the MOD site, to the main compound site. According to Highways England this is to appease the landholder and may result in some efficiency due to working practices and will reduce environmental impacts.

These changes are likely to require a period of further consultation (a period of 30 days was suggested at the Preliminary Meeting), as they are significant because they include land outside the original red line boundary and trigger additional work.

12. Officers of the Council raised some issues at the Preliminary Meeting (which addresses procedure only) including the need to amend the timetable. The deadlines given are tight and whilst appreciating the Examination has to be completed by the 12th June, it was explained that the process

is a strain on Council resources. The failure to get a PPA was raised, as was the competing pressures on officer time – namely Local Plan Review and the forthcoming A358 DCO. The dates of the District Council elections and purdah period was noted by the Planning Inspectorate.

13. A number of issues were raised by members of the community at the Open Floor Hearing, including:
- Concerns over the design and layout of Hazlegrove junction, Downhead junction, lack of a parallel road and the stopping off of Gassons Lane and Traits Lane,
 - Increased traffic through West Camel, Sparkford and Queen Camel,
 - Concerns over noise levels,
 - Concerns over the future viability of businesses,
 - Concerns over surface water drainage and flooding; and
 - Various mitigation measures were requested.
14. Both the Preliminary Meeting and Open Hearing were recorded and can be accessed via this link: <https://infrastructure.planninginspectorate.gov.uk/projects/south-west/a303-sparkford-to-ilchester-dualling/?ipcsection=overview>
15. The draft timetable for the Council's input is an aggressive one and is set out below. This timetable will be confirmed through the Rule 8 letter which is due shortly and it is hoped that the ExA have listened to the concerns of officers regarding deadlines and amended them slightly to allow some more time. Deadlines currently are:

Deadline	Date	Deadline for submission of following to the ExA (PINS) by the Council:
Deadline 1	Friday 11 th January	<ul style="list-style-type: none"> • Comments on updated application documents • Summary of Relevant Representation as it exceeds 1500 words • Suggested locations for site inspections, and justification • Notification of wish to speak at any subsequent Open Floor Hearing (OFH) • Notification of wish to make oral representations at an Issue Specific Hearing (ISH) • Notification of wish to speak at a Compulsory Acquisition Hearing (CAH) • Comments on any additional information/submissions received • Responses to any further information requested by the ExA for this deadline
Deadline 2	Wednesday 23 rd January	<ul style="list-style-type: none"> • Written Representations (WRs) including summary if it exceeds 1500 words • Local Impact Report • Joint Statement of Common Ground (SoCG) • Response to the ExA's Written Questions • Response to comments on RRs • Comments on draft itinerary for ASI and suggested locations for site inspections • Notification of wish to attend an ASI

		<ul style="list-style-type: none"> • Comments on any additional information/submissions received by D1 • Responses to any further information requested by the ExA for this deadline
Deadline 3	Wednesday 6 th February	<ul style="list-style-type: none"> • Comments on WRs • Comments on Local Impact Reports • Comments on SoCGs • Comments on responses to the ExA's Written Questions • Comments on Applicant's first revised draft DCO • Comments on any additional information/submissions received by D2 • Responses to any further information requested by the ExA for this deadline
Hearings	Tuesday 26 th February to Friday 1 st March, Haynes Motor Museum	
Deadline 4	Friday 8 th March	<ul style="list-style-type: none"> • Post Hearing submissions including written submissions of oral case • Revised/updated SoCG • Comments on any additional information/submissions received by D3 • Responses to any further information requested by the ExA for this deadline
Deadline 5	Friday 5 th April	<ul style="list-style-type: none"> • Responses to the ExA's further Written Questions (if required) • Comments on any revised/updated SoCGs • Comments on any additional information/submissions received by D4 • Responses to any further information requested by the ExA for this deadline
Deadline 6	Friday 26 th April	<ul style="list-style-type: none"> • Comments on responses to the ExA's further Written Questions (if required) • Comments on Applicant's revised draft DCO • Comments on the ExA's proposed schedule of changes to the draft DCO / or The ExA's draft DCO • Comments on any additional information/submissions received by D5 • Responses to any further information requested by the ExA for this deadline
Hearings	Tuesday 14 th May to Thursday 16 th May, Haynes Motor Museum	
Deadline 7	Friday 24 th May	<ul style="list-style-type: none"> • Post Hearing submissions including written submissions of oral case (if required) • Responses to comments on the ExA's proposed schedule of changes to the draft DCO / or The ExA's draft DCO • Comments on the Report on Implications for European Sites (RIES) • Comments on any additional information/submissions received by D6 • Responses to any further information requested by the ExA for this deadline

Deadline 8	Friday 31 st May	<ul style="list-style-type: none"> • Response to comments on the Report on Implications for European Sites (RIES) • Final DCO • Final SoCGs • Final Compulsory Acquisition Schedule • Comments on any additional information/submissions received by D7 • Responses to any further information requested by the ExA for this deadline
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16. Officers are making progress on documents for the first and second deadline (11th and 23rd January) and these are covered in detail below. It should be noted however that despite the Examination closing in June 2019, the work for Council officers will not stop there. The DCO application that has been submitted is similar to an outline application and therefore much of the detail will need to be “worked up” after the 12th June deadline. The mitigation measures the Council will be seeking will relate to much of that detail, and therefore is it crucial that the approved DCO contains a mechanism for the Council to engage and actively influence that detailed design.

17. The A358 Scheme is also making progress and a Preferred Route is due to be announced in the spring of 2019.

Local Impact Report (LiR)

18. The deadline for the LiR is January 23rd. The approved scheme of delegation requires sign off from District Executive.

19. Officers have been working on Topic Papers to support the LiR. No significant issues have been identified to date, but several mitigation measures and the requirement for additional evidence and ongoing engagement have been identified to make the proposed scheme acceptable.

20. Emerging issues are as follows:

- Air Quality and Emissions – we raise no significant issues, although concerns over increased traffic in West Camel and Sparkford (see below) and therefore need to do additional investigative work.
- Noise and vibration – we raise no significant issues, although have concerns over increased traffic in West Camel and Sparkford and therefore need to do additional investigative work.
- Biodiversity, ecology and natural environment – we raise no significant issues but a range of mitigation is sought as there is a wide variety of designated sites, habitats and species within the Red Line Boundary and surrounding area.
- Cultural Heritage - we raise no significant issues but a range of mitigation is sought as the scheme is within an area of high historic and cultural value.
- Socio-Economic Effects on surrounding communities – we raise no significant impacts but seek mitigation for affected businesses both during and after construction.

- Draft development consent order – as noted above, in addition to the DCO structure and definitions, we will need to ensure that the Requirements (these are similar to planning conditions) within the DCO secure the level of mitigation that is required and that the DCO gives both the District Council and County Council the ability to approve further detailed design aspects of the proposal. This is a significant issue.
21. Somerset County Council are covering highways, public rights of way, drainage and flooding, and archaeology. It is noted that Members have raised concerns over surface water drainage and this is being raised with SCC.
 22. The Local Impact Report is not presented to Members for a number of reasons and a request is made to delegate the LiR and its contents to the Lead Specialist Strategic Planning, Strategic Planning Portfolio Holder and Property, Climate Change and Income Generation Portfolio Holder. Firstly, the report is not ready. The deadline is not until 23rd January but to take the LiR through the committee process would have required us to have completed it by 13th December. The LiR would not be fully evolved as the Statement of Common Ground negotiations are ongoing and will need to feed into the LiR. Secondly, it would also not be in the best interests of our communities to publish the LiR before the ExA deadline because we would be presenting our Examination arguments to Highway England in advance. Therefore not only will it exert time pressures on us, but it will be placing us at a disadvantage.

West Camel and Sparkford – Update on Mitigation

23. Members are already aware of the concerns of West Camel, Queen Camel, Sparkford and Yeovilton Parish Councils regarding the increased vehicle movements through their villages as a result of the proposed scheme.
24. Highways England have concluded that their modelling does not show significant adverse effects as a result of the increased vehicle movements and therefore no mitigation is required as a result of this scheme.
25. Somerset County Council's technical view is that vehicle movements do increase as a result of the proposed scheme - by 600 vehicles a day through West Camel (a 42% increase from 1,400 to 2,000 vehicles per day) and 1,800 vehicles a day through Sparkford High Street (a 37% increase from 4,900 to 6,700 vehicles a day). But SCC have not yet concluded as whether this increase of vehicles would result in a significant adverse effect.
26. If the proposed scheme does not generate significant adverse effects, mitigation cannot be sought through the DCO process as it would not meet the statutory tests. Whilst Highways England do not accept that the scheme generates significant adverse effects, as a gesture of goodwill have offered the parish of West Camel, highways mitigation outside of the DCO process.
27. There is an existing rat running issue in West Camel and Somerset County Council recognise this and have a scheme of mitigation designed, further details regarding the exact details of this scheme, funding, timescales etc. are being sought from the County Council. SCC are concerned that the scheme being offered by Highways England lacks a clear method to secure the finances, they therefore want the issues to be considered in a transparent manner through the DCO Examination. There is a risk that if the funding is sought through the DCO and the Examining Authority deem the

scheme not to have a significant adverse effect, that the funding currently being offered via the Highways England Designated Fund may be withdrawn.

28. No mitigation is being offered for Sparkford. The scheme also creates congestion at Podimore Roundabout in summer months and no mitigation is offered here either. Highways England are seeking a Statement of Common Ground with each parish council. Officers from SSDC and SCC are meeting with the parish councils to discuss mitigation further.
29. The District Council is not the Highway Authority and understands the County Council's position, however to reflect our community's concerns over the increase in traffic, the intention is to raise this as a significant adverse effect in South Somerset's section of the Local Impact Report.

Written Representations

30. A Written Representation, like the Local Impact Report is a distinct document which gives the local authority an opportunity to express views on the DCO application. Whilst the Local Impact Report is a technical document, the Written Representation is the local authorities opportunity to express their view on the application i.e. whether or not it supports it and the reasons why. A political angle can be included in this document, where it cannot in others.
31. A Written Representation is not a statutory requirement. The District Executive report in July mentions the Written Representations but there is not time in the scheme of delegation to get approval via District Executive if we are going to produce Written Representations.
32. To enable significant community issues to be raised, it is suggested that a member group comprising the Leader of the Council, the two relevant portfolio holders (Strategic Planning and Climate Change and Income Generation) and the two ward members of the affected communities of Ivelchester and Camelot, work with the Specialist – Strategic Planning, to produce a Written Representation on behalf of South Somerset District Council and that District Executive delegate authority to them to do this. Individual members are also encouraged to make representations if they have not already done so and have specific issues they would like to raise. Written Representations will need to be submitted by Deadline 2, Wednesday 23rd January 2019.

Summary

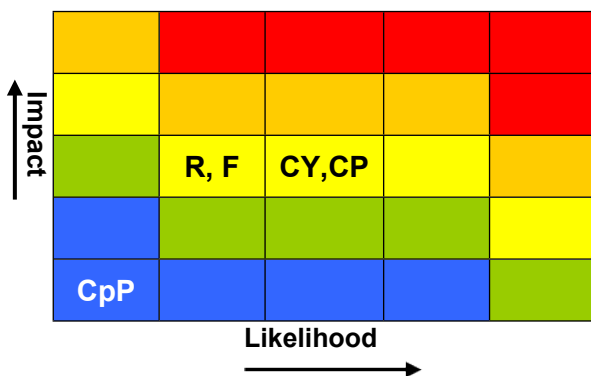
33. Work is ongoing on this project. It has been and continues to be a huge learning curve for officers and lessons have been learnt regarding the vigorous nature of the DCO Examination timetable and governance arrangements.
34. Officers have continued to engage with local ward members and it is believed that evidenced local views are reflected in the emerging LiR. The Council has been clear from the outset that we are supportive of the proposed scheme and that our focus will be on securing the best mitigation for affected communities and not on pursuing an alternative scheme.
35. District Executive is therefore asked to approve delegation of the Local Impact Report (LiR) to the Lead Specialist, Strategic Planning, Strategic Planning Portfolio Holder and Property, Climate Change and Income Generation Portfolio Holder.

Financial Implications

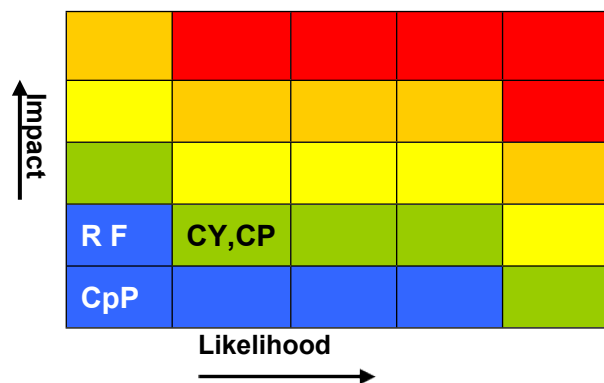
36. Officers from Strategy and Commissioning, Legal Services and Service Delivery will be required to support the project. District Executive has already agreed to £100,000 being set aside from estimated revenue underspends in 2018/19, under-written by general balances, to resource the Council's involvement in this project.
37. As at Q2 there was sufficient projected underspend to offset this cost without impacting on reserves. This position will be reviewed and the up to date funding position will be clearly reflected in the Q3 budget monitoring report to District Executive in February.

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 & insignificant probability

Council Plan Implications

None

Carbon Emissions and Climate Change Implications

None

Equality and Diversity Implications

None

Privacy Impact Assessment

No Impact

Background Papers

None

Agenda Item 8

Assessing Needs and Opportunities for Indoor and Outdoor Sports Facilities in South Somerset

Executive Portfolio Holder: Sylvia Seal, Leisure and Culture
Director: Netta Meadows, Director – Strategy and Commissioning
Lead Specialist: Jan Gamon, Lead Specialist, Strategic Planning
Lead Officer: Lynda Pincombe, Specialist, Strategic Planning
Contact Details: Lynda.pincombe@southsomerset.gov.uk or 01935 462614

Purpose of the Report

1. To provide members with an update on the Needs Assessment for Indoor/Outdoor Sports Facilities in South Somerset before the development and adoption of a new strategy for sports facilities.

Forward Plan

2. This report appeared on the District Executive Forward Plan with an anticipated Committee date of 10 January 2019.

Public Interest

3. The Council aspires to help residents to live well by enabling quality leisure, sport & healthy lifestyle facilities & activities within the district. The Council therefore recently commissioned a study to review built sports facilities in line with national planning policy guidance. Work to date has included consultation with key providers, national governing bodies for sport and sports clubs and parish councils. The initial examination of supply and demand for leisure facilities in South Somerset has identified a number of gaps and issues with leisure facility provision in South Somerset. This assessment of need will be used to help shape the production of a new built leisure facility strategy in 2019 which will identify actions the council can reasonably take to remedy gaps in provision. This report seeks to update member on the work to date and encourage them to provide relevant feedback on the emerging issues.

Recommendations

4. That the District Executive:
 - a. note and comment on the emerging issues from the draft Needs Assessment.
 - b. encourages Members to attend the upcoming workshop on 24th January 2019 at 5.00pm to share their reactions and to participate in a prioritisation exercise.

Background

5. Following a competitive process, Knight Kavanah & Page Limited (KKP) was appointed to undertake a needs assessment and produce a new National Planning Policy Compliant strategy for built leisure facilities in South Somerset. KKP commenced work on the needs assessment in July 2018. One of the the drivers for completing this work was to update the Council's evidence base to support the delivery of a new pool in Chard but the work will also help to set future funding priorities and to inform future planning policy.

Report Detail

6. KKP was instructed to include the following leisure facilities in the needs assessment:

Swimming Pools
Sports Halls
Community Halls
Health and Fitness facilities –20 stations and above
Indoor Courts (tennis, squash, netball, basketball, multiuse)
Outdoor sports facilities (athletics tracks, tennis courts, bowling greens, cycling)

7. A draft of the Needs Assessment documentation has now been completed. KKP will produce a strategy and action plan once members and other stakeholders are content that the needs assessment accurately captures the key issues and gaps in provision.
8. Needs assessment summaries by facility type are attached as Appendix 1. A copy of the full Needs assessment document can be found on the Council's website by following this link: <https://www.southsomerset.gov.uk/leisure-and-culture/sport-and-health/assessing-needs-and-opportunities-for-indooroutdoor-leisure-facilities-in-south-somerset/>

Overall Needs Assessment Summary and emerging strategic recommendations

9. A summary of the emerging strategy recommendations are detailed below. These recommendations are based on the initial views formed by the consultants but will inevitably be updated following further input from key stakeholders. This exercise will help to define the Council's future strategic priorities in this area and clarify what the Council can realistically do to address gaps in provision. The draft strategic recommendations are as follows:
 - Continue to support schools to manage their facilities with a view to ensuring continued community use following the end of contract with 1610 at the end of March 2019.
 - Commission a feasibility study to determine how the availability of water space can be increased in the area. This should assess and/or take account of:
 - The business case for a 5-lane x 25m pool in Chard.
 - Potential refurbishment/extension of Goldenstones Leisure Centre (i.e. whether it is more cost effective to build a new pool or to increase the size of the pool(s))
 - Potential investment in Crewkerne Aqua Centre to alter/improve the learning pool.
 - Consider whether and how increased use can be made of swimming pools at independent schools and at facilities located just outside of the district.
 - Develop a 'minor works' investment plan to address key issues appertaining to the condition and presentation of some of the more significant community/village hall facilities.
 - Concurrently support village hall and parish council committees to continue to offer, coordinate and publicise community spaces which contribute positively to the physical activity and health and wellbeing agenda.
 - With partners, commission a study to assess the feasibility of enclosing the tennis/netball courts at Westfield Academy to create an indoor netball centre. As part of this, assess the potential demand for indoor tennis within the same venue.
 - Work with the LTA and partners in a coordinated manner to address the relatively high latent demand and increase participation in tennis across SSDC by:
 - Developing a programme, based on the priorities identified in this report to improve the quality of community courts in the area.
 - Installing floodlights at key sites (based on priorities set out in this report) to increase the capacity of the District's publicly accessible court stock and address overplay.
 - Improving ancillary provision at Lightgate Recreation Ground (South Petherton TC) and Martock Recreation Ground (Martock TC).
 - Supporting provision of an additional outdoor court at Somerton TC

- Installing/adopting the LTA Clubspark access system for community courts and an associated charging mechanism to enable accumulation of a sinking fund for ongoing court refurbishment.
- Support the development of additional recreational gymnastics provision in Area West.
- Increase health and fitness provision at Chard to meet the mild shortfall that will result from its increased popularity and the predicted population increase in the Authority.
- Maintain and further develop squash participation to ensure that the use of squash courts for their primary purpose is continuously justified – on an ongoing basis.
- Maintain and invest in the athletics track to ensure its ongoing regional profile and its use for training, competition and recreation.
- Build on the investment in infrastructure to encourage and enable the community to undertake active travel and increase cycling participation.
- Invest in the cycle network to join up cycle ways.
- Should the opportunity arise, develop a dedicated closed road circuit in the district possibly, in the fullness of time, on the MoD Yeovilton site.
- Retain a watching brief in respect of ensuring that sufficient daytime access is available to indoor sports and other facilities across the district.
- Use available investment funding to improve the quality of the Donyatt Indoor Bowls Club.

The Next Steps

10. The next steps are outlined below.

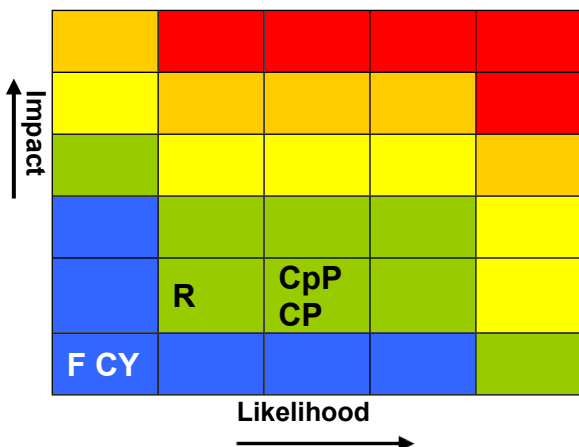
Consultation with NGB's, Sport England and other key stakeholders with regard to the emerging issues and strategic priorities	Now until January.
Portfolio Holder workshop to present finding, gauge priorities	24 th January 2019
Needs Assessment presentation to Chard Regeneration Board	8 Feb 2019
Strategy to District Executive for adoption	7 March 2019

Financial Implications

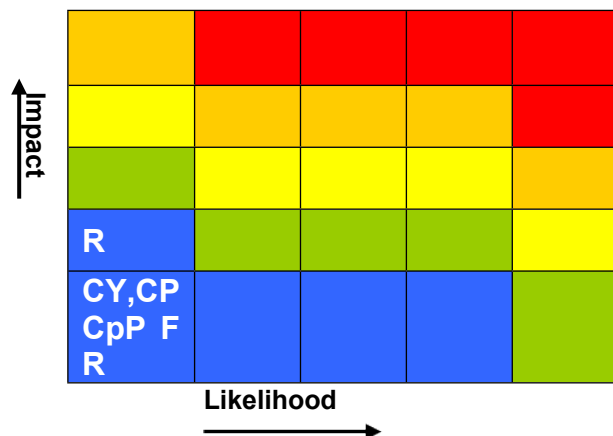
11. No new implications at present.

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

12. The leisure facility needs assessment and strategy will contribute to Council Plan aim to “improve health and reduce health inequalities” and to help the Council “to build healthy, self-reliant, active communities” by
- Targeting support to areas of need
 - Helping people to live well by enabling quality cultural, leisure, play, sport & healthy lifestyle facilities & activities

Carbon Emissions and Climate Change Implications

13. None

Equality and Diversity Implications

14. An EA has been completed for the development of a new strategy for built leisure facilities.

Privacy Impact Assessment

15. The way in which the KKP handle/hold personal data during the development of a new strategy has been discussed and agreed with the Case Team Leader for Support Services.

