
District Executive

Thursday 5th September 2019

9.30 am

**Council Chamber, Council Offices,
Brympton Way, Yeovil, 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 28 August 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
Mike Best
John Clark
Adam Dance
Sarah Dyke
Peter Gubbins
Henry Hobhouse
Val Keitch
Tony Lock
Peter Seib

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 5 September 2019

Agenda

1. Minutes of Previous Meeting

To approve as a correct record the minutes of the District Executive meeting held on Thursday 1st August 2019.

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. Allowenshay Private Water Supply (PWS) (Pages 4 - 10)

7. Financial Strategy 2020/21 (Pages 11 - 30)

8. Commercial Strategy 2017-2021 (Interim Update 2019) (Pages 31 - 52)

9. Accelerating Housing Supply in South Somerset - Housing Infrastructure Fund (Pages 53 - 71)

10. Public Space Protection Orders: Yeovil (Pages 72 - 127)

11. The 'Making' of the Castle Cary and Ansford Neighbourhood Plan (Pages 128 - 130)

12. District Executive Forward Plan (Pages 131 - 135)

13. Date of Next Meeting (Page 136)

Agenda Item 6

Allowenshay Private Water Supply (PWS)

Executive Portfolio Holder: Cllr Mike Best, Health and Well-Being
Ward Member Cllr Sue Osborne
Director: Martin Woods, Service Delivery Director
Service Manager: Nigel Marston, Specialist Team Manager, Service Delivery
Lead Officer: Vicki Dawson, Lead Specialist, Environmental Health
Contact Details: Vicki.dawson@southsomerset.gov.uk or 01935 462546

Purpose of the Report

1. To agree financial support that the Council can provide to residents of Allowenshay, Dinnington and Hinton St George in relation to improvements required to their private water supply.

Forward Plan

2. This revised report appeared on the District Executive Forward Plan for September 2019.

Public Interest

3. One of the statutory functions of the Council is to regulate private water supplies within the district. This falls under the Council's public health responsibilities in ensuring that private water supplies are healthy for users and do not pose any health risks, which includes actual risks and potential risks that may arise. A private water supply may come from a spring, well or borehole and will be under the control of private individuals or companies. Where such a supply provides water to more than one dwelling, or commercial premises, the Council has duties and powers to ensure it is wholesome, sufficient and safe for use.

To achieve this Environmental Health staff routinely sample water from such supplies and carry out risk assessments of such supplies. Where problems are identified, notices can be served on the persons responsible for the provision of the water requiring them to carry out work needed to improve the supply.

This report relates to the private water supplies in Allowenshay where there have been ongoing concerns with the supply over a number of years. Most recently a Notice was served requiring works to improve the supply. Due to the extensive works required this is causing financial difficulties and concerns for residents who will need to meet the costs of improving the supply. The Council has been asked to consider if there is any assistance that can be provided to the residents given the critical public health need for them to have a safe water supply.

Recommendations

4. That the District Executive:
 - a. Agree that the Exceptions and Appeals Panel be asked to vary the policy for this case only for the approval of a Home loan through Wessex Resolutions CIC to make it available to all residents served with the Notices regardless of the vulnerability or financial status;
 - b. Alternatively agree to approve the provision of a one-off capital grant of £26,100 towards the infrastructure cost of providing mains water to Allowenshay village to support those who have been the subject of the Notice requiring improvements to be made;

- c. In the case of b, also approve the Supplementary Budget addition of £26,100 (rounded) to the Capital Programme, to be funded from the Capital Receipts Reserve, for “Water Infrastructure Improvement Grants” to provide the necessary budget approval for recommendation (a);
- d. In the case of b and c to note that a further request may come forward from other residents subject to the same Notice, for assistance with the cost of remedial works in future, and to agree to consider such a request if received. This should be limited to a proportionate amount based upon the houses affected of £21,000.