Background Papers

None

Appendix 1 – Summary of key facts and emerging issues by facility type

Facility type	Swimming pools	
Elements	Assessment findings	Specific facility needs
Quantity	There are 20 pools at 17 sites in South Somerset. There are nine main/general swimming pools in the area. A relatively modest increase in population is predicted for Yeovil.	Consideration should be given to the possibility of expanding water space provision at Goldenstones to accommodate potentially increased demand.
Quality	Most swimming pools in the area are assessed as above average quality or good. Three are rated below average. Two swimming pools (Bruton School for Girls and Crewkerne Aqua Centre) have not had any significant investment in over 20 years. Investment is planned for Crewkerne Aqua Centre. Goldenstones is a key facility but has ageing plant and equipment.	Investment is required in the plant at Goldenstones, in the near future.
Accessibility	30.3% of the population lives within one mile of a swimming pool with pay and play access. Almost the whole population lives within twenty minutes' drive of a swimming pool. Only 9.6% of the residents of SSDC's most deprived communities live within one mile of a community available swimming pool. Covering the pool at Huish Leisure Ltd has counter-balanced the loss of water at Cresta and improved access to pools in Area North	The residents of Chard and surrounding hinterland require access to a swimming pool.
Availability (Management and usage)	Four swimming pools offer pay and play availability in South Somerset. Remaining pools have restricted or no public availability. The shape of the learner pool at Crewkerne Aqua Centre restricts programming and use. Sexeys School wishes to develop a new swimming pool and offer community use of this.	A swimming replacement facility in Chard and the upkeep of Goldenstones swimming pool suggest that the needs of residents and clubs will be satisfied and enable swimming to grow.
Summary	Swimming pools are full and have little capacity to accommodate any increase in demand resulting from population growth or an increase in swimming participation. There is substantial latent demand for swimming. The water space gap/deficiency in Chard should be remedied via provision of a 5-lane x 25m pool (a modern, efficient replacement for Cresta Leisure Centre). A feasibility study should be commissioned to assess the business case for this including a re-run of the FPM based upon updated supply information. Consideration should be given to expanding the volume of water space at Goldenstones to accommodate increased demand for swimming in the locality.	

Facility type	Sports halls	
Elements	Assessment findings	Specific facility needs
Quantity	There are 19 halls with 3+ courts across 18 sites.	
Quality	Four sports halls are rated good, eight above average, four below average, two poor and one was unassessed (private use).	
Accessibility	98% of SSDC's population lives within 20 minutes' drive of a sports hall. There are three additional sports halls with pay and play access within 20 minutes' drive of the SSDC boundary. Nearly half the population reside within walking distance of a sports hall.	Ilminster, with a population of nearly 6,000, has no access to a sports hall within the town.
Availability (Management and usage)	Most halls are located on education sites limiting daytime availability; just two are available during the day. One (4-court) sports halls is not available for community use at all. (Perrott Hill School). The three boarding schools offer very little community use. (Kings, Sexeys and Perrott Hill). Access to the Royal Naval Air Station requires security clearance so availability is also limited.	There is a need to retain full daytime access at Westlands Sports & Fitness and the existing level of daytime use at Wincanton Sports Centre. Netball is a key sport; SSDC should commission a study to assess the feasibility of enclosing the tennis/netball courts at Westfield Academy to create an indoor netball centre – which would also offer opportunity to further develop indoor tennis. In order to ensure certainty about access to (at least five of the six schools affected by the termination of the 1610 contract), a clear community access-based solution should be in place by December 2018. With specific reference to the sports hall (and second hall) at Wadham School the possibility of a management partnership with Crewkerne Leisure Management Ltd. Should be considered in the first instance.
Strategic summary	Retain full daytime access at Westlands Sports & Fitness Retain existing level of daytime use at Wincanton Sports Centre. Commission a study to assess the feasibility of enclosing the tennis/netball courts at Westfield Academy to create an indoor netball centre. Establish clear community access-based solutions for all six schools whose sports facilities are presently managed by 1610 – by December 2018. Assess the potential for a partnership with Crewkerne Leisure Management Ltd to manage Wadham School sports hall facilities.	

Facility type	Village halls	
Elements	Assessment findings	Specific facility needs
Quantity	The audit identified 104 village and community halls in South Somerset. Village halls serve many of the more rural parts of the District - in all four analysis areas with no obvious gaps in provision in areas of higher population density.	The areas with higher population density are serviced by village halls or community centres – so there is no need to develop additional venues.
Quality	Village hall quality is highly variable; based upon survey responses it would appear that the majority are in below average condition. Facilities generally deteriorate with age, unless sufficient maintenance, resources and investment are forthcoming.	Given the generally ‘sub-par’ condition of village/community halls in the district, SSDC and partners need to consider if and what support they can give to ensure that facility quality is improved and/or maintained.
Accessibility	Analysis indicates that 41% of the population lives within an 800-metre catchment of a site. Area South has the highest accessibility per capita (31%) whilst Area North has the lowest accessibility per capita (21%) when using the 800m catchment as a guide to accessibility. The proposed urban extension to Yeovil may place additional demand on current facilities, although as already identified Area South has the highest accessibility per capita currently. The rural nature of South Somerset (and variable levels of access to a car for leisure activity) means that the importance of local facilities should not be underestimated.	There is no need to develop additional venues at this time.
Availability (Management and usage)	Management varies between village hall committees, parish councils and individuals. All management relies on the goodwill of volunteers. Site visits and survey responses indicate that a wide variety of activity is on offer. The range of activities varies between each hall and is considered to broadly reflect interpreted local need.	Continue to support the work undertaken by Spark in respect of (e.g.) securing external funding, improving volunteer skills and enhancing the quality and effectiveness of facility management programming, management and finance.
Summary	Develop a ‘minor works’ investment plan to address key issues appertaining to the condition and presentation of some of the more significant community/village hall facilities. Concurrently support village hall and parish council committees to continue to offer, coordinate and publicise community spaces which contribute positively to the physical activity and health and wellbeing agenda.	

Facility type	Health & fitness	
Elements	Assessment findings	Specific facility needs
Quantity	There are 22 ‘main’ health and fitness facilities with 863 stations in South Somerset. There is a current near supply demand balance and just a small predicted undersupply in 2036.	Additional health and fitness provision will be required to accommodate the slightly increased demand caused by predicted population growth especially if the popularity of fitness continues to increase.
Quality	Three gyms are rated good, 17 above average and four below average.	There is a need to maintain quality and where possible improve the condition of the average/below

		average rated gyms.
Accessibility	All the main population areas have health and fitness facilities. Almost half (48.6%) of the population live within one mile of a health and fitness facility and almost all residents in South Somerset live within 20 minutes' drive of a facility.	There is a need to do more to ensure that harder to reach groups and people with specific health needs can access facilities.
Availability (Management and usage)	There are 11 publicly accessible pay and play health and fitness facilities in South Somerset plus 13 which require a membership to access. The three private use only facilities are the Royal Naval Air Station – Yeovilton and the two boarding schools; Kings School and Bruton School for Girls. Three health and fitness facilities are located within 2 miles of the SSDC boundary.	The key need is to ensure health and fitness facilities cater fully for the full range of different market segments within the South Somerset community.
Strategic Summary	The market for health and fitness is still growing: different market segments utilise different types of facility. The importance of the financial contribution that health and fitness provision makes to the viability of (and to enable) other publicly accessible facilities as swimming pools needs to be taken into account; for example when assessing the feasibility of developing swimming facilities in Chard.	

Facility type	Tennis	
Elements	Assessment findings	Specific facility needs
Quantity	South Somerset has 139 tennis courts on 47 sites 116 are available for community use across 42 sites. 52 community available courts are located at education sites or leisure centres. There are no purpose-built indoor tennis courts in South Somerset. The District has 13 tennis clubs with in a total of 1,195 members. Five clubs are not serviced by floodlit provision.	South Somerset has sufficient club court provision to meet current levels of demand.
Quality	37 community available courts are assessed as good quality, 44 as standard and 35 as poor quality. 13 sites have poor quality courts. Ageing macadam surfaces at many venues have started to break up.	Courts with poor surfaces need to be resurfaced.
Accessibility	Court hire costs and pricing structures may deter community users and limit use at some sites. Certain sites face specific issues related to overplay. The accessibility of certain club sites and most community courts is adversely affected by their quality (and limited ancillary facilities). There is substantial latent demand for tennis in the Authority Queen Camel TC and South Petherton TC (both of which already have floodlights) are operating close to capacity.	Installing floodlights on courts at North Cadbury Tennis Club and Tintinhull Recreation Ground & Swimming Pool (accompanied by improvements to court quality) will create additional capacity to alleviate overplay. Installing floodlights at other key sites will enable current provision to meet latent demand.
Availability (Management and usage)	There is a need to improve court quality and booking systems to utilise spare capacity on non-club community available courts. Pay and play options are made available by some clubs although information appertaining to this is not, in all	To ensure that pay and play access is available across the Authority, SSDC should consider installing the LTA Clubspark court hire solution. This would enable tracking of levels

	cases, kept fully updated.	of use made of its community courts.
Strategic Summary	<p>The LTA's view is that community courts need protection and are a priority in order to increase levels of tennis participation in South Somerset, Sites the LTA would consider most appropriate for such investment include Ilminster Recreation Ground and Yeovil Recreation Centre.</p> <p>Installation of floodlights at key clubs will increase the capacity to accommodate additional play and address overplay.</p> <p>SSDC should consider installation/adoption of the LTA Clubspark access system for community courts. Charges for this access should be at a level which will generate revenue sufficient to generate a sinking fund for future refurbishment.</p> <p>Although consultation did not produce significant evidence related to demand for an indoor tennis centre, include a tennis-related specification and consideration of tennis requirements in any feasibility study commissioned to evaluate the likely viability of a netball centre at Westfields Academy</p> <p>Priority should be given to installation of floodlights (plus court quality improvement) at North Cadbury Tennis Club and Tintinhull Recreation Ground and Swimming Pool to create significant additional publicly accessible capacity.</p> <p>Other schemes for which SSDC endorsement should be considered include:</p> <ul style="list-style-type: none"> ▪ Provision of additional outdoor court at Somerton TC. ▪ Modernisation of the clubhouse and additional outdoor courts at South Petherton TC (Lightgate Recreation Ground). ▪ Provision of additional outdoor courts at Queen Carmel TC ▪ Provision of access to suitable toilet facilities at Martock TC (Martock Recreation Ground). 	

Facility type	Squash	
Elements	Assessment findings	Specific facility needs
Quantity	There are 18 squash courts in South Somerset. There are no courts in Area East.	
Quality	Most are of good or above average quality; two are below average. Huish Episcopi courts are reportedly deteriorating in quality.	There is a need to maintain quality and where possible improve the average/below average rated courts.
Accessibility	93% of South Somerset's population live within 20 minutes' drive of a squash court facility.	
Availability (Management and usage)	<p>Six pay & play courts are available at four sites.</p> <p>Availability will reduce by one in 2019 due to loss of the court at Stanchester Sports Centre.</p> <p>Courts at Royal Naval Air Station -Yeovilton offer only limited access.</p> <p>All clubs/courts have capacity to accommodate increased demand.</p> <p>The club structure in the District is willing and has capacity to take on new members.</p> <p>A key threat is that, declining demand will lead some courts to be used as multi-purpose facilities. This can adversely affect court quality which may then exacerbate quality issues causing further reductions in use.</p>	<p>Retain pay and play access to squash courts across the four sites.</p> <p>There is a need to drive up participation/increase demand to ensure that courts are used for their primary purpose and not 'hived off' for other uses.</p>
Strategic Summary	<p>There is no requirement to build additional courts</p> <p>There is a need to maintain the quality and preserve the function of existing courts.</p>	

Facility type	Gymnastics	
Elements	Assessment findings	Specific facility needs
Quantity	There are five gymnastics clubs in South Somerset There are two dedicated gymnastics venues. Westlands Sports and Fitness is the only leisure centre offering recreational gymnastics. The majority of provision is located in Yeovil (Area South).	Consider making additional provision available in leisure centres in administration areas other than Area South.
Quality	Dedicated facilities are of high quality and in good condition meeting club needs.	Continued maintenance and investment are required to maintain quality.
Accessibility	Gymnastics is accessible to people resident in Area South but is limited for people living in Area West.	Additional recreational gymnastics provision in Area West is needed to meet current demand.
Availability (Management & usage)	Dedicated centres are operational during the day and in the evening. Current facilities are full to capacity; clubs have substantial waiting lists. At present, opportunity to grow participation in gymnastics is limited by the limitations in spatial capacity and the need for a larger workforce to grow the sport.	Increase coaching workforce to support any increases in provision.
Strategic Summary	There is a need to maintain the quality of dedicated provision in South Somerset There is a need to increase the available qualified coach workforce to underpin existing provision and enable future expansion. SSDC should consider whether and how to encourage development of additional recreational gymnastics provision in Area West.	

Facility type	Bowls	
Elements	Assessment findings	Specific facility needs
Quantity	There are 12 bowling greens in South Somerset across 12 sites These are used by 11 community clubs Membership of the 11 clubs playing in South Somerset totals 685 people.	There is no requirement for additional bowling greens.
Quality	Nine greens are good quality; two are standard quality and one is of poor quality.	Improve the poor quality green at Westlands Sports Bowls Club. Maintain green quality at all other sites. Maintain the present quality of ancillary provision
Accessibility	All greens are available for community use. No clubs express concern re security of tenure and related arrangements	
Availability (Management and usage)	Four greens are operating at above the recommended capacity. The one (privately owned) disused green has been out of action for at least three years.	Monitor levels of demand for/usage of the greens at Ilminster Bowling & Tennis club Yeovil Bowls & Squash Club,
Strategic Summary	Supply of greens is sufficient to accommodate current and future demand. Area South greens are currently overplayed; the impact on their condition should be monitored.	

Facility type	Indoor bowls	
Elements	Assessment findings	Specific facility needs
Quantity	There are three indoor bowls facilities in South Somerset; a total of 12 rinks.	
Quality	One is of below average quality, the other two are above average in quality.	Donyatt requires investment to resolve ongoing structural issues and improve quality.
Accessibility	93% of the population lives within 30 minutes' drive of an indoor bowls facility.	
Availability (Management and usage)	All facilities are available during the day and in the evening. It is necessary to be a member to access all three facilities.	.
Strategic Summary	Indoor bowls clubs are experiencing declining numbers in South Somerset Consultation did not highlight any additional demand for indoor bowls and, based upon current membership figures, EIBA's view is that the three existing clubs will be able to accommodate current and future demand.	

Facility type	Athletics	
Elements	Assessment findings	Specific facility needs
Quantity	An 8-lane synthetic track and 'in-track' field event venue – in Yeovil.	
Quality	It is in generally good condition. Current investment in the clubhouse should result improved its condition and access (including disability).	Continued maintenance and investment are required to maintain quality and ensure ongoing use for competition/recreation.
Accessibility	The majority (87%) of SSDC population resides within 30 minutes of the athletics track. Facilities at Millfield School are not readily available to the general public. The facility at Taunton is over 30 minutes' drive time away for the majority of SSDC residents.	The track is accessible to the majority of the SSDC residents. It is a regional asset and of strategic importance to SSDC residents and regionally.
Availability (Management & usage)	The track is floodlit and is available during summer and winter (weather dependent). Triathlon clubs, schools, club and disability groups all use the facility. People travel a long way to use the track	Daytime and evening access is important to maximise use and ensure that user groups other than YOAC are able to gain access to the track
Strategic Summary	It is a key facility for SSDC and neighbouring authorities. Current investment will improve DDA access and enhance participation. There is a need to protect this facility for local and wider sub-regional use.	

Facility type	Cycling	
Elements	Assessment findings	Specific facility needs
Quantity	There are no specific built cycling facilities in South Somerset. There is an 80 mile circular route within the authority, which offers long or short distance cycling use.	Consider dedicated facilities should the opportunity arise for a built facility (e.g. MoD site becomes available).
Quality	Some Authority cycle ways are not joined up and the cycle network suffers from a lack of connectivity.	Invest in the cycle network to join up the cycle ways.
Accessibility	Bikeability is delivered in schools and Breeze cycle leader training has taken place. These are key to ensuring more people can safely take part in the sport. The nearest velodromes are at Newport and Bournemouth (both over one hour's drive away).	
Availability (Management and usage)	N/A	
Strategic Summary	Local clubs would be keen to see a velodrome developed and are also interested in a closed circuit/off-road facility in the area. They are aware of the financial investment required to achieve this and do not have funds available to contribute. Use should be made of MoD land and facilities if the opportunity arises.	

Agenda Item 9

2019/20 Draft Budget and Medium Term Financial Plan Update

Executive Portfolio Holder: Councillor Peter Seib, Finance and Legal Services
Director: Netta Meadows, Strategy & Commissioning
Lead Officer: Paul Fitzgerald, S151 Officer
Nicola Hix, Lead Specialist - Finance
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Purpose of the Report

1. The purpose of this report is to provide an update the latest estimates for 2019/20 draft budget and Medium Term Financial Plan estimates for the period 2019/20 to 2023/24, together with an update on the Capital Programme.

Forward Plan

2. This report appeared on the District Executive Forward Plan with an anticipated Committee date of January 2019.

Public Interest

3. This report is an update on setting the Council's budget for the next financial year 2019/20 and the council's longer term financial sustainability.

Recommendations

4. That the District Executive:
 - a. note the current estimates and next steps in respect of the draft Medium Term Financial Plan and Capital Programme.
 - b. approve in principle the changes to budget estimates in respect of pressures and savings included within the report (para 14).

Background

5. The Financial Strategy and Medium Term Financial Plan estimates for the period 2019/20 to 2023/24 were approved and noted by the District Executive on 6th September 2018. This report provides members with a progress update on the preparation of draft estimates for 2019/20 and towards achieving a balanced budget over the medium term.

The Autumn Statement 2018

6. The Autumn Statement was announced on 29th October 2018. There were a number of announcements that will or may affect the Council's financial plans in future including:
 - The Housing Infrastructure Fund, funded by the NPIF, will increase by £500m to a total £5.5b, unlocking up to 650,000 new homes.

- The Government will make £10m capacity funding available to support ambitious housing deals with authorities in areas of high housing demand to deliver above their Local Housing Need.
- Government intends to introduce a simpler process for setting a higher zonal CIL in areas of high land value uplift, and removing restrictions on S106 pooling towards a single piece of infrastructure.
- The Budget announces that the government has launched a consultation on new permitted development rights to allow upwards extensions above commercial premises and residential properties, including blocks of flats, and to allow commercial buildings to be demolished and replaced with homes.
- Government wants to see parishes and communities provide many more homes for local people to buy, at prices they can afford. The Localism Act allows the people who know their area best to come together to prepare neighbourhood plans and development orders, to ensure they get the right homes, in the right places. The government will provide £8.5m of resource support so that up to 500 parishes can allocate or permission land for homes sold at a discount. Neighbourhood plans and orders are approved by local referendums, and the government will update planning guidance to ensure that these cannot be unfairly overruled by local planning authorities. The government will also explore how it can empower neighbourhood groups to offer these homes first to people with a direct connection to the local area.
- The changes to Business Rates that effect SSDC are:
 - Bills will be cut by one-third for retailers including shops, cafes and restaurants in England with a rateable value below £51,000, nationally benefiting up to 90% of retail properties, for 2 years from April 2019, subject to state aid limits.
 - 100% business rates relief for all public lavatories will be introduced from 2020/21, at which time it will be addressed through primary legislation
 - The government will continue the £1,500 business rates discount for office space occupied by local newspapers in 2019/20.

SSDC will be fully compensated for the loss of income because of these business rates measures through the business rates retention funding system.

- The Government will launch a new Future High Streets Fund to invest £675m to support local areas to develop and fund plans to make their high streets and town centres fit for the future. This will invest in town centre infrastructure, including to increase access to high streets and support redevelopment and densification around high streets. It will include £55m for heritage-based regeneration, restoring historic high streets to boost retail and bring properties back into use as homes, offices and cultural venues.
- Gov will consult on planning measures to support high streets to evolve, e.g. with more flexible and responsive change of use regime. It will also trial a register of empty shops with selected local authorities, and trial a brokerage service to connect community groups to empty shops.
- For Housing Benefit, continued targeting of support, including:
 - Revising the timetable for transferring rent support from Housing Benefit to Pension Credit – The government will delay the transfer of rent support from Housing Benefit to Pension Credit by 3 years, to ensure that this transfer aligns with the full implementation of Universal Credit.

- Retaining funding for supported housing in welfare – As announced in August 2018, the government has decided to retain funding for supported housing within the welfare system, rather than moving to a local funding model.
 - Reinstating automatic entitlement to housing support for 18 to 21 year olds – As announced by the Secretary of State for Work and Pensions in March 2018, the government will reinstate automatic entitlement for housing support for 18 to 21 year olds. This group will therefore be entitled to claim support for housing costs under Universal Credit.
- The Government will provide £10 million funding between 2019/20 and 2022/23 for local community street trees and urban trees.
7. The provisional local government finance settlement was announced on 31 December 2018 by the Secretary of State for Housing, Communities and Local Government. Full details for the provisional settlement are available on the MHCLG website:

<https://www.gov.uk/government/collections/provisional-local-government-finance-settlement-england-2019-to-2020>

2019/20 Budget and MTFP Update

8. The report to District Executive in September showed a projected Budget Gap – the difference between our estimated budget requirement and the estimated funding available – surplus of £21k in 2019/20 before rising to a deficit of £1.509m by 2023/24 financial year.

Table 1 - Medium Term Financial Plan (as previously reported at September 2018)

	2019/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000
Total Budget Requirement	15,785	16,623	17,283	18,146	18,512
Total Funding	-15,806	-16,292	-16,517	-16,571	-17,003
Budget Gap (Cumulative)	-21	331	766	1,395	1,509
Budget Gap Increase on Prior Year		353	435	629	114

9. A range of estimates have been updated since the September report was prepared, and are reflected in the up to date MTFP position set out below. It is important to emphasise that the budget estimates and medium term forecasts remain indicative at this stage, and further updates will be included in the final budget information presented for approval in February 2019.

Table 2a – Medium Term Financial Plan – Net Budget Requirement Estimates

	2019/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000
Base Budget B/F	16,483.5	15,820.5	16,726.0	17,437.1	18,316.2
Employment Cost Inflation	399.9	449.2	441.9	412.7	370.9
Inflation	168.1	168.6	173.6	178.6	179.6
Unavoidable Budget Pressures	250.0	250.0	200.0	200.0	200.0
Planned Savings	-979.7	-140.2	-95.2	0.0	-135.0
Investment Income	-502.9	62.8	63.8	62.8	-317.2
Revenue Effects of Capital	1.5	115.1	-11.3	24.9	40.0
Other	0.1	0.0	-61.7	0.0	0.0
Net Expenditure	15,820.5	16,726.0	17,437.1	18,316.2	18,654.6

Note: The Total Budget Requirement is 'carried forward' as the Base Budget at the start of the following year, and adjusted for approved budget changes (e.g. funding for inflation is added to the base budget) to arrive at the Total Budget Requirement for each year.

Table 2b – Medium Term Financial Plan – Funding and Budget Gap Estimates

	2019/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000
Total Budget Requirement (per Table 2a)	15,820.5	16,726.0	17,437.1	18,316.2	18,654.6
Funded By:					
Revenue Support Grant	0.0	327.3	327.3	327.3	327.3
Rural Services Delivery Grant	-166.3	-133.4	-133.4	-133.4	-133.4
New Homes Bonus	-1,999.1	-1,811.3	-1,720.9	-2,049.6	-1,967.6
Business Rates	-4,746.2	-4,136.6	-4,223.0	-4,309.4	-4,395.9
Council Tax - SSDC	-9,981.9	-10,455.9	-10,921.7	-11,380.4	-11,902.3
Council Tax - SRA	-111.5	-113.4	-114.9	-116.3	-118.0
Less: Council Tax Paid to SRA	111.5	113.4	114.9	116.3	118.0
Sub-total: Funding	-16,893.4	-16,209.9	-16,671.7	-17,545.6	-18,072.0
Other Reserve Transfers					
MTFP Support Fund Reserve	-100.9	-38.7	120.9	749.6	967.6
Other Earmarked Reserves	1,115.6	-11.7	50.0	50.0	50.0
Total Funding	-15,878.7	-16,260.3	-16,500.9	-16,746.0	-17,054.4
Budget Gap / (-)Surplus	-58.2	465.7	936.3	1,570.2	1,600.2
Budget Gap Increase on Prior Year		523.9	470.5	633.9	30.0

(Negative figures = income / cost reductions, positive figures = cost increases / income reductions)

10. As the updated MTFP estimates show, the progress in delivering the Council's agreed financial strategy continues to make a positive impact on the financial position. Based on the updates incorporated so far – in particular through confidence in meeting the transformation savings target and the effects of the income generation through commercial and treasury investment – good progress has been made towards producing a balanced budget for next year.
11. It is important to note that the above position is not the final position. We are on track to set a balanced budget in 2019/20 and at the same time set aside funds in reserve to manage financial risks. Whilst we have made excellent progress to date we still face a medium term deficit. The ongoing and increased success of the commercial strategy is pivotal in addressing this gap to enable the Council to maintain its ambition of protecting frontline services from the impact of funding reductions.

2019/20 Draft Budget Estimates - Main Changes to Date (Work In Progress Position)

12. The main changes included in the forecasts since September in respect of 2019/20 are summarised in the table below. This provides a reconciliation of the change from September to December estimates:

	2019/20 £'000	2019/20 £'000

	2019/20 £'000	2019/20 £'000
Budget Gap Estimate – September 2018		-21.2
Update to employment cost inflation (increments etc.)	36.9	
Increase in contract inflation estimates	6.1	
Removal of Bridge Barns costs budget	-7.3	
Sub-total: Changes to Budget Requirement		35.7
Use of Flexible Homelessness Grant to fund Direct Hostel Provision, Move on Accommodation Support (offsets unavoidable cost for one year)	-100.0	
Update to Council Tax Base	60.1	
Deleted reduction of RSDG	-32.8	
Sub-total: Changes to Funding and Reserves		-72.7
Budget Gap Estimate – December 2018		-58.2

The changes are explained as follows:

- The employment budget has been updated to reflect the changes to the structure as a result of the phase 2 and 3 transformation agenda, and this has resulted in a small amendment to the provisional sum for pay inflation already built in. This is based on the transformation savings target being met overall.
 - Contract prices have been updated to reflect what is needed across the services where this could not be absorbed within the service.
 - As a result of vacating the office accommodation at Bridge Barns, the budget for rent payable and NNDR can be removed.
 - Use of Flexible Homelessness Grant to assist in funding the Direct Hostel Provision, Move on Accommodation Support – funding of £160K for 2019/20 agreed previously by DX.
 - Updates have been made to the Council Tax base figures – the change is detailed more in the Council Tax section later in this report.
 - The Business Rates Retention figures have been updated following the finance settlement announcement.
13. It is important to state at this stage that this reflects changes to draft budget estimates to date, and is not the final position. Final budget proposals will be reported to District Executive and Full Council in February 2019.

Unavoidable Pressures and Savings

14. The following table summarises the pressures and savings that are reflected in the current draft budget estimates. District Executive is requested to approve in principle the retention of these items within the draft budget for 2019/20, subject to approval of final budget in February 2019.

	2019/20 £'000	2019/20 £'000
Unavoidable Pressures:		
Waste contract allowance for growth in demand (new properties)	21.3	
Direct Hostel Provision, Move on Accommodation Support	160.0	
Members Training and Development for new cabinet	30.0	
Removal of Mobile Phone rebate income budget	18.0	
Parking income base budget realignment based on current demand	90.0	
Reduction in Advertising Budget	13.0	

	2019/20 £'000	2019/20 £'000
Creation of an Apprenticeship Levy Budget	50.0	
Removal of previous fixed term budget allocation for P4A Funding	-138.8	
Removal of previous one-off Area South Markets budget contingency	-20.0	
Sub-Total		233.5
<i>Provision for new pressures – not yet identified</i>		26.5
Total Allowance for Unavoidable Pressures		250.0
Savings:		
Transformation – final phase of savings to meet full annual target of £2.5m from 2019/20 onwards	-746.2	
Bridge Barns Office Closure	-7.3	
Private Sector Leasing and Letting Service income target	-16.2	
Service Fees and Charges Financial Strategy income target	-75.0	
Parking income future years forecast	-135.0	
Total Planned Savings		-979.7

15. It is likely that further changes will be included in final budget proposals, however the above reflects changes identified to date.

Other Background Information Related to Budget Requirement

Main assumptions

16. The main financial planning assumptions underpinning the MTFP forecasts were set out in the report to District Executive in September. This includes explanations around costs pressures such as staff pay award, pension costs, etc. The majority of the assumptions are unchanged.
17. Members will recall, back in December 2017 Local Government published an agreed pay award, that saw a 2% pay award for staff in 2018/19 and 2019/20, with a higher percentage increase on the lowest paid spinal points reflecting the move towards National Living Wage. This is reflected in the budget for 2019/20. Detailed salaries estimates are now being checked following the changes as a result of transformation and the new structure from January 2019.

Transformation

18. The overall position for transformation remains on track. Costs are expected to be maintained within the overall approved budget. This will be determined largely by the level of staff exit costs which will not be known with exact certainty until all redundancy and pension costs have been processed through the budget.
19. The expectation within the budget is for the following savings to be achieved:

	2019/20 £'000
2017/18 Savings – delivered through Leadership changes, vacancies held in 2017/18 and Phase 1 implementation from January 2018	625.0
2018/19 Savings – delivered through a full year effect of Phase 1, part year effect of Phases 2 and 3, plus vacancy savings	1,222.7
2019/20 Savings – full year effect of Phases 2 and 3	696.2
Full Year Annual Total Savings	2,543.9

20. The delivery of savings will continue to be carefully monitored, and vacancies held where appropriate to ensure the timing of savings aligns with the budget. Mitigation exists for the risk of timing delays with some allowance included within General Reserves balance.

Investment Income - Commercial

21. Members will recall the approval of the Commercial Strategy in August 2017. This is designed to generate significant additional income from commercial investment in order to mitigate the cuts to government grant funding and protect the council's delivery of services to the community. In order to deliver this Commercial Strategy, the Council has approved a significant investment fund.
22. Since the introduction of the Commercial Strategy, SSDC has purchased a number of investment properties. These include two properties that are rented for retail use in Yeovil town centre, a residential development in Marlborough, and a battery storage facility in Taunton.
23. At this stage the MTFP has been updated to reflect completed acquisitions as at November 2018. The 2019/20 budget therefore reflects net income – after deducting capital financing costs (debt repayment and interest) – of £488K. Further income has been 'forecast and identified' i.e. Battery energy storage revenue, but will not show in the MTFP until it is actually being received.
24. The financial strategy includes an ongoing annual income target of £2m for commercial investment income. This target is net of the costs of increased capacity within the Commercial Property Team needed to deliver the strategy. The investments made to date are therefore making good progress towards this target.

Investment Income – Treasury Management

25. As part of the agreed financial strategy, the Council has also reviewed its approach to treasury management. The Treasury Strategy for 2019/20 is currently being updated, and will be reviewed by Audit Committee in January, prior to being considered for approval at Full Council in February. The approach to our treasury investments continues to follow the principles of the Prudential Code and Guidance issued by CIPFA.
26. The 2018/19 budget included an increase of £250,000 in investment income expected for the year, which reflected an expected increase in returns through a diversified range of investments in higher earning financial instruments. Regular monitoring of this budget shows this additional income is on target and expected to exceed the target for the year.
27. In line with the strategy, the draft budget for investment income in 2019/20 has been increased by a further £200,000. Given the performance in 2018/19, this is expected to be achieved through further updating our mix of investments, and taking a longer term view for investing a proportion of the Council's cash reserves.

28. The Council will continue to use advice from Arlingclose to effectively manage its portfolio of investments. It is planned to set aside £150,000 in 2019/20 and then £50,000 per year from 2020/21 into a Treasury Risk Management Reserve, to provide some resilience to volatility in capital values and/or budget variations on investment income.

Revenue Effects of Capital Programme

29. The revenue effects of capital comprise the interest cost (interest on loans and loss of interest on investments). The current estimates reflect the assumed loss of interest as reserves are used to support already approved capital schemes, plus a contingency for new schemes to be considered for next year's capital programme.
30. The increase in 2019/20 reflects the financing of the Council's commercial investment property acquisitions to date. This includes a Minimum Revenue Provision (MRP) charge to the revenue budget to set aside funds to repay debt, plus interest costs on capital borrowing. As at December 2018 the Council has no external loans, with the capital financing requirement currently provided through internal borrowing from cash reserves.

Funding and Reserves Estimates

New Homes Bonus (NHB)

31. The Financial Strategy relies on utilising £2.1m of NHB funding to support the budget in 2019/20. With reductions of £250,000 - £300,000 each year from 2020/21 through to 2023/24, means the reliance on NHB by 2023/24 is reduced to £1m per year. Members will recall from previous reports that the NHB funding methodology changed in 2017/18, reducing the number of years from 6 to 4 for awards of grant for annual growth in the tax base. A new 'baseline' top-slice of 0.4% (c285 Band D equivalent properties) was also introduced.
32. The initial estimate of actual NHB Grant for 2019/20 was £2.1m. This has been revised to £2m. In October 2018 estimates were made assuming an annual housing growth of 0.5% baseline, however the Financial Settlement announcement saw this remaining at 0.4% meaning more of our housing growth has attracted NHB funding. Therefore £0.1m will need to be taken from the MTFP Support Fund reserve to provide the total of £2.1m funding required for the year.
33. The projections for 2019/20 onwards have also been updated to reflect updated housing trajectory figures, and to reflect the grant methodology. NHB Grant income estimates are significantly reduced compared to previous forecasts; however the MTFP funding plan remains sustainable at this stage. The estimated Revenue Support Fund balance – representing the balance of deferred NHB funding – is updated as shown below.

MTFP Support Fund Forecast

	2019/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000
Fund Balance Brought Forward	4,782.9	4,682.0	4,643.3	4,764.2	5,513.8
Allocated to Budget - Forecast	-100.9	-38.7	120.9	749.6	967.6
Fund Balance Carried Forward	4,682.0	4,643.3	4,764.2	5,513.8	6,481.4

34. The NHB Grant for 2019/20 was confirmed as part of the Provisional Settlement in December 2018.

35. The Council's Leadership is currently considering options for reprioritising a proportion of this reserve balance, in light of the reduced reliance on NHB Grant for the annual budget. It is anticipated that proposals will be brought forward to Members with the Draft Budget in February.

Business Rates

36. In 2013 the Government introduced Business Rates Retention (BRR) that passed some of the risks and rewards of business rates collection to local authorities – replacing a fixed annual grant. Each local authority must set a budget for BRR they expect to retain and in South Somerset this has been delegated to the S151 Officer because of the considerable time constraints in place. Central Government requires the budget to be set by the 31 January 2018.
37. The current draft budget reflects business rates income estimates completed in the summer. Updated estimates will be finalised in early January and reflected in the final budget report.

Business Rates Pooling and 75% Retention Pilot

38. Government announcement in the 2018/19 Settlement their agreement for SSDC to be part of a newly established Somerset Business Rates Pool for 2018/19. The pool comprising of the County Council and all five district councils in Somerset, and this pooling arrangement is expected to continue in 2019/20.
39. The Government has confirmed through the Provisional Settlement that the Somerset Business Rates Pool bid to be a Pilot area for 75% Retention in 2019/20, has been successful. This is excellent news for Somerset, and is expected to provide additional financial benefits shared by the County and Districts in the region of £5m to £6m in 2019/20.
40. The Council's core budget and MTFP is based on the Council not operating within a business rates pool. As such, financial gains from pooling provide a surplus income that is not relied upon for core service delivery. The Council's Leadership is currently considering options for the use business rates pooling gains, and it is anticipated this will be presented to Members with the Draft Budget in February 2019.

Council Tax

41. The S151 Officer approved the 2019/20 Council Tax Base in early December, which is set at 60,299.07 Band D Equivalents. This is lower than previously estimated, mainly due to slower than forecast housing growth in the 12-month period to October 2018.
42. The Council Tax income estimate is therefore calculated as follows:

	2019/20
Council Tax Base – Band D Equivalents	60,266.07
SSDC Council Tax Rate per Band D Estimate (not yet approved)	£167.48
Council Tax Income Estimate (Tax Base x Tax Rate)	£10,093,361

43. The Council Tax Rate includes £165.63 for SSDC services and £1.85 levied on behalf of the Somerset Rivers Authority (SRA). Therefore, of the council tax income figure shown in the table above, £111,492 will be passported to the SRA.

Earmarked Reserves

44. The S151 Officer will finalise a review of earmarked reserves in December/January, and include an updated reserves position with the final budget reports at the end of January.
45. The current draft budget for 2019/20 includes net transfers to/from earmarked reserves of £1.1m. This includes:
 - £150,000 to the Treasury Risk Reserve
 - £300,000 to the Commercial Investment Risk Reserve
 - £500,000 to the Regeneration Fund
 - £327,300 General Contingency (setting aside “Negative Revenue Support Grant”) and
 - £100,000 from General Grants reserve for Homelessness Hostel provision
 - £61,700 from Infrastructure Reserve for Regeneration Programme Management costs

General Reserves

46. The current approach to setting the budget for 2019/20 aims to achieve a balanced budget within the need to use funds from general balances. The current estimates indicate we are on track to meet this aim.
47. The S151 Officer will review the minimum reserves requirement in January in light of the Provisional Settlement and confirmation of the business rates funding arrangements for next year. This will be reported in the final budget report in February. Currently the adequate minimum balance required is in the range £2.8m to £3.1m, and the current balance is as follows:

General Fund Balances	£000
Balance at 1 April 2018	-4,361
Area & Economic Development Balances	121
2018/19 Carry Forwards	119
Cocklemoor Bridge	5
Commitments (including A303)	173
Current Estimated underspend in 2018/19	-215
Unallocated General Fund Balance at 30th September 2018	-4,158

Capital Programme

48. The Senior Leadership Team has reviewed the capital bids for 2019/20. A summary of these bids are included within appendix A. All bids submitted fall largely outside of the new corporate plan. Appendix A divides the bids into those that can be funded from the ICT Replacement Reserve, those deemed to being essential, and the other bids that fall outside of these categories.

Summary of Items To Be Finalised for the 2019/20 Budget

49. Salaries: Detailed salaries estimates being double checked and finalised.
50. Transformation savings: The delivery of the transformation savings continues to be monitored to ensure to ensure benefits are realised as planned and the budget estimates remain prudent.
51. Unavoidable costs: The draft budget continues to include a provision for unavoidable costs of £300k for 2019/20. Actual pressures identified to date are less than this, providing some contingency in the event of new information prior to the budget being finalised.

52. Fees and charges: some but not all fees and charges for 2019/20 have been reflected in the MTFP. Final estimates will be included in the proposed budget in January.
53. Revenue Effects of Capital: The MTFP has been updated to reflect the revenue implications for commercial property investment, but will need to be updated for the prioritised capital programme bids for 2019/20. A contingency sum is included pending finalising the agreed programme.
54. Business Rates Retention (BRR): The detailed budget estimates for BRR will be completed in January, and will inform final estimates. Details regarding next year's baseline and tariff are due to be announced as part of the Provisional Settlement in December.
55. Collection Fund: The final estimates for the 2018/19 surplus or deficit for council tax and business rates will be finalised in January, and feed into final budgets for 2019/20.
56. Council tax: The MTFP continues to assume the tax rate will increase by £5 on a Band D. The Executive will confirm its final Council Tax proposals in February 2019.
57. Earmarked Reserves: The review of earmarked reserves will be completed in January, with any proposed changes brought to Members in the next budget report.
58. A request for additional funding has been made to aid the implementation of the economic development strategy. A provisional figure of £200K has been highlighted as a once off in 19/20 but this is subject to change whilst the proposals are looked into. Final figures will be brought forward in February and a request for funding put forward.

Public/Stakeholder Consultation

59. 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.

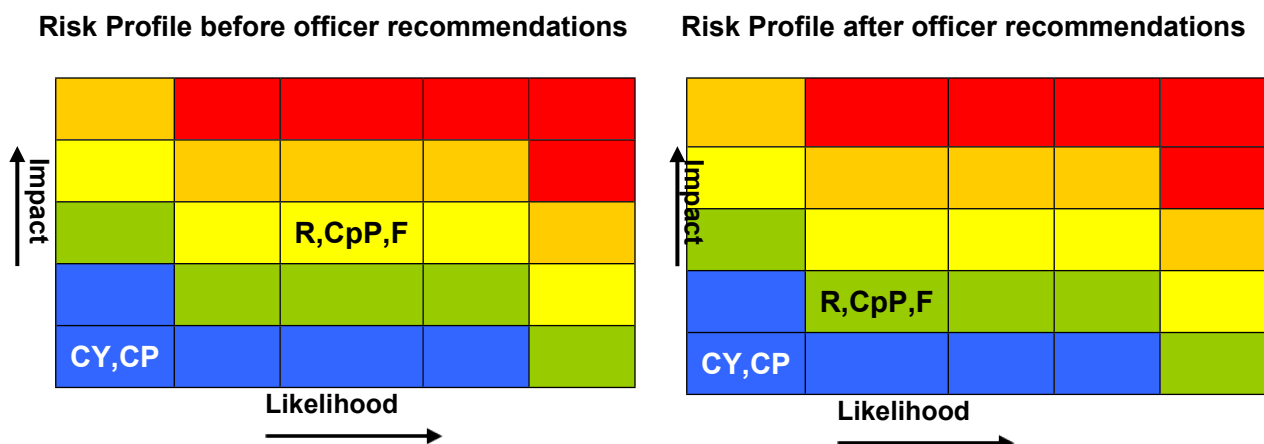
Budget Scrutiny

60. This report will be presented to Scrutiny Committee on 8th January 2019, with the final proposed budget presented to Scrutiny on 5th February 2019 before being considered for approval by District Executive and Full Council on 7th February 2019.

Financial Implications

61. This report contains financial implications throughout.

Risk Matrix



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

62. The MTFs and MTFP incorporate costs, income and funding implications directly related to the delivery the Council's aims and priorities. The Council Plan for 2019/20 is due to be presented to Council for approval in February at the same time as the final budget.

Carbon Emissions and Climate Change Implications

63. Not applicable within this report.

Equality and Diversity Implications

64. Not applicable within this report.

Privacy Impact Assessment

65. There are no specific privacy impacts in respect of this report. Individual budget changes will be assessed and salient comments included in budget update reports through the budget setting process.

Background Papers

66. The following reports may provide helpful background information in support of this report:

- Financial Strategy (District Executive 6 September 2018)

Profile of 2019/20 Initial Capital Bids

Bid No.	Scheme Name	Brief Description of Scheme	2019/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	Total £'000	Funding information / options
SSDC IT Schemes									
2019-04	E5 Upgrade	To upgrade the corporate Financial Management System (E5) due to support terminating for SSDC's current version and additional functionality available in the latest version.	30					30	Funding to be allocated from ICT Replacement reserve - balance in capital programme of £277k.
2019-07	Mobile Devices for Council Members	To provide the Members of the Council with a mobile device following the election in May 2019.	33					33	Funding to be allocated from ICT Replacement reserve - balance in capital programme of £277k.
2019-08	Corporate Firewall	To ensure SSDC has the appropriate IT firewalls and security measures.	25			25		50	Funding to be allocated from ICT Replacement reserve - balance in capital programme of £277k.
Subtotal of IT Bids			88	0	0	25	0	113	
SSDC Asset Essential Schemes									
2019-03	Essential Works to the Council's Portfolio:	To ensure the continuance of funding for specific items planned essential repair work to Council owned buildings, to ensure that 'fully serviced' buildings are provided in accordance with the Service Plan and Corporate Objectives.	89					89	Useable Capital Receipts would have to be allocated. 5-year rolling capital maintenance plan for all SSDC Operational Assets to be implemented by 2020/21. There is £199k in the Capital reserves for 'Contingency for Plant Failure' which is earmarked for a potential boiler replacement in Brympton Way.
2019-05	Goldenstones and Wincanton Sports Centres	To approve capital funding to replace essential systems and components of plant at Goldentsones and Wincanton Community Sports Centre as identified by external consultants in maintenance review.	475	70	230	70	25	870	Proposed to agree funding of £40K per year to be repaid from revenue maintenance allocation of £85K per year. The remainder of £85K would be used to fund general repairs and maintenance needed. An additional £20k of funding can come from the Wincanton Sports Centre Reserve, which can be used to Install Harmonic Filters in the venue.
Subtotal of Essential Bids			564	70	230	70	25	959	
Other Schemes									
2019-01	Private Sector Housing Grants	To seek funding of £180,000 to continue to provide Private Sector Housing Grants in 2019/20 across the district.	180					180	Useable Capital Receipts would have to be allocated.
2019-02	Electricity Upgrade and Air Cooling for The Octagon Theatre Auditorium	To support upgrading the power supply to The Octagon Theatre to enable installation of air cooling to the existing air handling system in the main auditorium of The Octagon Theatre.	86					86	There is currently £31k available in S106 money towards this scheme. Making the total cost of the project £117k. Members could choose to allocate useable capital receipts to the project or for the money to be repaid from the ticket levy funds.
2019-03	Capital Works to the Council's Portfolio:	To ensure the continuance of funding for specific items planned capital repair work to Council owned buildings, to ensure that 'fully serviced' buildings are provided in accordance with the Service Plan and Corporate Objectives.	50					50	Useable Capital Receipts would have to be allocated. 5-year rolling capital maintenance plan for all SSDC Operational Assets to be implemented by 2020/21.
2019-05	Goldenstones and Wincanton Sports Centres	To approve capital funding to replace essential systems and components of plant at Goldentsones and Wincanton Community Sports Centre as identified by external consultants in maintenance review. This represents the capital schemes that are desired in 2019/20 but that can be pushed back by one year to 2020/21 before becoming essential.	51					51	Useable Capital Receipts would have to be allocated.
2019-06	Commercial Outlet Improvements - Leisure & Recreation	Capital costs to improve outlets and facilities for income generation at two strategic Leisure and Recreation locations. The Leisure and Recreation business plan identifies Yeovil Recreation Centre and Ninesprings as centres where income generation could be enhanced through diversification of opportunities including increased café income, new retail elements and chargeable activities.	100	100				200	A full business plan would need to be drawn up, with a view of funding to come from new receipt generated. Grant income is being sought for both locations. £140k from Sports England towards Yeovil Recreation Centre, totalling £280k for that location, and grant income of £40k towards the Ninesprings Café extension, totalling £140k.
Subtotal of Other Bids			467	100	0	0	0	567	
Non-Scoring									
	Area Committee Funding	Historically have always provided the Area Committee's with a top up of capital funds of £25K each.	100					100	Useable Capital Receipts would have to be allocated.
Total of All New Capital Bids			1,219	170	230	95	25	1,739	

Agenda Item 10

Council Tax Support Scheme 2019/20

Executive Portfolio Holder: Peter Seib, Finance and Legal Services
Director: Martin Woods, Director – Service Delivery
Service Manager: Ian Potter, Lead Specialist – Vulnerable People, Service Delivery
Lead Officer: Ian Potter, Lead Specialist – Vulnerable People, Service Delivery
Contact Details: ian.potter@southsomerset.gov.uk or 01935 362690

Purpose of the Report

1. To request that the District Executive recommend the proposed amendments to the Council Tax Support scheme for the 2019/20 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 10 January 2019.

Public Interest

3. From April 2013 the Government changed the way in which financial help is given to working age residents to pay their Council Tax. The national Council Tax Benefit scheme was replaced with a local Council Tax Support scheme for working age people to help with the costs of Council Tax for those with low incomes. For those residents who have reached the qualifying age for a state pension continue to have support assessed under a national scheme. The Council is required to review and set a Council Tax Support scheme for each financial year.
4. In setting the scheme each year the Council has to balance the needs of those who need help towards paying their Council Tax with the Council Tax payers who help to pay for the scheme. The Council also looks to see if there are any ways the scheme can be simplified to make it easier for customers and reduce the cost of administering the scheme. The administration grant provided by the Department of Communities and Local Government to help pay for the administration of the scheme reduces each year.

Recommendations

5. That District Executive is requested to recommend to Council:
 - (a) the introduction of a minimum award value of £0.50 a week in line with Housing Benefit
 - (b) the introduction of a £5 a week tolerance on income increases and decreases before it affects a Council Tax Support award
 - (c) that personal allowances and premiums are uprated in line with those for Housing Benefit;
 - (d) that non-dependent deductions are uprated in line with the annual percentage increase in Council Tax;
 - (e) that the non-dependent income bands are increased by the same percentage as those applied to the national Council Tax Support scheme for pensioners;

- (f) that the hardship scheme budget be set at £30,000 for the 2019/20 financial year;
- (g) to note the recommendations of the Scrutiny Task and Finish Group attached at Appendix 1;
- (h) to note the scheme has been amended to reflect changes to the Prescribed Requirements;
- (i) that the 2019/20 Council Tax Support Scheme at Appendix 2 (to follow) is adopted;
- (j) to note that the proposed Council Tax Support Scheme has been reflected within the overall Council Tax Base.

Background

6. The South Somerset Council Tax Support scheme (CTS) was introduced on 1 April 2013 and has now been running for almost six years. Councils are required to review and set their CTS scheme each financial year. Applications to the CTS hardship scheme are monitored, along with the Council Tax collection rate and reported to members each quarter.
7. 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.
8. 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.

The Scrutiny Task and Finish Group originally considered what would be the most appropriate method of uprating certain figures used in calculating CTS awards and recommended the following:

- 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
- That non-dependent deductions are uprated in line with the annual percentage increase in Council Tax
- That the non-dependent income bands are increased by the same percentage as those in the national CTS scheme for 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.

It is important that members have due regard to the PSED when making their decision on the various scheme proposals.

There are no equalities issues associated with recommendations (a) and (b) which are the only changes to the scheme.

Council Tax Support scheme 2019/20 (Year 7)

Proposal 1 – Introduce a minimum award of £0.50

10. In Housing Benefit the minimum weekly award is £0.50. Where weekly entitlement is in the range £0.01 to £0.49 no award is made.
11. Currently in the CTS scheme awards are made where entitlement is as little as £0.01 a week which leads to a total award of £0.52 for the financial year.
12. The proposal is to align the minimum award for CTS with the minimum award of Housing Benefit. This will remove the need for both the customer and the council to maintain their claim where entitlement is below £0.50 a week.
13. The council received 150 consultation responses for this proposal with 76% of respondents supporting it. Approximately 16% of respondents stated that they were in receipt of Council Tax Support.

2. What do you think about the above proposal?				
			Response Percent	Response Total
1	Strongly Agree		30.67%	46
2	Agree		46.00%	69
3	Disagree		15.33%	23
4	Strongly Disagree		8.00%	12

Proposal 2 – Introduce a £5.00 a week income change tolerance

14. Currently an increase or decrease of any value in a person's income will result in their Council Tax Support being reassessed, a new bill being issued and a change to their monthly instalments. If a customer has regular small changes to their income (e.g. in earnings) they could receive a new bill every month. This is disruptive for the customer and makes it difficult for them to budget.
15. The £5.00 income change tolerance will reduce the number of CTS recalculations which result in a new bill being issued and more stability for the customer's instalment payments. It will also reduce administration costs for the council.
16. The council received 149 consultation responses for this proposal with 90% of respondents supporting it. Approximately 16% of respondents stated that they were in receipt of Council Tax Support.

1. What do you think about the above proposal?				
			Response Percent	Response Total

1. What do you think about the above proposal?				
			Response Percent	Response Total
1	Strongly Agree		40.94%	61
2	Agree		49.66%	74
3	Disagree		6.04%	9
4	Strongly Disagree		3.36%	5

Consultation

17. The Task and Finish Group reviewed the results of the consultation along with the comments made by respondents and were content to recommend that both proposals be adopted.

18. The full set of consultation results are set out in Appendix B

The 15% minimum payment

19. 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.

The Scrutiny and Overview Task and Finish Group reviewed the minimum payment level when considering the 2017/18 and some research carried out to determine the possible impact of increasing it.

20. 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 both the risk of bad debt and in resource demand for the recovery and enforcement of those debts. This risk is further heightened by Welfare Reforms that are impacting on the working age group, particularly Universal Credit. This has not changed and it was therefore determined that it would be counter-productive to increase the minimum payment level for 2019/20.

21. Consideration for reducing the minimum payment was considered when setting the 2018/19 scheme and was rejected as there was no evidence to suggest that there were widespread affordability issues across the district and such a small increase would be unlikely to make a material difference. There is no new evidence to suggest a change to these conclusions.

Cost of CTS scheme

Effect of caseload

22. The number of recipients of CTS had fallen consistently year on year in both the working age and pensioner groups until 2017/18. This has the effect of reducing the overall cost of the scheme. Details of the caseload reduction since the introduction of CTS are shown in the following table.

Financial year	Caseload count at beginning of year	Caseload count at end of year	Reduction in caseload
2013/14	11925	11568	357
2014/15	11568	11023	545
2015/16	11023	10411	612

2016/17	10411	9997	434
2017/18	9997	9939	48
2018/19	9939	9880 (30/11/18)	59

23. The scale of caseload reduction from 2017/18 onwards is smaller. With effect from 1 June 2017 we removed the requirement for recipients of Universal Credit to make a separate claim for Council Tax Support. It is likely that this has contributed to the smaller reduction in caseload as fewer people are missing out on Council Tax Support.
24. It has been identified that since the beginning of the financial year the average weekly award of CTS has fallen by 2.4% for employed working age cases. This suggests there has been a small improvement in income levels for this group. The weekly award for other working age and pensioner cases are broadly unchanged.

Effect of increases in Council Tax

25. The cost of the scheme will increase where SSDC and other preceptors put up their share of the Council Tax.

Legislation Changes – Prescribed requirements

26. At the time of writing we are awaiting details of any changes to the prescribed requirements – these are elements of the scheme that are set by central government. Confirmation of any such changes will be sent to members along with a revised version of the scheme document once announced by government.

Hardship Scheme

27. 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. The level of demand in 2018/19 suggests that a Hardship Scheme budget of £30,000 for 2019/20 should be sufficient. At the end of November 2018 we had allocated £12,295 with 71 of the 90 applications being successful. This spend is monitored monthly and reported to members each quarter.

Council Tax Collection Rate

28. 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. 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.

Financial Year	Collection rate	Change on previous year
2012/13	97.80%	
2013/14	97.40%	-0.40%
2014/15	96.88%	-0.58%
2015/16	97.24%	+0.36%
2016/17	97.73%	+0.49%
2017/18	97.80%	+0.07%

The in-year collection rate fell in 2013/14 and again in 2014/15. However, collection performance improved in 2015/16, 2016/17 and 2017/18 returning to pre CTS levels.

29. At the end of October 2018 the collection rate was 0.4% lower than October 2017. However, the number of taxpayers paying over the maximum number of instalments has risen to 15844, an increase of 2550 in the last twelve months. This is 20% higher than a year ago and 54% higher than two years ago. This increase makes accurate in-year collection rate comparisons, and end of year outturn predictions more difficult with higher levels of Council Tax payment expected during February and March 2019 than in the same period this year.

Risks

30. 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 2020/21 and beyond. It should be noted that the Task and Finish Group have previously 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.
31. Universal Credit (UC) awards are updated monthly where there is a change in the recipient's income. This happens on a regular basis for many UC recipients. The consequence of this is that as our current CTS scheme requires we recalculate their CTS entitlement this leads to frequent revised Council Tax bills being issued. This frequent recalculation can lead to fewer instalments being available to the CTS recipient which makes budgeting more difficult and risks late or non-payment. The measure to introduce a £5 income change tolerance will go some way to addressing this issue. A number of councils have already, or are introducing income banded schemes which gives a much wider variation in income change before it effects a recalculation of CTS. Although the managed migration of current Housing Benefit cases to Universal Credit has been put back to 2020, the natural migration (where a person has a relevant change in their circumstances) continues. As more CTS recipients move on to Universal Credit the benefit to the customer of an income banded scheme increases. This is something that perhaps ought to be considered for the future.

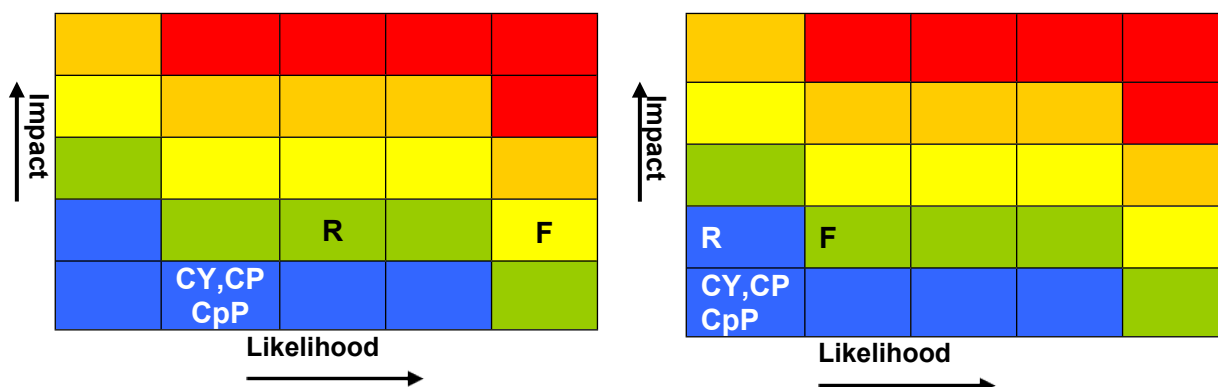
Financial Implications

32. If members agree the recommendations set out in this report there will be minimal financial implications associated with this report since the £5 income tolerance applies both to changes that would reduce and increase entitlement and over a period it is anticipated that this will be broadly cost neutral. The risk is that costs will ultimately be affected by any increase in council tax charges in 2019/20. We have made assumptions in this respect, and any differences between our assumptions and the preceptors' ultimate tax setting decisions will affect the surplus or deficit on the Collection Fund.

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

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

Carbon Emissions and Climate Change Implications

34. None associated with this report.

Equality and Diversity Implications

35. None associated with this report - The current EIA is attached at appendix 3 for information purposes.

Privacy Impact Assessment

36. None associated with this report.

Background Papers

37. The following background papers can be viewed on the council's website www.southsomerset.gov.uk

- Report to District Executive – January 2018 Item 7
- Report to District Executive – January 2017 - Item 8
- 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



Monitoring SSDC Council Tax Support Scheme

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

December 2018

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 in 2013.

At this time the Overview and Scrutiny Committee recognised the significance and potential impact this could have on the residents of South Somerset and commenced a Task and Finish exercise that worked in parallel with officers to develop a local scheme.

The Task and Finish group conducted a very thorough review and produced a report and recommendations¹ 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 their funding arrangements. The grant that SSDC received to help low income households pay their Council Tax ceased to exist. From 2015/16 onwards the funding has been received as part of the Revenue Support Grant; no figure is prescribed or ring-fenced specifically for this purpose.

The Overview and Scrutiny Committee have commissioned a Task and Finish review each year since the introduction of Council Tax Support (CTS). The Task and Finish group conduct specific monitoring work to ensure the scheme continues to be effective and balances the needs of support recipients and all South Somerset Council Tax payers. This report summarises the monitoring activity and work conducted since the last Task and Finish report in December 2017 and details recommendations for the Council Tax Support scheme for 2019/20.

I would like to take this opportunity to thank the officers who supported us on this review for their on-going commitment and positive approach, helping the Task and Finish group to make informed decisions and produce this report.

Sue Steele

1

<http://modgov.southsomerset.gov.uk/Data/South%20Somerset%20District%20Council/20130117/Agenda/7%20Appendix%201%20-%20Report%20and%20Findings%20of%20the%20Overview%20and%20Scrutiny%20Task%20and%20Finish%20Group%2017-01-2013.pdf>

Overview and Scrutiny Committee Chair

Task and Finish Group Membership

Councillor Sue Steele - Chair of Task and Finish Group
Councillor Carol Goodall
Councillor Anna Groskop
Councillor David Norris
Councillor Rob Stickland

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

Ian Potter – Lead Specialist – Vulnerable People
Tamsin Gold – Benefits Team Leader
Mandy Stewart – Benefits Team Leader

The Work of the Task and Finish Group

The Task and Finish group met on three occasions and also worked remotely to carry out monitoring work to ascertain if the scheme remains effective - achieving the original ambitions of the group. They also considered options to reduce scheme costs, improve administration efficiency and the impact on Council Tax Support (CTS) recipients who are also in receipt of Universal Credit.

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 it has adequate measures to provide stability to the recipients of Council Tax Support. (Now referred to as Council Tax Support)
- Ensure the process is timely, well-evidenced, takes account of members views, any consultation and minimises risks to SSDC
- Ensure the new scheme is accessible and not too complex

The group worked to the above ambitions and added:

- Take account of national evidence and the experiences and learning of other Local Authorities.

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 in 2015 to reflect the disregarded threshold of Housing Benefit and to be fairer to Tax Payers who are not in receipt of Council Tax Support)

The group agreed the principles were still relevant and used these and the ambitions to provide criteria when considering all information, data and proposals for amendments to the scheme.

This year the group had no requirement to secure additional savings in terms of the cost of the scheme. The Task and Finish group have concluded for the last two years that it would not be possible to reduce the cost of the scheme whilst still achieving the above mentioned objectives and principles.

Over the last year, the group focussed its efforts on assessing:

- Effectiveness of the current scheme
- Elements of other authority schemes – the value and impact of these
- The impact of the full roll out of Universal Credit
- Potential impact of transformation in terms of staff resource and technical developments
- The customer experience
- Exploring reducing administration costs by modifying the scheme and capitalising on the introduction of improved technology

Effectiveness of the scheme

The group worked with the revenues staff to monitor the scheme based on the recommendations from the original task and finish group. There was no evidence to suggest the scheme was ineffective or causing any form of disproportional impact to any group. For a full breakdown of all the monitoring work, please see the Monitoring Section – page 10

Elements of other authority schemes

Minimum payment

From April 2018, out of 326 local authorities across England 264 schemes include a minimum payment. The size of this minimum payment varies by area; in 45 councils, it is less than 10% of council tax liability and 136 councils it is 20% or more but less than 30%. For 23 councils it is 30% or more.²

Evidence collated by the National Policy Institute has proved a correlation between the higher the minimum payment (the greater the sum of money each tax payer has to pay as a base to the calculation of means tested support) the greater the value of Council Tax Arrears, please see Appendix 1 for more information relating to this.

SSDC Council Tax Support scheme has a minimum payment and has stayed at 15% over the last 6 years and has many similar additional features to other authorities, these include a Band Cap (where the maximum sum of benefit payable is calculated at particular band of property) and a savings limit, (where people of working age with savings over £6,000 will not be entitled for Council Tax Support).

²New policy Institute

Other Authorities have the following additional elements/variations included in their schemes:

A minimum award

This is where a minimum amount of Council Tax Support is applied; this was introduced by many authorities to reduce the cost of the scheme but it also prevents disproportional administration costs and potential delays to Council Tax collection. If an award of a few pence per week is given and a change occurs this causes the re-calculation of the Council Tax Bill and the associated instalments. The change in their CTS can cause delays in instalments being taken due to the direct debit notification periods. Any delay can make the remaining instalments higher, making it difficult for some people to manage. The minimum award can reduce this. The group supported consulting on including a minimum award of 50 pence (in line with the Housing Benefit scheme) for the 2019/20 Council Tax Support scheme. The group recommended applying the same amount to make it easier for recipients of both Housing Benefit and Council Tax Support to understand.

Discount Based banded scheme

Since the Task and Finish report last year a growing number of authorities have moved away from the means tested (assessing income against needs level) approach and have introduced a discount based scheme that uses a system of income bands to decide what level of Council Tax Support a Council Tax Payer should be awarded.

For Example, (This is part of one of those schemes)

Household	Weekly Income Band	Discount
Single Person	£0.00 - £99.99	90%
Single Person	£100.00 - £199.99	85%
Single Person	£200.00 - £299.99	80%
Single Person	£300.00 - £349.99	70%
Single Person with 1 Child	£0.00 - £149.99	90%
Single Person with 1 Child	£150.00 - £249.99	85%
Single Person with 1 Child	£250.00 - £349.99	80%

This scheme is made up of a set of income bands with an income range, and a percentage discount is assigned to each income band. A non-dependant deduction is applied after the relevant discount percentage has been determined. It is still necessary to calculate the claimant and partner’s weekly income in order to decide which income band the customer falls in.

The key benefit of the scheme is that where a person’s weekly income changes and remains within an income band it is not necessary to amend their CTS award and issue a new bill. However an assessment of their new income level is still required.

This type of scheme will result in winners and losers at the point of change.

The group closely examined the impact this sort of scheme could have on SSDC current Council Tax Support recipients and it was felt the impact for some could cause people to become financially vulnerable. Whilst the group felt this could be mitigated against, the group were concerned about the effect the 'Cliff Edges' may have and consequently the amount of Council Tax paid.

The group agreed, there were too many unknowns with this type of scheme at present, and thought it best to wait for evidence to come forward from those Councils who have moved to the discount approach, specifically with regard to equalities, impact, Council Tax arrears and the associated cost of collection.

Fixed Periods

To reduce the administration costs and the frequency of changes that a customer has to manage some authorities have introduced fixed periods, so all changes in a given period, usually 3 or 6 months are processed at once.

There are advantages and disadvantages to this approach:

Advantages - Less processing work for staff to manage, fewer Council Tax Support notifications letters and Council Tax Bills to print and post out.

Disadvantages – People who have had a detrimental change to their income could be in a situation where they are unable to pay their Council Tax and fall into arrears by the time the fixed period change date comes around the person has already automatically received notifications of arrears that could cause stress and generate enquires.

If a person has had a positive change to their income they will become liable to pay more Council Tax (they would receive less Council Tax Support) in the situation where all changes are processed on bulk, once every 6 months for example from 1 April – 30 September, this would only leave 5 months of the financial year for instalments to be paid and potentially catch up any arrears. This could present a risk of needing to roll debt to a future year; this is referred to as stacking arrears in the Lord Ollerenshaw report³. Stacking arrears in itself can cause additional administration time having to be spent making financial agreements to clear multiple years' debt.

It is also worth mentioning that nationally about 39 per cent of food bank users were awaiting the outcome of a benefit application⁴, and therefore delays in processing reductions in income can have much wider implications and therefore should be considered carefully.

The group concluded again that there were risks to adopting Fixed Periods and felt it best to analyse the impact and learn from other authorities that have opted to pursue this before looking to potentially introduce it as part of the SSDC CTS scheme.

³

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/514767/Local_Council_Tax_support_schemes_-_review_report.pdf

⁴ University of Oxford and Trussell Trust Report on Foodbanks

Change tolerance for income

This is where small changes to income will not be processed regardless of the income increasing or decreasing. This is all about reducing the administration for processing Council Tax Support and associated enquires, print and postage costs, and frequent changes to the customer's bill.

The task and finish group chose to explore this further, examining the frequency of changes in impact change bands notified to the Council and how best this could be explained simply to customers. The complexity arises as the amount would have to be the equivalent weekly amount and some people's income will be monthly or 4 weekly. Members supported including this in the consultation for 2019/20 scheme not just for the reduction in the administration but also for providing stability to customers. The fewer changes the less likely customers will miss instalments due to the recalculation of the Council Tax payable and associated instalments.

Impact of Universal Credit

At the beginning of this Task and Finish review SSDC was one of a few councils that was in an area where Universal Credit had been fully rolled out.

The decision has been taken to accept the Universal Credit (UC) claim form as claim for Council Tax Support, this has ensured people are claiming all that they are entitled to and prevents failure demand by stopping people getting into arrears and then staff helping them to claim retrospectively and making payment arrangements.

It is worth mentioning that some authorities are phasing in changes by operating two working age schemes, one for those in receipt of Universal Credit and one for those who are not. This is to take advantage of automation for Universal Credit cases. The group considered this approach but felt operating in effect three schemes could be difficult for both support recipients and staff. Also for staff, the timing of implementing this could be difficult when the structure of service delivery will be going through the transition phase of Transformation. The Group felt the risks around equalities performance and reputation was too great to consider for the 2019/20 CTS scheme. The group recommend next year a full assessment and comparison of operating a Discount Banded scheme compared to the 19/20 scheme is undertaken, the review must include the overall costs, customer journey and administration costs.

Potential impact of transformation in terms of staff resource and technical developments

The group assessed the timeframe of transformation and could see that the Council would be in the transition stage when the 2019/20 scheme would commence and therefore felt it would not be appropriate to introduce a major change unless there was evidence to show this was needed or that there would be significant benefit to the customer or the Council. There was no evidence of this.

The Customer Experience

Members of the group raised concerns in terms of the customer experience to apply and maintain the Council Tax Support award. The members said the complexity of the CTS award letters were of particular concern. The group were reassured talking to officers that the development of the customer account will improve the experience by using pop up text and providing summary information sheets.

Proposals to amend the scheme this year

The group recommended the following proposals were put forward for public consultation and contributed to the explanation and examples to clearly show impact:

Proposal 1: Introduce a tolerance for small changes in income:

Currently each change in income requires a reassessment of the Council Tax Support award. This in turn leads to adjustments being made to the outstanding balance on the Council Tax account with notification letters and new bills being printed and posted out. Instalment arrangements are changed meaning there could be fewer instalments available to pay in the rest of the year. This could mean the instalments amount could go up which may affect a customer's ability to pay them.

This proposal would stop changes in the award of less than £1.00 per week causing adjustments to the outstanding balance. This would lead to customers receiving fewer award letters and Council Tax bills, and fewer changes to instalments

Example: Mr and Mrs A live with their adult son in a band B property. Their weekly Council Tax charge is £25.05.

Mrs A is working and earns £115.08 per week, adding this to the rest of their income they have applied for and been awarded Council Tax Support of £9.11 per week.

After a few weeks Mrs A's earnings reduce to £113.69 per week, the rest of their income has not changed, under the current scheme their Council Tax Support award would change to £9.39 per week. This change would produce a new award letter and a new bill, and depending on the timing an instalment may be missed. If this proposal is agreed the award would remain at £9.11 per week as the change of award from £9.11 to £9.39 is less than £1. No award letter, new bill will be sent, or instalment missed.

After a few more weeks Mrs A's earnings increase to £119.70 per week, the rest of the income has not changed, Under the current scheme their Council Tax Support award would change to £8.19 per week. If this proposal is agreed the award would remain the same as the change of award from £9.11 to £8.19 is less than £1.

Proposal 2: A Minimum Award is introduced

Currently the Council Tax Support scheme will calculate the amount of support you can get from 1 pence per week.

This proposal would not give any support less than below 50 pence per week. This is the same as the Housing Benefit scheme.

Example: Mrs B is a lone parent with 2 dependent children, she has a weekly Council Tax charge of £27.38. Mrs B gets a single person so the weekly charge is now £20.54.

Mrs B is working and receives Universal Credit the income work out how much Council Tax support she can get is £280.00 per week. She would get Council Tax Support of 42 pence per week, £21.90 for the year.

If this proposal is agreed then no Council Tax Support would be awarded.

The group reviewed the consultation feedback for the proposed amendments for those currently in receipt of CTS and those who were not and were satisfied there was overall support. There was no evidence to show any disproportional impact to specific groups. The group recommends the proposals are included in the 2019/20 scheme.

Monitoring

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

The group reviewed:

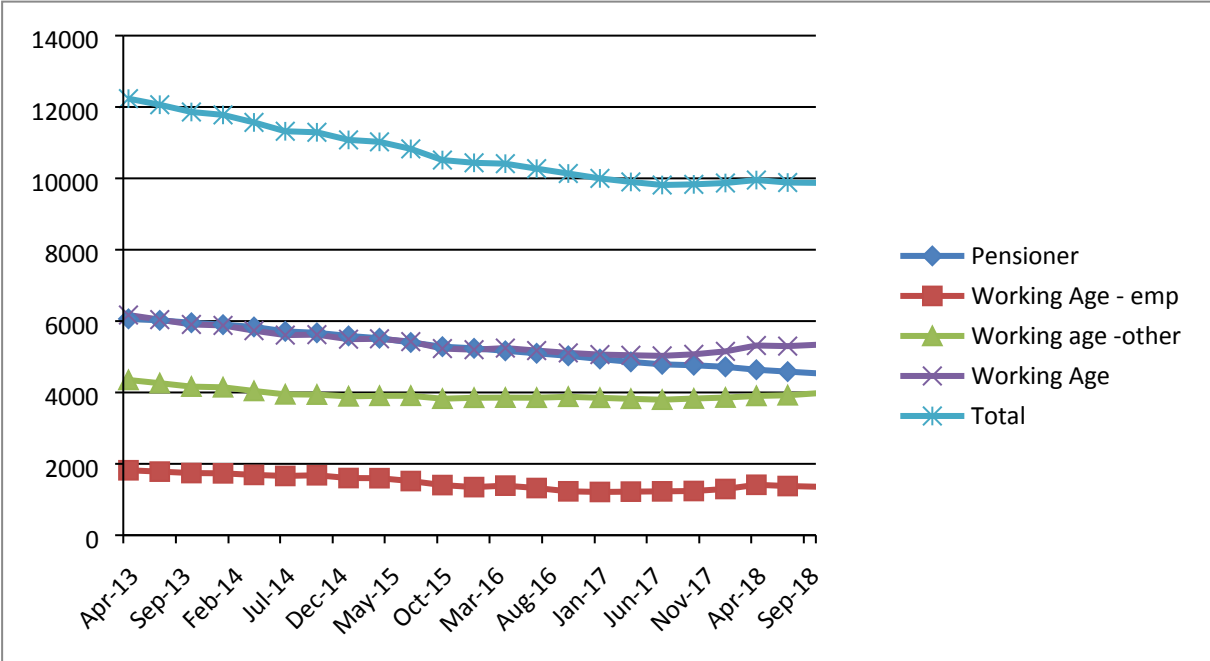
- The number of Council Tax Support recipients
- The Council Tax collection rate
- Cost of the scheme
- Council Tax Support Discretionary Hardship fund
- Council Tax Arrears where Council Tax Support is in payment
- Administration time to process claims
- Other Local Authority schemes
- Risk of external changes increasing the cost of the scheme
- Progress on recommendations detailed in December 2018 Task and Finish report

Equalities was considered throughout the entire review process

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:

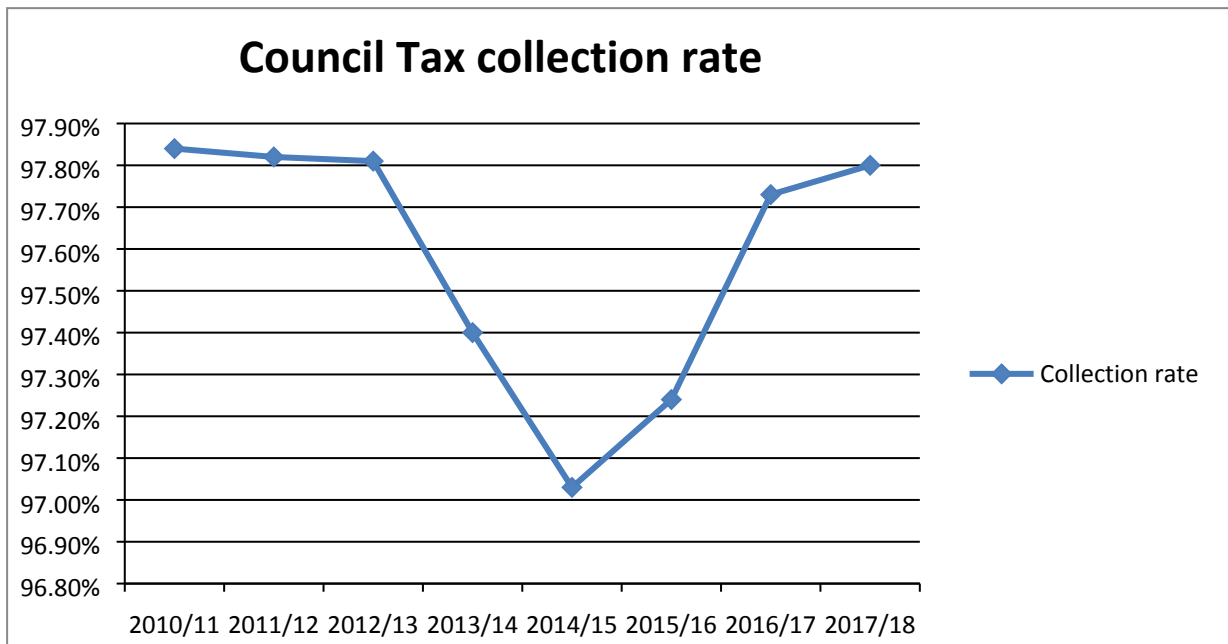


The Working Age has climbed over the last year, officers have put this down to the roll out of Universal Credit, and the removal of the requirement to make a separate claim for CTS which has ensured people are receiving the support they are entitled to.

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.



	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
Average Collection rate for England⁵	97.3	97.4	97.0	97.0	97.1	97.2	97.1
SSDC Collection rate	97.82	97.81	97.4	97.03	97.24	97.73	97.8

The SSDC collection rate for this year is anticipated to be broadly in line with last year, we are unable to a specific comparison as more tax payers are choosing to pay over 12 months instead of 10.

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

2017/18 £8.417million

⁵ Department of Communities and Local Government

2018/19 £8.782 million (cost at end of Nov 2018) – the increase is mainly down to the size of the increase in the council tax charge for 2018/19 and the changes in working practices around Universal Credit claims that has resulted in the improved the take up of CTS.

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 2018/19 is likely to finish the year at a lower cost than the cost shown at the end of November.

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.

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.

Discretionary Hardship figures, last year it was reported as below

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	152	128	22	16540.95
17/18	107	84	23	14,211
18/19 (Nov 2018)	90	71	19	£12,295

The Task and Finish group requested Benefit Officers conduct a review of the applications made to the Hardship Fund to identify if there were any trends, in terms of the numbers and age 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 who they were 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 undertaken some analysis this year of cases in arrears there was only a very small proportion of cases that could get some help through Council Tax Support and Discretionary Hardship that hadn't already applied. SSDC working practices have already introduced best practice recommendations, and continue to learn from other authorities and consider guidance and evidence from external sources.

Members have requested monitoring of the hardship rewards continue. Monitoring this fund is the best internal way to identify real financial vulnerability, potential issues arising because of external changes and subsequent 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 payment 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 direct from the household's income or benefits that the Council itself administers). They may proceed with enforcement measures, such as debt collection by Collection Agents.

No evidence has come to light over the course of the last year to suggest that accounts with Council Tax arrears could be attributed to any patterns in household or income type and therefore could not be attributed to any disproportional impact of the SSDC Council Tax Support scheme.

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.

The SSDC collection costs with effect from April 2018 are:

- Up to and including the cost of issuing a summons - the cost of collection from 2nd reminder stage onwards is currently £50.00.
- The cost of the Liability Order is £21.75.
- The total charge is £71.75 – This is still far less than many other areas. The Charge is passed to the taxpayer to recover the additional costs the authority has incurred; this is fair to all taxpayers.

Administration time to process claims

This section of this report details the work to date of the Benefits Team and planned future work to reduce Administration costs.

To date the Benefits Team have:

- Removed the need for Universal Credit (UC) recipients to complete a separate application for Council Tax Support, this has been removed this year. Instead the Benefits team use the notifications received from the UC Service Centre. The claim now comes via the Department of Work and Pensions (DWP) and is automatically uploaded to the customer's Civica Electronic Document Management (EDM) record. Changes in the customer's Universal credit entitlement also come via the DWP and are automatically uploaded to the customer's Civica EDM account.

- Provided an on-line application form, approximately 90% of claim forms completed now use this method. This form will continue to be used by applicants who are not claiming UC, including customers who have reached the qualifying age for state pension.

Removing the need for UC recipients to make a separate claim and reducing the number of paper application forms has reduced costs across the following areas

1. Purchase of paper forms
 2. Postage costs where a paper form is issue
 3. Staff time in opening post and scanning paper forms
 4. Staff time on front desks handling paper forms and queries
 5. Staff time in indexing as applications and income updates for UC CTS cases can be auto indexed
- As part of the Transformation Programme, introducing new functionality that will enable data from online forms to be “pushed” automatically into the CTS software, removing a significant amount (estimated at 80-90%) of the current manual claim data entry for new claims and a proportion of data entry on changes (dependent on the type of change)

Planned future work to reduce Administration costs:

Implementing functionality to auto-populate a claim from our on-line form will enable us to make savings as there will be a reduction in staff time in entering data into the CTS software from the on-line application form. This is part of the new functionality with redesigned services in transformation and should be there from 29/01/19

E-billing / e-notifications – This will be available to customers who activate their personal online account which will be available from 29/01/19

All Council Tax bills are currently printed and despatched by an external supplier once a week, while Housing Benefit and Council Tax Support letters are printed and despatched daily by the Revenues and Benefits team. Once we have a customer online account we will be able to “post” bills and letters to the account and send a text message or e-mail to the customer to let them know that they have new correspondence from SSDC.

This will enable savings to be made in the following areas:

1. Printing and stationary costs
2. Postage costs
3. Staff time in packing letters throughout the year (new year letters/bills are despatched by external company)

It is worth noting it will take time for customers to move from receiving paper notifications to signing up for the customer online account, so not all of the savings can be realised from the outset.

The extent of auto-population, auto-processing and digital notifications that could be realised is substantial and limited only by the degree of success in moving customers from paper to digital application forms.

SMS – Text message reminders

In the last report this was scheduled to be introduced in December 2017, this was delayed. The team have now sent out initial SMS to customers whose details we hold were provided since 1 April 2017 to comply with GDPR. We can now proceed with sending SMS reminders. Where a customer has provided a mobile phone number as a method of contact a text message will be sent a few days ahead of when the statutory reminder notice will be sent. Where a taxpayer makes their late payment within a couple of days of the reminder text they will prevent the statutory reminder notice from being sent. The statutory recovery process can lead to the loss of the right to pay by instalments, a court summons and action by an Enforcement Officer (commonly referred to as a bailiff) and additional costs to the debtor. An informal reminder notice could prevent many cases from entering the statutory recovery process. This will reduce costs to SSDC; prevent the taxpayer from incurring further costs and fees consequently providing a better outcome for both parties.

The introduction of SMS reminder text messages will reduce the cost of collection, demand on resources and prevent the debtor from incurring additional costs and fees.

Last year’s recommendations still in progress:

Recommendation	Progress
Providing a summary front sheet for Council Tax Support notification letters that detailed the sum owed/received and how to proceed	<i>Some of the information that would be provided on a summary will be available through customer’s personal online accounts. If we were to revise the scheme to become income banded, letters would be discontinued, instead the relevant discount would appear on the council tax bill as with all other council tax discounts.</i>
Benefits Officers explore the potential of creating a consultative group who can meet to discuss the Council Tax Support scheme	<i>It is intended that this will be considered as part of the Customer insight and engagement work of the Transformation Programme</i>

Summary of Task and Finish Group's Recommendations

1. A Minimum Award of £0.50 is introduced.
2. Introduce a tolerance for small changes in income of up to £5.00 that will prevent a change to entitlement of up to £1.00 due to the income taper in the CTS means test of 20%.

That annual uprating's are implemented as usual:

- Personal allowances and premiums are uprated in line with those for Housing Benefit;
- Non-dependent deductions are uprated in line with the annual percentage increase in Council Tax;
- Non-dependent income bands are increased by the same percentage as those in the Prescribed Requirements relating to pensioners

The Task and Finish group who review the scheme for 2020/21 further consider feedback from those who have introduced:

- Fixed periods moving forward – benefit on not altering instalment plans and reduction in number of customer notices- help mitigate upset and reduce avoidable contact/response.
- An income banded scheme with specific focus on the customer experience, vulnerability, collection rates and stacking arrears

If changes to the scheme are agreed, letters must be sent to all Council Tax Support recipients' that will be affected as soon as possible. To give them time to prepare for managing the increase in their Council Tax Bill.

Cumulative Impact

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 additional analysis may be required.

Future monitoring

The Task and Finish group request monitoring of:

- Discretionary Hardship rewards continue
- Arrears for cases where Council Tax Support is being given, this is to best manage the scheme and have an effective and efficient approach to collection and recovery
- Costs of collecting Council Tax - It is important to ensure the balance is correct, whilst we must ensure we 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
- Other Local Authority schemes and National Best Practice to consider if the South Somerset scheme could be improved upon.

The group have also requested that the Revenues officers consider:

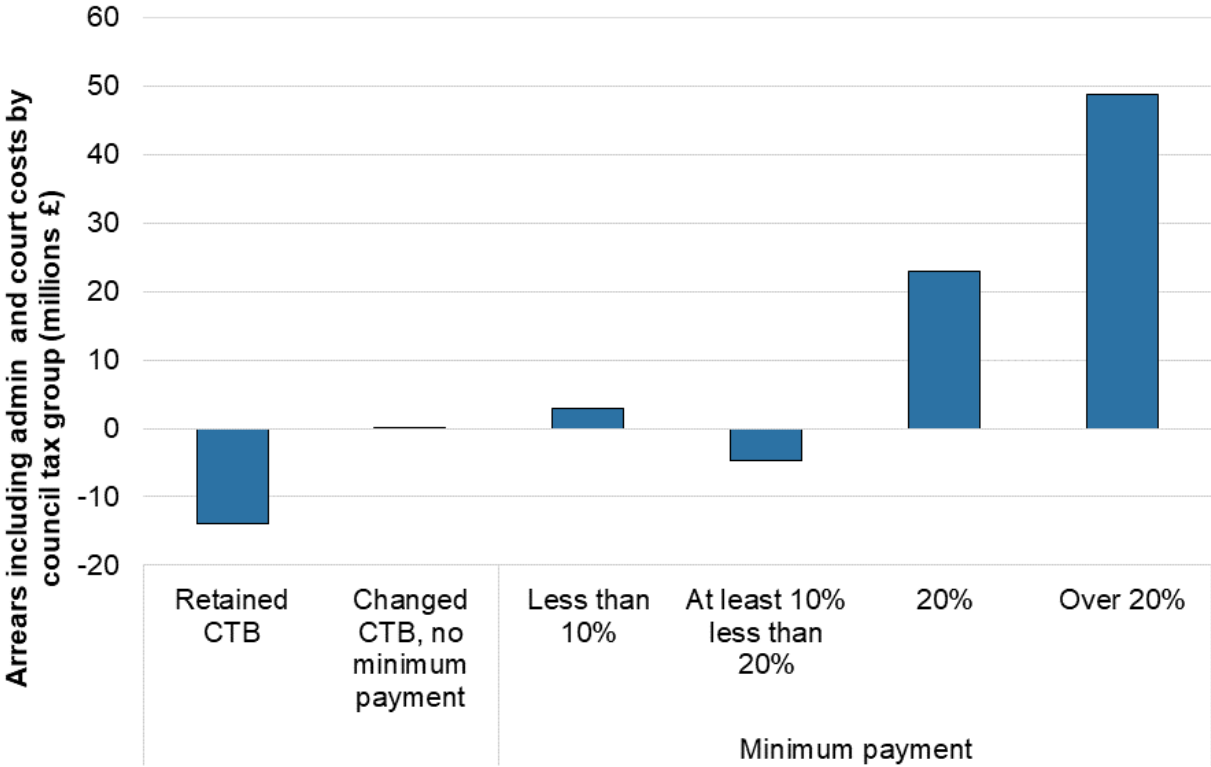
- Just about managing: Four million more people living on inadequate incomes in modern Britain -Research for the independent Joseph Rowntree Foundation (JRF) which illustrates how different kinds of household are faring, against the Minimum Income Standard (MIS) and potentially use evidence to support decision making for those in receipt of CTS who request around Hardship.

Future Risks

- 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.

Appendix 1

New policy Institute – <https://www.counciltaxsupport.org/impacts/>



The graph above takes into account the change in the council tax bases between the years to calculate the additional amounts of uncollected taxes in 2016/17 compared with 2012/13 the last year of CTB.

In 2016-17, local authorities would have collected £26.8bn in Council Tax if everyone liable for Council Tax paid in full- within this context, a small percentage point increase in uncollected tax represents a large sum.

The 67 Councils that had a minimum payment of over 20 per cent in 2016-17 had the largest overall increase in uncollected tax for that year. These councils had £48.6 million more in uncollected tax than they did in 2012-13. This group’s arrears this year relative to 2012-13 is £4.2 million more than last year (when only 53 Councils were in this category).

Councils that abolished CTB but did not set a minimum payment saw no significant change between arrears this year compared to 2012-13 (the group overall had an increase of £10,000). Councils that retained CTB continued to have lower arrears this year than they did in 2012-13. This group’s arrears declined by £13.8 million relative to their arrears in 2012-13.

Agenda Item 11

Council Tax Discount Review

Executive Portfolio Holder: Peter Seib, Finance and Legal Services
Director: Martin Woods, Director – Service Delivery
Service Manager: Ian Potter, Lead Specialist Vulnerable People – Service Delivery
Lead Officer: Helen Morris, Revenues Specialist – Service Delivery
Contact Details: Helen.morris@southsomerset.gov.uk or 01935 462033

Purpose of the Report

1. To request that the District Executive approve the use of the Council's local discretionary powers to implement a Care Leavers discount from 1 April 2019, in accordance with the provisions contained in section 13A Local Government Finance Act 1992.
2. To request that the District Executive approve an increase to the Empty Home Premium charged on properties that have been empty for 2 years or more, in accordance with the Rating (property in Common Occupation) and Council Tax (Empty Dwellings) Act 2018.

Forward Plan

3. This report appeared on the District Executive Forward Plan with an anticipated Committee date of January 2019

Public Interest

4. This report gives an overview on the new Care Leavers Discount that is being proposed from 1 April 2019 and also the changes in the legislation enabling Local Authorities to increase the percentage of Empty Home Premium from 1 April 2019.

Recommendations

5. That the District Executive:
 - a. Approve the use of the Councils local discretionary powers to implement a Care Leavers Discount from April 2019.
 - b. Approve that the additional amount to fund the Care Leavers discount is added to the budget which currently funds Council Tax Discretionary reductions.
 - c. Approve the increase in the Empty Home Premium on empty properties to the maximum percentage, as detailed in the Rating (Property in Common Occupation) and Council Tax (Empty Dwellings) Act 2018.

Background

6. A report written by the Children's Society in 2015 (The Wolf at the Door, how council tax debt collection is harming children) suggests that care leavers are a particularly vulnerable group for council tax debt. It found that when the care leavers move into independent accommodation and begin to manage their own budget fully for the first time, that in particular they are falling behind on their council tax. The Children's Society report makes a number of recommendations including

making care leavers entitled to a council tax discount. This would help to relieve some of the initial pressure and would be part of other financial support made available to care leavers.

7. Discussions were held with representatives from Somerset County Council, Devon County Council, Taunton Deane & West Somerset, Sedgemoor and the Somerset Corporate Parent Board about the best options to meet the requirements under the Children and Social Work Act 2017 – to possibly exempt care leavers from paying Council Tax if they are unwaged or on a low wage and living on their own.
8. The two options that were discussed were; to either make this part of the Council Tax Support Scheme or to bring in a discount under our Discretionary powers.
9. After some discussion it was felt that it was not appropriate to be part of our Council Tax Support Scheme for the following reasons:
 - a. The underlying principle for South Somerset's Council Tax Support scheme is that everyone should pay something.
 - b. By exempting a specific group it could encourage other groups to also seek exemption
 - c. The Children and Social work act only refers to possibly exempting care leavers if they are unwaged or low waged, the Council Tax support scheme already provides support for those that are unwaged or low waged.
10. Since 1 April 2013 Local Authorities have been able to raise a premium of up to 50% of the annual Council Tax charge, on long term (over 2 years) empty properties, this was to encourage properties which had been sat empty to be brought back into use and also help with the shortage of housing. South Somerset District have been adding a 50% premium to all properties that have been empty over 2 years or more since this date.

Care Leavers Discount

11. A care leavers discount would be awarded under section 13A Local Government Finance Act 1992. A 100% Discount would be awarded to any Care Leaver who has a liability for Council Tax who is living on their own in a dwelling, whilst they are between the ages of 18 and 21. This would be awarded regardless of if they are on a low income or not.
12. Once the Care Leaver reaches the age of 22 the discount will be on a sliding scale until the age of 24, this is to enable the young adults to start budgeting and planning for expenses. This will hopefully prevent a sudden 'cliff edge' to their entitlement, but also give them an understanding of what financial responsibilities they have to pay when living on their own. They would of course be able to apply for Council Tax Support in addition, if they are on a low income.
13. For Care Leavers that are aged 22 and 23, they will receive a 50% discount in addition to their Single Person discount. Care Leavers who are aged 24 will receive a 25% discount in addition to their Single Person Discount. For those aged 25 and over, they will solely receive the Single Person Discount, if still residing in a dwelling on their own.
14. Somerset County Council will advise South Somerset District Council of Care Leavers currently living in our area that would fall into the category for receiving the discount. We will automatically award the discount, making their transition to independent living as easy and as smooth as possible.
15. Estimated numbers suggest approximately 42 Care Leavers living in South Somerset that could benefit from receiving this support.

Living in South Somerset	Aged 18 – 21	Aged 21 - 25	Not Liable to pay Council Tax
42	22	16	4

16. The assumption has been made that Care Leavers would be residing in a dwelling which would be a band A. The average band A charge for South Somerset is approximately £1,150.00.

Empty Home Premium

17. The Rating (Property in Common Occupation) and Council Tax (Empty Dwellings) Act 2018 received royal assent on the 1 November 2018. Section 11 B of the Local Government Finance act 1992 (higher amount for long term empty dwellings: England) has been amended as follows:

From 1 April 2019, dwellings that have been empty for more than two years a premium of up to 100% of the charge could be added. (This previously was 50%)

From 1 April 2020, dwellings that have been empty for less than five years a premium of up to 100% of the charge could be added.

From 1 April 2020, dwellings that have been empty for more than five years a premium of up to 200% of the charge could be added.

From the 1 April 2021 dwellings that have been empty for less than five years a premium of up to 100% of the charge could be added.

From the 1 April 2021 dwellings that have been empty for at least five years but less than ten years, a premium of up to 200% of the charge could be added.

From the 1 April 2021 dwellings that have been empty for at least ten years, a premium of up to 300% could be added.

Financial Year	2 – 5 years empty	5 – 10 years empty	10 years or more
1 April 2019	100% premium	100% premium	100% premium
1 April 2020	100% premium	200% premium	200% premium
1 April 2021	100% premium	200% premium	300% premium

18. Within South Somerset we currently have 196 dwellings that have been empty for two years or more and currently have the Empty Home Premium applied. Of which 26 dwellings have been empty for five years or more and 41 dwellings have been empty for 10 years or more.

19. We do not propose to add any exclusions where the Empty Home Premium would not apply. However, we will continue to work with our specialists in Environmental Health to help enable customers to bring their dwellings back into use.

20. All customers will be advised of the changes to the Empty Home Premium in writing, information will also be available of the Council's website.

Financial Implications

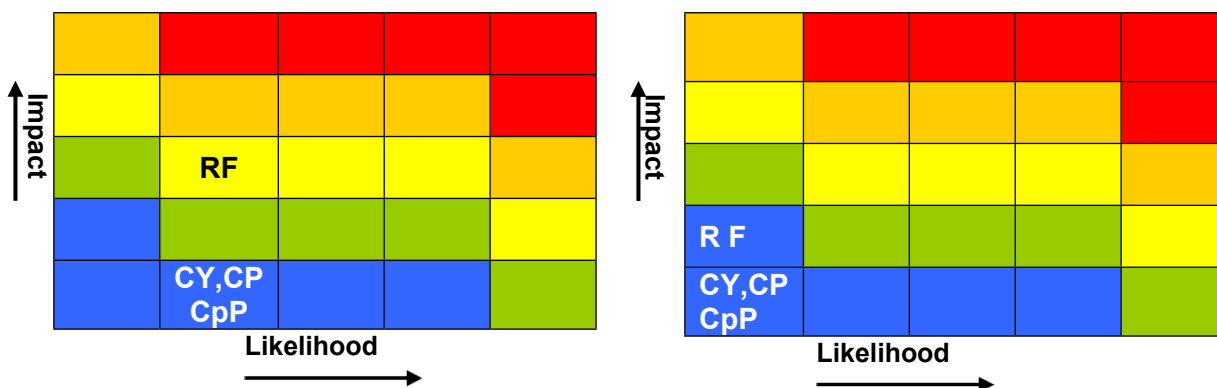
21. Where the Council uses its local discount powers to implement the Care Leavers discount, South Somerset District Council will fund the entire cost of awarding the discount. This is estimated to be approximately £25,000 per financial year, based on the estimated numbers of Care Leavers. This cost would need to be added to the medium term financial plan from 2019/20.

22. Based on the 2018/19 Council Tax charge, the 196 properties that have been empty for two years or more would raise approximately an additional £309,000 in 2019/20. To be accounted for in the collection fund. The proportion South Somerset would receive of this is circa £30,000.

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

23. Both recommendations support the values and aims in Council Plan.

Carbon Emissions and Climate Change Implications

24. There are none associated with this report.

Equality and Diversity Implications

25. There are none associated with this report.

Privacy Impact Assessment

26. There are no privacy risks identified with these proposals.

Background Papers

27. The following background papers can be viewed on the council website www.southsomerset.gov.uk

- Report to District Executive – December 2012 – item 12

Agenda Item 12

Business Rates Relief

Executive Portfolio Holder: Peter Seib, Finance and Legal Services
Director: Martin Woods, Director – Service Delivery
Service Manager: Ian Potter, Lead Specialist - Vulnerable People – Service Delivery
Lead Officer: Helen Morris, Revenues Specialist, - Service Delivery
Contact Details: Helen.morris@southsomerset.gov.uk or 01935 462033

Purpose of the Report

1. To request that the District Executive approve the use of the Council's local discount powers to implement Retail Rate Relief in relation to Business Rates from 1 April 2019 for two years.
2. To request that the District Executive approve the extension of the Local Newspaper relief for 2019/2020.
3. To request that the District Executive approve the extension of the doubling of Rural Rate Relief for 2019/2020 and to continue in future financial years until primary legislation has been changed.

Forward Plan

4. This report appeared on the District Executive Forward Plan with an anticipated Committee date of January 2019

Public Interest

5. In the Autumn Budget of 2018, it was announced that the Government recognises that there is changing consumer behaviour on the high street and therefore announced a number of measures to help retailers during these challenging times. This report outlines these measures which are to be brought in from April 2019.

Recommendations

6. That the District Executive:
 - a. Approve the use of the Councils local discretionary powers to implement Retail Rate Relief from April 2019 for two years;
 - b. Approve the use of the Councils local discretionary powers to extend the Business Rate Relief Scheme for Local Newspapers for the 2019/20 financial year;
 - c. Approve the use of the Councils local discretionary powers to extend the doubling of the Rural Rate Relief for the 2019/20 financial year and future financial years until the primary legislation has been changed.

Background

7. In the Autumn Budget of 2018, the Chancellor announced a package of business rate measures to help support retailers and to help the high street evolve. These measures were:
 - A one third discount for retail property with a rateable value below £51,000 for two years;

- Intention to legislate to grant a 100% relief from business rates for all standalone public toilets;
 - Extension of the £1,500 business rates discount for local newspapers' office space in 2019/2020.
8. In the Autumn statement of 2016, the Chancellor confirmed that the Government will double Mandatory Rural Rate Relief to 100% from 1 April 2017. However this needed a change to primary legislation. Local Authorities used their discretionary powers to grant 100% for 2017/18, this was approved by District Executive in March 2017.
9. In October 2017 it was announced that following the decision not to reintroduce the Local Government Finance Bill, for 2018/2019 it would be expected that local authorities continue to use their local discount powers to grant 100% Rural Rate relief to eligible ratepayers as we have done in 2017/2018.

Retail Rate Relief

10. The Government has announced a new relief scheme for retail properties that have a rateable value of below £51,000. Under the scheme, eligible ratepayers will receive a one third discount on their daily chargeable amount. The definition of retail properties will follow that adopted from the previous retail relief scheme in 2014/15 and 2015/16. The Ministry for Housing, Communities and Local Government (MHCLG) have now issued further guidance on the operation of the relief scheme. State Aid rules will apply to the retail relief.
11. Local Authorities are expected to use their discretionary relief powers (under section 47 of the Local Government Finance Act 1988, as amended) to grant this new relief for retail properties in line with the relevant eligibility criteria. There is no new legislation required to deliver the scheme.
12. The value of the discount should be one third of the bill and must be applied after mandatory reliefs and other discretionary reliefs funded by section 31 grants have been applied.
13. Approximately 620 retail premises benefited from the Retail Rate Relief scheme in 2014/15 & 2015/16.
14. Properties that will benefit from the relief will be occupied hereditaments with a rateable value of £51,000 or less, that are wholly or mainly being used as shops, restaurants, cafes and drinking establishments and who do not already receive 100% business rate relief.
15. Government considers shops, restaurants, cafes and drinking establishments to mean: Hereditaments that are being used for the sale of goods to visiting members of the public:

Shops (such as: Florist, bakers, butchers, grocers, greengrocer, jewelers, stationers, off licence, chemists, newsagents, hardware stores, supermarkets etc)

- Charity Shops
- Opticians
- Post Offices
- Furnishing shops/display rooms (such as: carpet shops, double glazing, garage doors)
- Car/ Caravan showrooms
- Secondhand car lots
- Markets
- Petrol stations
- Garden Centres

- Art galleries (where art is for sale/hire)

16. Hereditaments that are being used for the provision of the following services to visiting members of the public:

- Hair and beauty services (such as hairdressers, nail bars, beauty salons, tanning shops etc)
- Travel agents
- Ticket offices, e.g. for theatre
- Dry Cleaners
- Launderettes
- PC/TV/domestic appliance repair
- Funeral directors
- Photo Processing
- DVD/ Video rentals
- Tool Hire
- Car Hire

17. Hereditaments that are being used for the sale of food and or drink to visiting members of the public:

- Restaurants
- Takeaways
- Sandwich Shops
- Coffee Shops
- Pubs
- Bars

18. Types of business excluded, Hereditaments that are being used for the provision of the following services to visiting members of the public:

Financial services (e.g. banks, building societies, cash points, bureau de change, payday lenders, betting shops, pawn brokers)

- Other services (e.g. estate agents, letting agents, employment agencies)
- Medical services (e.g. vets, dentists, doctors, osteopaths, chiropractors)
- Professional services (e.g. solicitors, accountants, insurance agents/financial advisors, tutors)
- Post office sorting offices
- Hereditaments that are not reasonably accessible to visiting members of the public.

19. Ratepayers that occupy more than one property will be entitled to relief for each of their eligible properties, subject to State Aid De Minimis Limits.

20. State Aid Law is how the European Union regulates state funded support to businesses. Discretionary Relief amounts to State Aid. The De Minimis Regulations allow a business to receive up to €200,000 of De Minimis aid in a three year period (the current financial year and the two previous financial years). It is our responsibility to ensure that a business has not received more than the limit of State Aid. Therefore we will require ratepayers to sign a declaration confirming this.

21. We will issue application forms with the Annual Bill for 2019/20, we will ensure that application form is available on our website. We will send out communication via our social media pages encouraging Businesses to apply for the relief. We will follow up any outstanding declarations that are not

returned with a visit from an officer within the Locality Team who would be able to help the customer complete the form.

22. We will work closely with the regeneration programs for Yeovil, Chard and Wincanton to ensure that there is a maximum take up for this relief.

Public Toilets

23. The Government also announced intentions to bring forward primary legislation to grant a 100% relief from business rates for all standalone public toilets, from 2020/2021. Further details on this measure will follow in due course.

Local Newspaper Relief

24. In the Budget announcement 2016, it was announced that the Government would introduce a £1500 business rate relief for office space occupied by local newspapers, up to a maximum of one discount per local newspaper title and per hereditament, up to state aid limits for 2 years from 1 April 2017.
25. Following the announcement in the autumn budget 2018, this relief is to be extended for a further year in 2019/20.
26. There is currently one local newspaper receiving this relief.

Rural Rate Relief

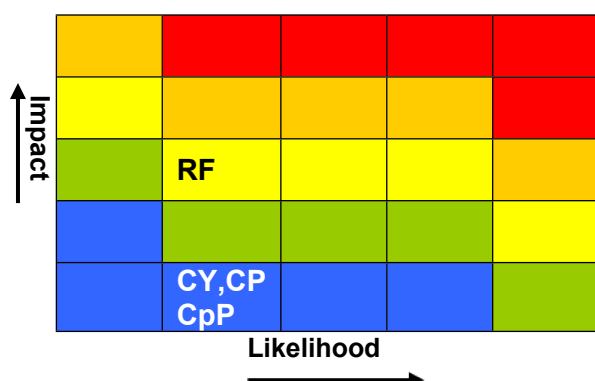
27. Following the decision not to reintroduce the Local Government Finance Bill, which included the change to primary legislation for the doubling of rural rate relief to 100%. The government expects local authorities to continue to use their local discount powers to grant 100% rural rate relief to eligible ratepayers, as they have done so for 2017/18 and 2018/19. Local authorities will be compensated in full for their loss of income as a result of this change. This compensation will be paid by section 31 grant and calculated on the basis of the returns that councils make under the rates retention scheme.
28. It is proposed that this is continued for the next three financial years, 2019/2020, 2020/21 & 2021/22 or until the financial compensation from government changes, at which point a report would be brought back to members.

Financial Implications

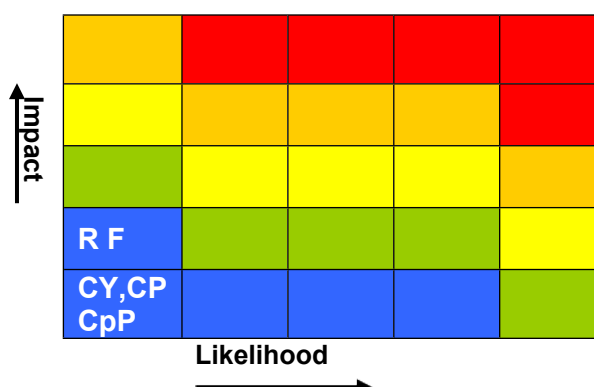
29. Where the Council uses its local discount powers to implement the Retail Relief Scheme, to extend the Local Newspaper Relief for 2019/20 and the doubling of Rural Rate relief for 2019/2020 and future years, the cost will be reimbursed in full by Government via a section 31 grant.

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
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F = Financial	Blue = Insignificant impact and insignificant probability

Council Plan Implications

30. The proposed policy supports the “Economy” Priority - To promote a strong economy with thriving urban and rural businesses.

Carbon Emissions and Climate Change Implications

31. None associated with this report

Equality and Diversity Implications

32. There are no specific implications with this report.

Privacy Impact Assessment

33. Consideration has been given to the Privacy impact assessment and as there is not direct marketing implications there is no impact. A privacy statement will be included with the application forms.

Background Papers

34. The following background papers can be viewed on the council website www.southsomerset.gov.uk

- Report to District Executive – March 2017 – item 8
- Report to District Executive – April 2017 – item 8
- Report to District Executive – March 2018 – item 8

Agenda Item 13

SSDC Transformation Programme – Progress Report

Executive Portfolio Holder: Jo Roundell Greene - Transformation
Director: Alex Parmley - Chief Executive
Lead Officer: Caron Starkey, Strategic Lead for Transformation
Contact Details: caron.starkey@southsomerset.gov.uk

Purpose of the Report

1. This progress report has been prepared in accordance with the Transformation Programme Governance arrangements agreed by Full Council in April 2017 where it was agreed that the District Executive would receive quarterly updates on the progress of the council's Transformation Programme.

Forward Plan

2. This report appeared on the District Executive Forward Plan with an anticipated Committee date of January 2019.

Public Interest

3. The Council has embarked on an ambitious plan to totally redesign its service delivery to ensure an improved experience for the customers and the communities it serves whilst at the same time reducing the cost to the tax payer. This will be achieved through a radical change in the way our services are designed, the way service teams are structured to support service delivery and by making more use of digital technology including Electronic Document Management (EDM), workflow and web based technologies. Rather than cutting services, this is an investment based approach that will realise genuine efficiencies, whilst also realising improvements in levels of services for customers and modernising service delivery.

Implementation of the agreed business case will deliver: -

- recurring net annual savings of £2,483,925 from an investment of up to £7,448,155 (the savings comprise £2,541,821 reduction in staff costs, partly offset by £57,896 net increase in IT systems ongoing maintenance)
- a 'fit for purpose' organisation that will be in a position not only to drive continuous improvement but also to generate additional income to fund and support the council's future priorities.

Recommendations

4. The District Executive is asked to note and comment on the report.

Background

5. The previous quarterly progress report was made to District Executive in October 2018. The Transformation Programme Board continues to meet twice each month to resolve emerging issues and drive the programme forward. The programme has reached a critical phase as the new technology and ways of working are due to be deployed at the end of January 2019. This is a complex fast paced programme of organisational change to reposition the council financially and operationally so that it can deliver service delivery activities within budget and meet modern customer expectations of accessibility and convenience. Essentially it is a technology driven

programme that improves all aspects of people, process and systems to provide significant efficiencies and greater customer experience.

6. The projected annual recurring revenue savings comprise salaries and on-costs only. Associated non-pay savings, other efficiencies from supplies and services made possible by the change programme or by the enhanced capacity for income generation are not included. A provision for workforce exit costs (redundancy and pension strain) of £4m is included in the overall budget. £1.5m of the budget is for new technology solutions to support the digitisation and automation of service delivery that will enable the workforce reductions.
7. Taking into account the provision for workforce exit costs, the payback period for the programme is two years and four months.
8. The programme has been designed to include several workstreams which deliver a new operating model that repositions most of the workforce to align with a different way of working underpinned with automation and a digital first customer offer which will be operational from the end of January 2019.

Programme Status

The programme is on track and within budget and has delivered the expected financial benefits

9. The Programme Board is provided with monthly updates in the form of programme and work stream level status reports. A consolidated quarterly report, is reported to the High Level Steering Group in accordance with the agreed governance structure.
10. The financial benefits of the programme have been realised from the large scale repositioning of the workforce into new roles to support the new operating model. A phased selection process based on a behaviours framework ran from the opening of consultation for Phase 1 roles in February 2017 to the conclusion of selection outcomes for Phase 2/3 roles in September 2018.
11. The outturn position is a reduction in headcount with individuals exiting the organisation by January 2019. The selection outcomes have secured the required £2,483,925 savings as set out in the Business Case and the MTFS. The new establishment budget has been set and will be agreed as part of the re-profiling of budgets to align with the new operating model structure. The in-year savings for 17/18 have been realised and the budget profiles for 18/19 will be net of the target savings.
12. The financial benefits of the programme have been effectively realised upfront, as the workforce numbers and associated establishment budget is reduced at the same time as the technology and new ways of working are deployed. It is therefore essential, as set out in the benefits realisation strategy, that the focus for the organisation is on establishing and sustaining the new ways of working. The strategy places emphasis on compliance and performance to prevent establishment numbers increasing to cover non-value activity. Progress metrics will sit within the corporate performance framework and will be tracked and monitored at intervals to measure effectiveness as the operating model matures.

Sustaining the financial benefits

13. The challenge for the council is to maintain the financial benefits in the revenue budget by embedding and sustaining the new ways of working and achieving the behavioural changes in customers that provide the degree of channel shift required. The backstop control is a robust

Establishment Control process which challenges any request for additional resources which would increase the revenue budget.

14. The benefits realisation strategy includes an action plan which sets out the actions and activities that must be undertaken to ensure the organisation develops and embeds the new ways of working that achieve the required improvements in the benefit drivers in the maturity assessment which were the basis of the identifying the savings in the Business Case. The action plan sets out maturity targets at key milestone points during 2019 which would deliver the necessary improvements. The action plan must be a live document which can flex with the changing organisational and external environment. Monitoring will be aligned with the corporate performance monitoring routines.

Impacts of the programme on council business

Performance

15. Transformation is a disruptive process, reorganising the way an organisation operates into a new operating model, and creating opportunities for innovative practices and new technologies. This naturally affects our “business as usual” activity, as resources are drawn from the organisation to plan, design and implement new ways of working. Balancing our and prioritising our time and efforts is challenging to minimise the impact on customers and ensuring critical activities continue.
16. The performance of services across the Council have been closely monitored throughout the life of the Transformation Programme, and where possible, disruption to customers has been minimised. In cases where service levels have ‘dipped’, managers’ have acted to either create additional capacity from lower priority areas, or have had the opportunity to use additional funding for staffing on a temporary basis. We will continue to be vigilant about protecting key service delivery while new ways of working are established and the new technology platform is fully operational in the new year. Business continuity is a standing item on the Transformation Programme Board and is kept under constant review.
17. In addition, across the Council our teams have continued the delivery of the Council Plan, the Council’s priority projects and achieved recognition for our communities in South Somerset as widely reported through our social media and newsletters.

Area Working

18. In April 2017, the Area Development teams had 9 officers (FTE) supporting project work across the four areas. After the completion of the phase 1 selection activities of the transformation programme, this reduced to 6 officers (FTE). Each area also had support from Community Support Assistants(CSA) and project support. The CSA roles included staffing front desks in Chard, Petters House on Yeovil, Wincanton, Langport and Crewkerne and back office support for area work. Reducing footfall in some areas had already led to the closure of the Ilminster office and withdrawal from front desk cover in Langport.
19. Arrangements to cover the temporary reduction in staffing have been different in each area but have included a mix of increasing hours of part time officers, employing casual support for specific projects, working across different areas and re-prioritising area plans. The important community focussed area working has been retained and should be significantly enhanced when the new Area+ Working of the operating model goes live in January 2019.
20. Area officers have continued to support projects and administer the grants programmes in each area. Reduced capacity has had an impact on grant applications coming forward in some areas and some underspend is expected. Target contact and grant assessment times have been largely

unaffected. Maps showing achievements on an area by area basis are attached to this report at Appendix A.

21. Area Development Teams have worked on 2 significant district wide economic projects over the last few years.
- The SSDC coordinated Market Towns Investment Group has worked on Digital High Streets across the 13 market towns around Yeovil. This has resulted in 29 town centre businesses getting help with their digital presence. Small grants awards of £9,784 have attracted investment of £30,404 in total to help keep these businesses thriving in difficult market conditions. Also a complementary training programme in digital strategy and skills delivered by Cosmic has supported 225 training places across 24 free sessions.
 - The 3 LEADER programmes, covering all rural parts of the district, have been supported, by signposting/ supporting eligible projects and assisting with programme delivery. The result is 41 business and social enterprises have been aided leveraging a total of £2,162,645 of grant to date and a total investment of £4,650,615 into South Somerset.

These projects will continue to be supported via the Economic Development specialism under Area +

22. The capacity of the Community Health & Leisure team has been largely unaffected by the transformation programme. Delivery has continued with a successful programme of playdays and holiday activities and a number of play area improvements completed.

Peer Review

23. A Peer Review visit was completed in October, following up on a visit which took place in March 2017 and was aimed at assessing SSDC's progress since that time with specific focus on the transformation programme and commercial strategy. Peer Reviews are a sector-led improvement activity undertaken by the Local Government Association supported by senior officers and members from other Councils.
24. The Peer Review report praised the efforts and achievements of the transformation programme. This external validation of the programme delivery and impacts is most welcome for staff, managers, leaders and Members after a challenging period. The full report has been published, comments of note include:

"The peer team found the enthusiasm and commitment of staff to be truly remarkable given the level of change occurring and as high as any seen in most authorities."

"Most adverse feedback from staff was not about having to undertake the Transformation process but more a strong desire to 'get on with it' faster."

"It was noticeable that staff felt there had been a real change in management culture in most areas during the last two years and that support and openness had improved significantly."

"The Council's finances are managed prudently and with good self-awareness of the financial position. The result of its good financial management (and the effects of Transformation and commercialisation programmes) is that the Council has a short-term revenue financial position which is relatively positive compared to many other councils."

"While the Council has dealt with some challenging issues so far, some of the hardest parts of Transformation are to come. The introduction of new working practices and channel shift in customer-facing services will place considerable strains on staff and members alike."

“The Council does have a good awareness of what still has to be done and committed leadership to do this.”

25. The last two points above relate to the significant work to transition the front facing service delivery activities from the old ways of working to the new teams, technology and ways of working at the end of January 2019. There are plans in place to manage this undertaking and managers are actively engaged in ensuring the best possible outcomes from maximising the opportunities of the operating model and new technology. However, further disruption is expected for a short period whilst staff learn new computer systems and work alongside new teams. As detailed in paragraph 18, service delivery performance is being closely monitored to protect key services as much as possible.

Next steps

26. The Transformation Programme delivers the workforce positioned into new roles and teams in a new operating model together with new technology that underpins the new ways of working at the end of January 2019. The scale of this change whole organisational change of people, process and systems cannot be understated. The temporary resources and the consultancy support that were bought in to support the delivery of the programme are due to cease at this time, as was set out in the business case funding.

27. However, the work to embed the new ways of working and the behavioural shift in the customer base to adopt the digital provisions will require significant effort and management. Plans are under development to ensure the appropriate resourcing, governance and monitoring is in place to manage the phased introduction of the new technology between January and May and the residual service redesign of the lower priority/low transactional volume activities of the council. The transition from Transformation Programme to Change as a “business as usual activity” will be carefully managed and some temporary resourcing may be required to support the transition, this will be funded from existing transition funds and the new establishment budget.

Financial Implications

28. The Business Case for the transformation programme set a comprehensive budget to fund the costs associated with delivering the new operating model. There was significant provision for workforce exit costs, new technology and programme delivery. Spend against the budget has been monitored through the life of the programme and reported through the Programme Board and previous district executive reports. There has been movement between revenue and capital funding of expenditure as the actual spending commitments have become known. Overall the costs are within expectations. As the end of the programme approaches the remaining expected spend has been profiled and is shown in the following table:

	Budget provision (re-profiled October 18)	Actual spend to November 2018	Further projected spend to April 2019	Projected Underspend (-) / Overspend
Capital	2,041,411	1,470,952	577,653	7,194
Revenue	1,612,478	1,409,957	187,570	-14,951
Redundancies and pension strain	4,044,700	2,112,709	1,880,564	-51,427
Total	7,698,588	4,993,617	2,645,787	-59,184

29. Overall the budget bottom line position is that the transformation programme can be delivered within budget based on current known expected spend as at 15.11.18.

Risk Matrix

30. Programme risks are actively managed through the programme risk register and monitored through the Programme Board and High Level Steering Group. The current heat map is as follows:

Catastrophic					
Major	2				
Moderate	1		7		
Minor		6			
Insignificant					
	Remote	Unlikely	Possible	Probable	Highly Probable

Council Plan Implications

31. This report is consistent with the Council Plan 2016 – 2021. Transformation is a priority of the current Plan.

Carbon Emissions and Climate Change Implications

32. There are no direct implications

Equality and Diversity Implications

33. There are no direct implications in this report. The redesign of services will require impact assessments to ensure new service delivery options meet with all relevant requirements. The assessment process is embedded into the service redesign work stream.

34. An Equality Impact Assessment was undertaken in 2017 prior to commencing the selection process for the repositioning of roles in the organisation. The Equality Impact Assessment deemed there was no inequitable impact for any group as a result of the reorganisation proposals as sufficient measures have been taken to address any potential areas of risk. The assessment was attached as one of the appendices to the formal consultation document in both phase 1 and phases 2/3.

Privacy Impact Assessment

35. There are no direct implications

Background Papers:

Reports to District Executive and Transformation Programme Board as mentioned in this report.

Area North local project support (April - Dec 2018)

Turn Hill

- Support to High Ham Millennium Wood project production resources for Family Challenge
- Support with High Ham Housing Needs Survey
- Grant support to Long Sutton Cricket pavilion enhancement (£790)

Curry Rivel

- Support to local play day in Curry Rivel
- Fortnightly Health Walks

Islemoor

- Support to create new community facilities for playing field and play areas
- Support to Ilton Summer play day
- Grant support to Curry Mallet Village Hall and play area (£380)

Burrow Hill

- Grant support for ongoing refurbishment of Kingsbury Episcopi church rooms
- Solar panels project at Community Centre at Kingsbury Episcopi
- Grant support for Outdoor gym equipment at Barrington (£1638)

South Petherton

- Support to Local Information Centre (£500)
- Support to South Petherton Neighborhood and Parish plans
- Support to Blake Hall improvements
- Support to South Petherton play day
- Fortnightly Health Walk
- Weekly FitSteps classes
- Support to set up Seavington Community Land Trust
- Support to Seavington village hall car park and access improvements
- Support to Shepton Beauchamp Pavilion refurbishment
- Support to renovate Seavington play area

Wessex

- Grant support to Somerton Information Centre (£500)
- Somerton play day
- Fortnightly Health Walks and monthly Short Walks for beginners

Langport & Huish

- Grant support to Langport Information Centre (£500)
- Development support of community facilities at Huish Leisure
- Support towards Electric car charging point as Whatley Car Park in Langport
- Support for River Access infrastructure project (£8,452)
- Support and funding to Langport to Muchelney cycleway transferred into local ownership (£10,000)
- Weekly Health Walks
- Weekly Beginners Zumba classes
- Support to Langport & Huish skate park and changing rooms project

St Michaels

- Support to Montacute new Pavilion

Martock

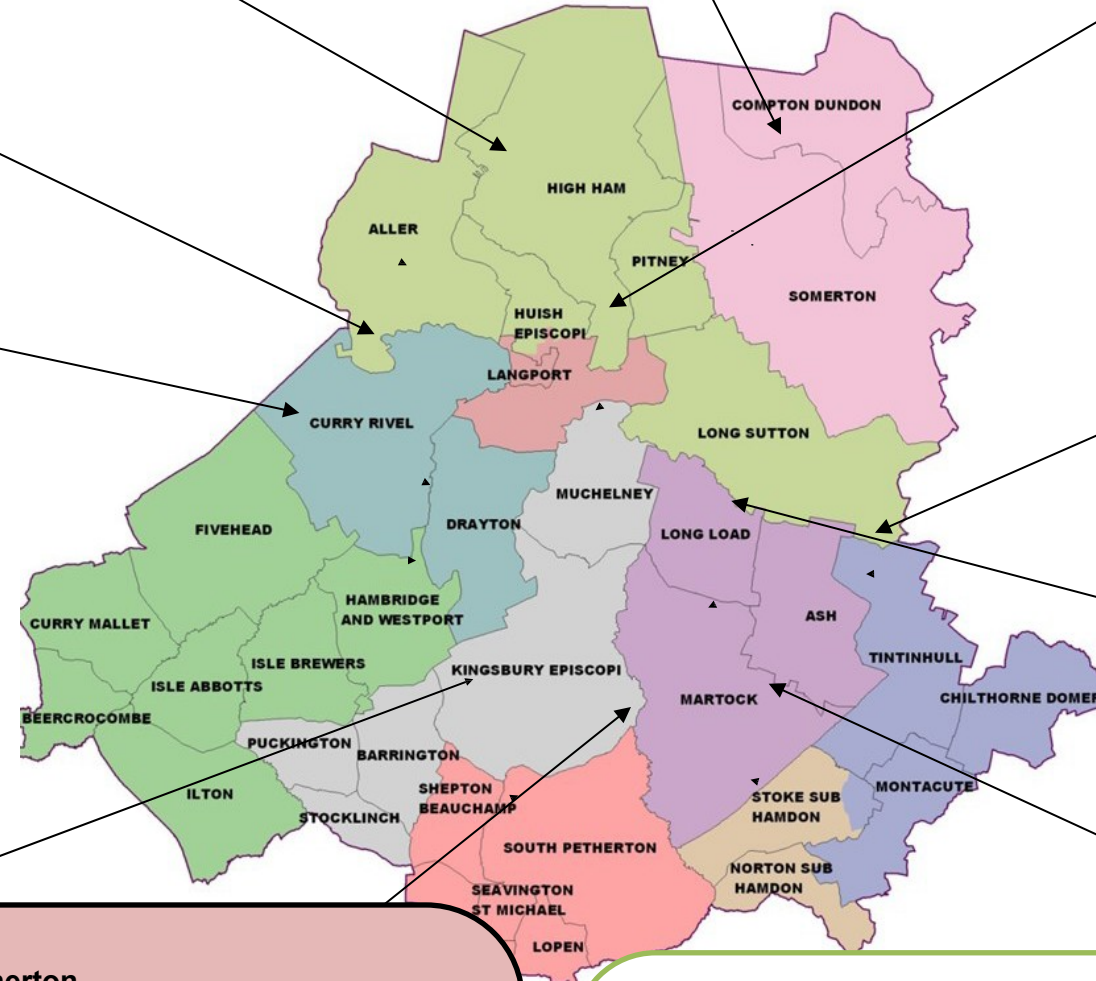
- Support to Martock Community Plan
- Grant support to Martock Information Centre (£500)
- Economic appraisal for Parrett Works
- Monthly Health Walks
- Support to Long Load Village Hall improvements (£5,000)

Area Wide Programmes

- Engagement with Town and Parish Councils
- South Somerset Market Towns Investment Group Digital Audit – 3 support programmes in process – (small business grants, capital grants and training)
- Levels and Moors Local Action Group (Leader) – additional funding available due to € exchange rate
- Area North Business resilience and marketing – ongoing work including networking meetings and promotional publications

Hamdons

- Support to community group considering purchase of United Reformed Church
- Fortnightly Health Walks
- Support to Stoke Sub Hamdon activity and adventure hub



Area East local project support Apr-Dec 18

Cary

- Galhampton Village Hall – Lottery award of £743,856 secured.
- Support for preparation of draft Neighbourhood
- Fairfield Project – pump track, path, gym
- Support for the transfer of Market House
- Play days
- In it together project – Beginners kettlebells
- Health walks
- Grant support to Local Information Centre support (£)
- £10,000 lottery grant for Chapel Cross Digital Media Project
- Support to North Cadbury Community Plan
- Grant support to South Cadbury defibrillator project (£1,000)
- Grant support to North Cadbury Allotments (£300)
- Grant support to Cary Ford Hall (£12,500)
- Grant support to Castle Cary Library Project (£1,000)
- 5 Retail Support Initiative grants awarded (£)

Northstone

- Support to Charltons Community Plan
- Support to Charlton Adam Play day

Bruton

- Support towards the potential options for the future of Unionist Club
- Support towards the moving of Bruton MUGA project to delivery stage

Tower

- Support to Hadspen Village Hall car park extension
- Grant support to Bayford history and memories book (£250)
- Grant support to Cucklington village hall car park upgrade (£6,000)
- Grant support to Penselwood historic fingerpost restoration (£700)
- Grant support to Shepton Montague fingerpost restoration £1,000)

Ivelchester

- Support to Feasibility study for new scout hut
- Support to Limington Housing Needs Survey
- Grant support to Ilchester for purchase of allotment area (£6,500)

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Camelot

- Support to Queen Camel Neighbourhood plan to statutory consultation
- Support to Queen Camel Housing Needs Survey
- Support to Sparkford Play day
- In it together project – Beginners running
- Health walks
- Grant support to Sparkford Scout group, box trailer purchase (£1,000)

Blackmore Vale

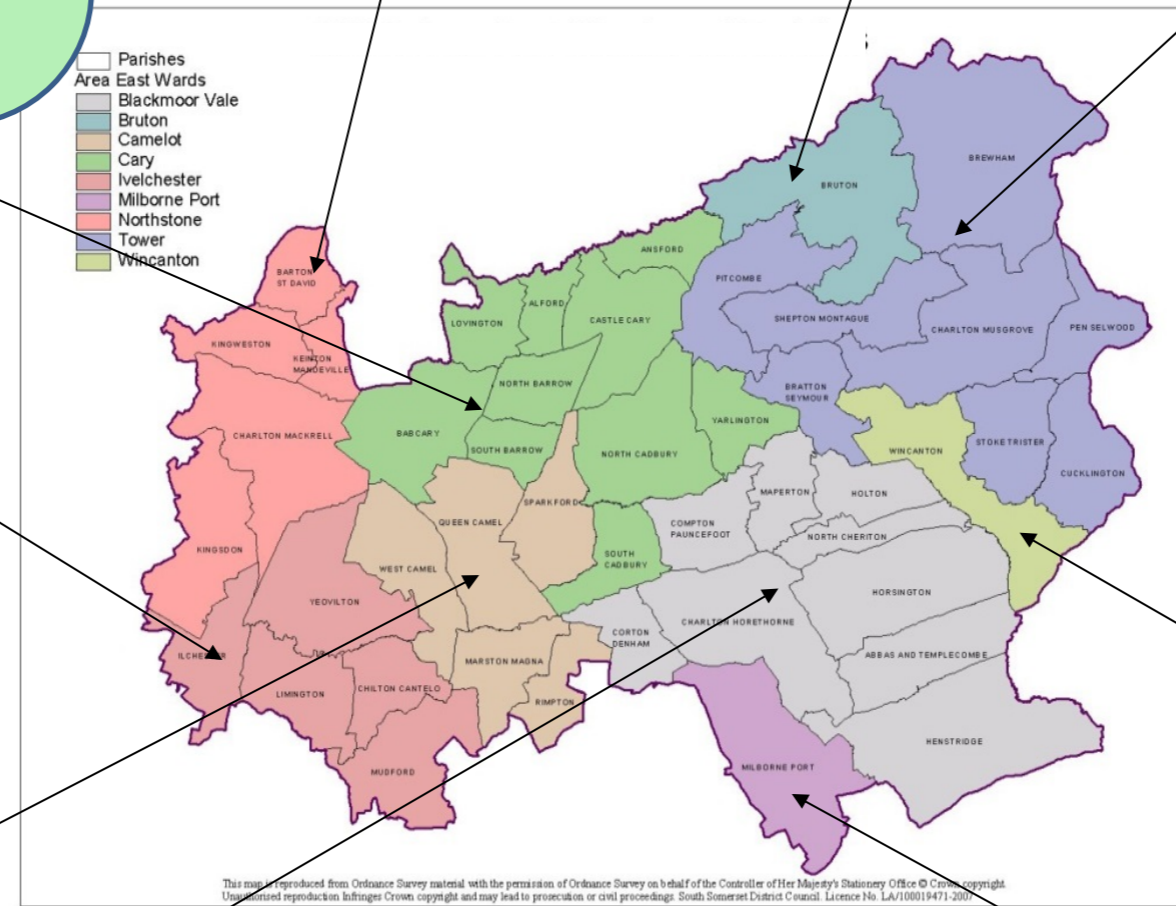
- Support to Henstridge Housing Needs Survey
- Charlton Horethorne Millennium Gym equipment
- Templecombe Play day
- Grant support to Charlton Horethorne croquet club, landscaping and re-felting of clubhouse (£348)

Area wide

- Workspace Demand Study commissioning and reporting
- Retail Support Initiative – town & rural shops and enhanced programme in Wincanton
- Support to community associations, village halls and charities
- Annual Town & Parish Council meeting
- Heart of Wessex LAG – encouraged eligible projects to apply for funding
- Heart of Wessex Rail Partnership –support station improvements & seek better services and new website to attract visitors
- Digital audit training and grants

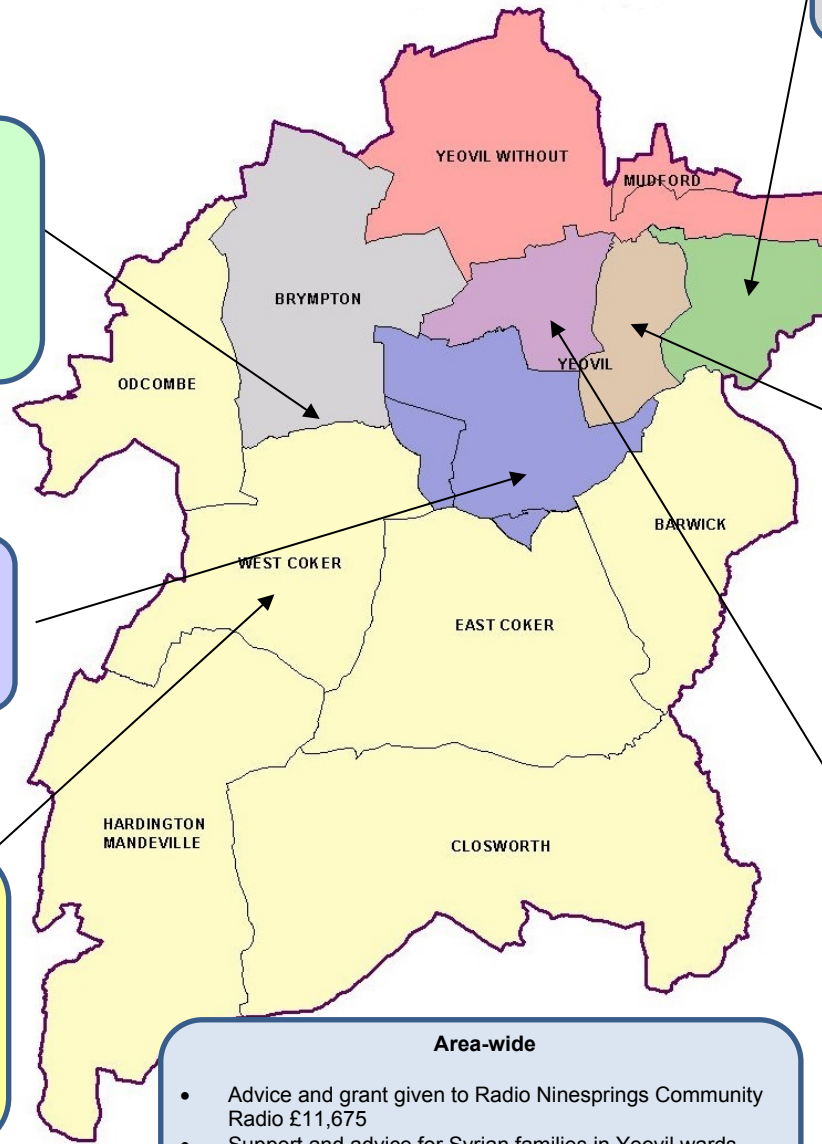
Milborne Port

- Access improvements to Market House
- Support to Housing Needs Survey
- Play day
- Grant support to Springfield Road car park improvements £3,910



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Area South local project support (Apr – Dec 18)



Yeovil East

- Reckleford Road Scheme completed.
- In it Together 16+ Girls Activities - Yeovil Boxing Club

Yeovil Central

- 7 Banner bookings, income £500
- 12 Bandstand bookings, income £100
- 10 Promotional pitch bookings (Primark), income £75
- Year 4 of Town Centre Ranger Scheme in progress
- Continued support to Love Yeovil Marketing Group
- Super Saturday event (entertainment at St. Johns successfully delivered)
- Empty premises audit carried quarterly
- Programming commenced for Xmas Lantern Parade and stage activities
- Street market outsourced to MSD markets Ltd
- Support given to launch of Yeovil Refresh.
- Grant support and advice given to Love Yeovil Marketing Group (Town Centre Events Project)
- Continued support and advice to Milford Community Association
- Support and advice to Yeovil District Swimming Club
- Schools out Summer Playdays – Milford
- National playday
- Youth Day - Milford

Brympton

- Establish a new Kingfisher Community Association
- Continue to work on establishing a dual use school and community centre
- Schools out Summer Playdays – Yew Tree Park
- Youth day – Oaktree Park

Yeovil South

- In it Together 16+ Girls Activities – Westlands Badminton

Coker

- Advice and grant given to St. Marys Magdalanes Church, Barwick (Tower roof renovation and community heritage project)
- Help and advice given for the new pavilion project at West Coker
- Playday

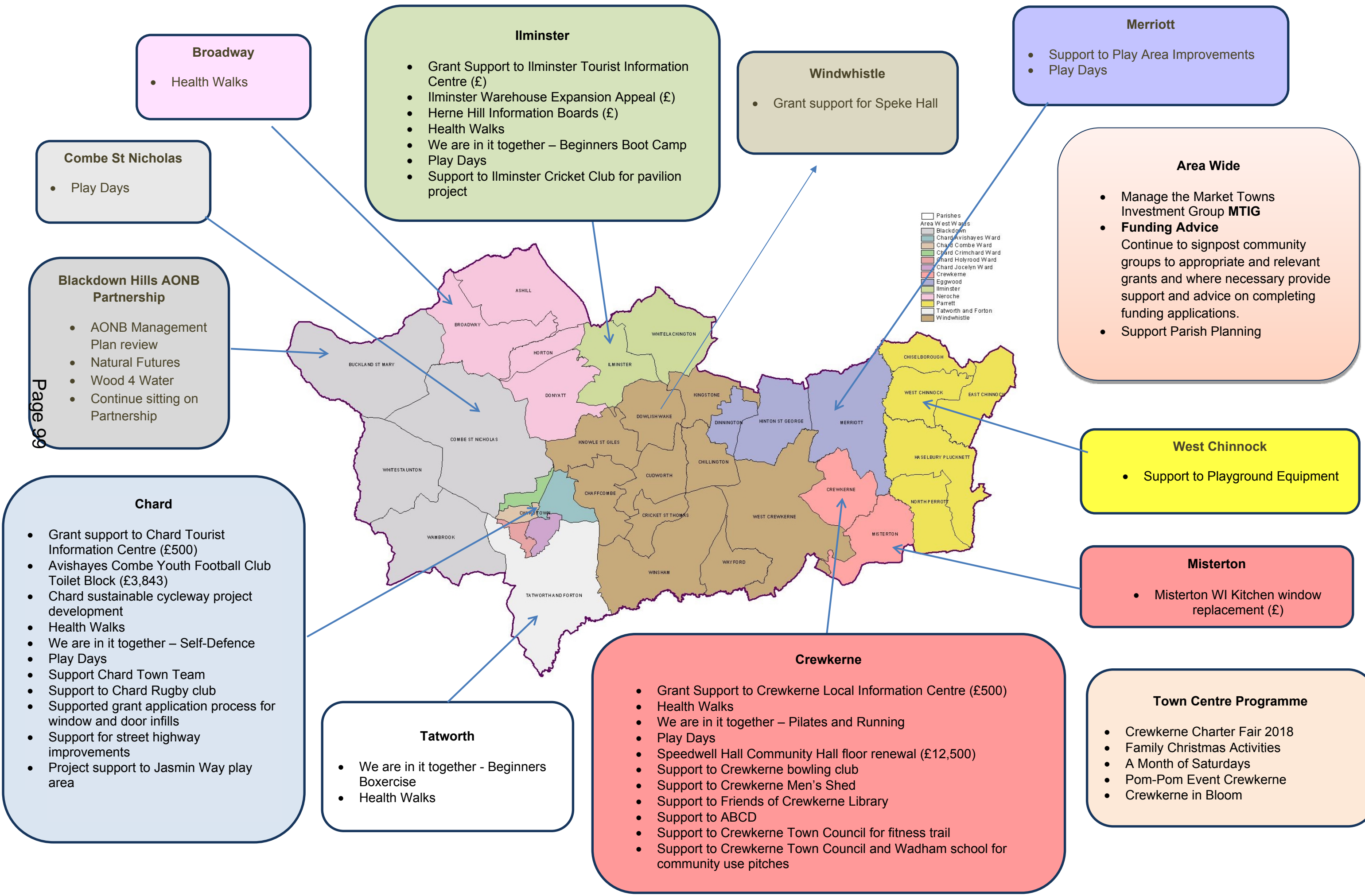
Area-wide

- Advice and grant given to Radio Ninesprings Community Radio £11,675
- Support and advice for Syrian families in Yeovil wards seeking funding for day activities in school holidays
- Support and advice to Yeovil 4 Family ref funding for toddler group

Yeovil West

- Grant applications made on behalf of Westfield Community Association including Viridor and Prime
- Advice and grant support given to Westfield Community Association and St Peters Church on the new Community Centre £95,000)
- Schools out Summer Playdays – Westfield School
- In it Together 16+ Girls Activities – Westfield School Netball
- In it Together 16+ Girls Activities – Yeovil Recreation, Running

Area West local project support (April – Dec 2018)



Broadway

- Health Walks

Iminster

- Grant Support to Iminster Tourist Information Centre (£)
- Iminster Warehouse Expansion Appeal (£)
- Herne Hill Information Boards (£)
- Health Walks
- We are in it together – Beginners Boot Camp
- Play Days
- Support to Iminster Cricket Club for pavilion project

Windwhistle

- Grant support for Speke Hall

Merriott

- Support to Play Area Improvements
- Play Days

Combe St Nicholas

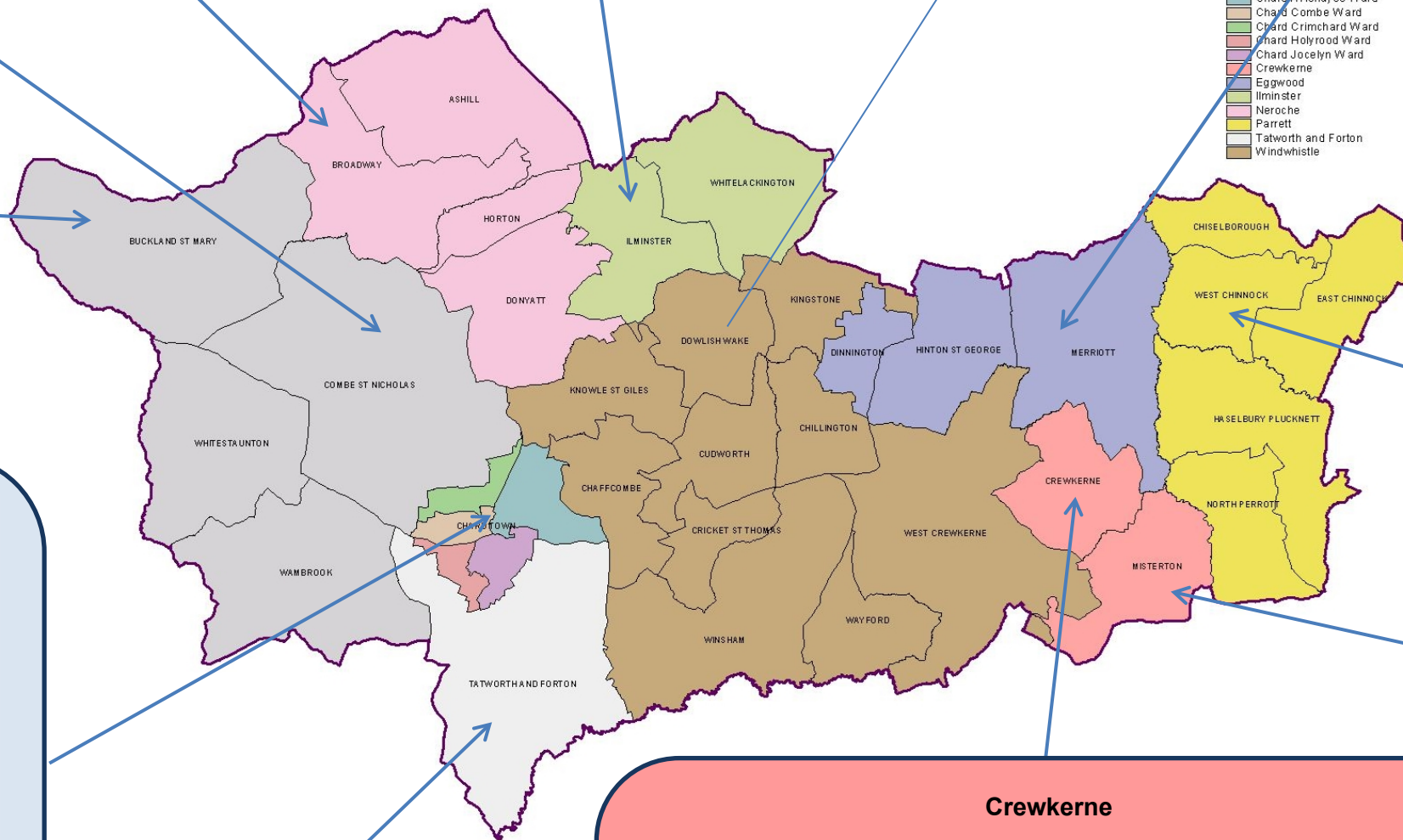
- Play Days

Area Wide

- Manage the Market Towns Investment Group **MTIG**
- **Funding Advice**
Continue to signpost community groups to appropriate and relevant grants and where necessary provide support and advice on completing funding applications.
- Support Parish Planning

Blackdown Hills AONB Partnership

- AONB Management Plan review
- Natural Futures
- Wood 4 Water
- Continue sitting on Partnership



West Chinnock

- Support to Playground Equipment

Chard

- Grant support to Chard Tourist Information Centre (£500)
- Avishayes Combe Youth Football Club Toilet Block (£3,843)
- Chard sustainable cycleway project development
- Health Walks
- We are in it together – Self-Defence
- Play Days
- Support Chard Town Team
- Support to Chard Rugby club
- Supported grant application process for window and door infills
- Support for street highway improvements
- Project support to Jasmin Way play area

Misterton

- Misterton WI Kitchen window replacement (£)

Tatworth

- We are in it together - Beginners Boxercise
- Health Walks

Crewkerne

- Grant Support to Crewkerne Local Information Centre (£500)
- Health Walks
- We are in it together – Pilates and Running
- Play Days
- Speedwell Hall Community Hall floor renewal (£12,500)
- Support to Crewkerne bowling club
- Support to Crewkerne Men's Shed
- Support to Friends of Crewkerne Library
- Support to ABCD
- Support to Crewkerne Town Council for fitness trail
- Support to Crewkerne Town Council and Wadham school for community use pitches

Town Centre Programme

- Crewkerne Charter Fair 2018
- Family Christmas Activities
- A Month of Saturdays
- Pom-Pom Event Crewkerne
- Crewkerne in Bloom

Agenda Item 14

Notification of an Urgent Executive Decision - Short term funding facility required to SSDC Opium Power Ltd to accommodate VAT cashflow during VAT reclaim period

Executive Portfolio Holder: Val Keitch, Strategy & Policy
Director: Clare Pestell, Director – Commercial Services & Income Generation
Lead Officer: Clare Pestell, Director – Commercial Services & Income Generation
Contact Details: clare.pestell@southsomerset.gov.uk or 01935 462520

Purpose of the Report

1. The purpose of this report is to notify Members of an urgent executive decision made by the Chief Executive in consultation with the Council Leader and Portfolio Holder for Property, Climate Change and Income Generation to use short term funding facility required to SSDC Opium Power Ltd to accommodate VAT cashflow during VAT reclaim period.

Background

2. SSDC Opium Power is the Special Purpose Vehicle established to deliver and manage the Council's energy storage investment.
3. This Urgent Decision has arisen due to a short term cashflow matter arising in relation to SSDC Opium Power Ltd VAT payments and VAT rebates. The cashflow matter does not affect the overall cost of the project which is still within the original budget agreed. SSDC Opium Power Ltd earlier this year, was advised that VAT would not be chargeable on the Battery Containers being shipped to the UK, as China was outside of the EU. They provided a credit for the first invoice that VAT had been paid on to confirm this advice.

Recommendation

4. That Council note the urgent executive decision made by the Chief Executive in consultation with the Council Leader and Portfolio Holder for Property, Climate Change and Income Generation to use short term funding facility required to SSDC Opium Power Ltd to accommodate VAT cashflow during VAT reclaim period.

Report

5. The containers are scheduled to arrive in the UK week commencing 3rd December. The SPV has now been advised by the shipping handlers and transporters that VAT is initially payable on the 18 battery storage containers but can be reclaimed i.e. there is no additional cost overall. However, to release the containers, the VAT is required to be paid.
6. Having previously budgeted for no VAT to be paid on this substantial cost element of the project, the SPV is now left at very short notice with a VAT bill that has not been

considered in cashflow terms, but this will be reclaimed and rebated in the next quarter, estimated to be March 2019.

7. The SPV has sought external provision of an overdraft facility from its own bank, but this would cause delays to the project in setting this facility up and the security terms are unacceptable to SSDC.
8. Therefore an Urgent Decision is required in order to pay the VAT invoice immediately in order to release the battery storage containers and ensure that the project continues to roll out on time and in budget without incurring any financial penalties or future project repayment or revenue delays to SSDC.
9. If the VAT invoice is not paid in full by 3rd December the Battery Storage Containers will simply not be released from the port on the due date thus causing project delays that would put the council at a financial disadvantage.

Financial Implications

10. The short term loan sum for the VAT invoice required is **£1,351,649.84** from 3rd December 2018. This is to allow the VAT claim to be made at the end of the VAT period (quarter end) and for the rebate to be received approximately one month later, with some flexibility to allow for any delays at HMRC. If the rebate is received earlier, then full repayment of the short term loan will be made earlier and immediately upon receipt of funds.
 11. SSDC is therefore agreeing to loan the required sum to SSDC Opium Power Ltd, on the above terms, at a commercial rate of 5.25% per annum, which is equal to the charges that its own bank would have made. Therefore, SSDC will benefit from the financial margin that it makes on this loan. The requirement to lend money to an arms length organisation (the SPV) at a commercial rate also ensures that there are no 'state aid' issues arising.
 12. At present the VAT quarterly return will be made at the end of January 2019 with the rebate likely to be made during March 2019. At this time the loan and interest provided for this VAT invoice will be repaid in full to SSDC.
 13. The SPV has its own independent private accountants, who have provided a statement to support the requirement of this loan for short term VAT cashflow requirements.
-

Agenda Item 15

District Executive Forward Plan

Executive Portfolio Holder: Val Keitch, Leader, Strategy and Policy
Lead Officer: Angela Cox, Democratic Services Specialist
Contact Details: angela.cox@southsomerset.gov.uk or (01935) 462148

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

Date of Decision	Decision	Portfolio	Service Director	Contact	Committee(s)
February 2019	Presentation on the work of SPARK	Portfolio Holder Leisure & Culture	Director Strategy and Support Services	David Crisfield, Third Sector and Equalities Co-ordinator	District Executive
February 2019 February 2019	Loan to Queen Camel Community Land Trust for the purchase of the Old School site, Queen Camel	Portfolio Holder for Finance and Legal Services	Director Strategy and Support Services	Paul Fitzgerald, Section 151 Officer	District Executive South Somerset District Council
February 2019 February 2019	Approval of Council Plan 2019/2020	Portfolio Holder for Strategy and Policy	Director Strategy and Support Services	Netta Meadows, Director (Strategy & Support Services)	District Executive South Somerset District Council
February 2019 February 2019	South Somerset Local Plan Review, approval of Preferred Options for consultation	Portfolio Holder for Strategic Planning (Place Making)	Director Strategy and Support Services	Jo Wilkins, Acting Principal Spatial Planner	District Executive South Somerset District Council
February 2019 February 2019	2019/20 Budget and Medium Term Financial Strategy	Portfolio Holder for Finance and Legal Services	Director Strategy and Support Services	Paul Fitzgerald, Section 151 Officer	District Executive South Somerset District Council

Date of Decision	Decision	Portfolio	Service Director	Contact	Committee(s)
February 2019	Capital & Revenue Budget monitoring reports for Quarter 3	Portfolio Holder for Finance and Legal Services	Director Strategy and Support Services	Nicola Hix, Lead Specialist (Finance)	District Executive
February 2019	Quarterly Performance and Complaints Monitoring Report	Portfolio Holder for Strategy and Policy	Director Strategy and Support Services	Specialist (Performance)	District Executive
March 2019	Somerset Housing Strategy	Portfolio Holder for Strategy and Policy	Director Strategy and Support Services	Leisa Kelly, Specialist – Strategic Planning	District Executive
March 2019	District Wide Voluntary Sector Grants	Portfolio Holder for Strategy and Policy	Director Strategy and Support Services	David Crisfield, Third Sector and Equalities Co-ordinator	District Executive
March 2019	Adoption of new Equality Policy and Objectives	Portfolio Holder for Strategy and Policy	Director Strategy and Support Services	David Crisfield, Third Sector and Equalities Co-ordinator	District Executive
March 2019	Final Built Leisure Facility Strategy	Portfolio Holder Leisure & Culture	Director Support Services	Lynda Pincombe, Specialist - Strategic Planning	District Executive
March 2019	Progress report on the SSDC Holding & Trading Company	Portfolio Holder for Property & Climate Change and Income Generation	Director Commercial Services & Income Generation	James Divall, Income Opportunity Development Manager	District Executive

Date of Decision	Decision	Portfolio	Service Director	Contact	Committee(s)
June 2019	Annual review of the Regulation of Investigatory Powers Act 2000 (RIPA)	Portfolio Holder for Finance and Legal Services	Director Strategy and Support Services	Paula Goddard, Legal Specialist	District Executive
July 2019	Capital & Revenue Budget out-turn reports 2018/19	Portfolio Holder for Finance and Legal Services	Director Strategy and Support Services	Paul Fitzgerald, Section 151 Officer	District Executive
July 2019 July 2019	SSDC Annual Performance Report 2018/19	Portfolio Holder for Strategy and Policy	Director Strategy and Support Services	Specialist (Performance)	District Executive South Somerset District Council
July 2019	Transformation Project Progress Report	Portfolio Holder for Strategy and Policy	Chief Executive	Strategic Lead for Transformation	District Executive
TBA	Leisure Contracts	Portfolio Holder Leisure & Culture	Director Service Delivery	Lynda Pincombe, Specialist - Strategic Planning	District Executive
TBA	Dualling of A303 from Sparkford to Ilchester	Portfolio Holder for Strategic Planning (Place Making)	Director Strategy and Support Services	Jo Manley, Specialist (Strategic Planning)	District Executive

APPENDIX B - Current Consultations – January 2019

Purpose of Document	Portfolio	Director	Response to be agreed by	Contact	Deadline for response
<p>Review of local authorities’ relative needs and resources</p> <p>This consultation seeks views on the approach to measuring the relative needs and resources of local authorities, which will determine new baseline funding allocations for local authorities in England in 2020-21.</p> <p>This consultation:</p> <ul style="list-style-type: none"> • proposes to simplify the assessment of local authorities’ relative needs • considers the type of adjustment that will be made to an authority’s relative needs assessment to take account of the relative resources available to them to fund local services • proposes a set of principles that will be used to design potential transitional arrangements and examines how the baseline for the purposes of transition should be established. <p>https://www.gov.uk/government/consultations/review-of-local-authorities-relative-needs-and-resources?utm_source=b8314d99-0434-4782-b68f-b0325166b085&utm_medium=email&utm_campaign=govuk-notifications&utm_content=daily</p>	<p>Finance and Legal Services</p>	<p>Director – Strategy and Support Services</p>	<p>Officers in consultation with Portfolio Holder</p>	<p>Nicola Hix</p>	<p>21 February 2019</p>

Agenda Item 16

Date of Next Meeting

Members are asked to note that the next scheduled meeting of the District Executive will take place on **Thursday, 7th February 2019** in the Council Chamber, Council Offices, Brympton Way, Yeovil commencing at 9.30 a.m.