Background

5. The Allowenshay PWS is fed by a number of spring features that originate some distance south of the village of Allowenshay in Somerset. The water from the spring features flows via various storage and distribution arrangements to feed some properties in Dinnington and Allowenshay. Over time, several properties within Allowenshay have chosen to seek alternative private supplies of water and as a result, only some of the properties within the village are still on the Allowenshay PWS. Additionally, the Allowenshay PWS was previously supplemented by a borehole that was sunk in 1990; since 2017 this has no longer been the case. The supply consists of 5 wells in Halcombe Copse on Windwhistle Hill from which water is piped 3km to Allowenshay via Hill Farm. At Hill Farm the water is held in a reservoir tank with the overflow filling a second reservoir that feeds Allowenshay.
6. The Council are the regulatory authority responsible for ensuring that private water supplies do not pose a risk to health in accordance with the Private Water Supply (England) Regulations 2016. The Council also has powers under the Water Industry Act 1991, to deal with a private water supply which is failing or unwholesome.
7. Following issues of insufficiency and unwholesomeness the Council served a Notice requiring improvements in 2015. There was only partial compliance with the Notice and further enforcement was considered by District Executive in February 2017. The decision at the time was to take no further action.
8. Following ongoing issues with the supply the matter was considered again and a further Notice served in 2018. For legal reasons this Notice was served on consumers of the supply as well as the company considered to exercise management and maintenance of the supply. Numerous representations were made against this Notice and it was considered by the Drinking Water Inspectorate (DWI). The conclusion was that a Notice was appropriate for this supply to ensure the water is wholesome and sufficient. The Notice was therefore confirmed with modifications in February 2019. Following discussions with the DWI a further Notice was also served on the same persons due to a potential danger to health of the consumers.

Action to date

9. The confirmed Notice gave the relevant persons three options for compliance:
 - a) Source water from the public supply by way of a connection to mains water; or
 - b) Connect to the other private water supply operated by the Allowenshay Water Company once the Council has confirmed the supply is wholesome; or
 - c) Source a sufficient and wholesome supply of water from a private water supply and implement a programme of ongoing and appropriate maintenance of that supply to ensure the supply continues to remain sufficient and wholesome.
10. DWI also recommended that the Council supports the relevant persons as a collective, so much as is possible, to ensure the delivery of the outcome of the Confirmed (with modifications) Notice to secure wholesome and sufficient water.

11. Officers from the Council held a public meeting on 27th March 2019 to which all "relevant persons" (users and the company considered to exercise management competence over the water supply) were invited. This allowed discussion of the situation along with some initial dialogue regarding what further support the Council may be able to provide. A query was raised regarding any financial help that may be possible and an undertaking was given to look into this possibility.
12. The relevant persons have been considering their options and a number have decided their wish is to follow option a) to connect to mains water. They have explored various ways to keep the costs as low as possible but the total cost is still significant. The residents involved in this scheme, many of whom no longer work, are struggling to fully finance this and there is currently a shortfall on this scheme of £26,100.
13. There are other relevant persons who live some distance from Allowenshay village itself and connection to mains water is unlikely to be viable for those persons due to the distance and cost involved. These residents are therefore still to determine what course of action they wish to take. There may be other costs for other schemes yet to come forward over the next four to six months. Taking a pro-rata approach an amount of £21,000 should be set aside should it be requested from those other residents who have been subject to the same Notice. Any other such proposal coming forward would still be subject to approval by the appropriate committee.
14. The case has been very involved with complicated legalities. The DWI have been involved giving advice and guidance to all parties in addition to their role in considering representations made against the Notices. They have commented on how complex this case has been and its unusual nature, and they have had to dedicate considerable time themselves to considering all the factors involved.
15. It is in this context that officers have discussed the situation and, with the agreement of this Committee, believe that given the circumstances of the case financial assistance should be offered to help cover the shortfall of £26,100 in the cost of the infrastructure to allow essential works to go ahead. Providing assistance will allow some of the recipients of the s 80 Notice to meet their obligations, and will open up an option that some of the remaining residents could use to meet their obligations if they choose. Officers believe any assistance offered should also be made available to the remaining residents, if requested, once a suitable scheme has been agreed. drawing to a conclusion a longstanding matter.
16. Whilst the Council has no statutory obligation to fund improvements to private water supplies, provision of such assistance is in accordance with the Councils functions and legal powers of both the Water Industry Act 1991 and the Private Water Supply Regulations 2016. In addition provisions of The Local Government Act 1972 and The Localism Act 2011 support the allowance of this expenditure.
17. Should the Notice not be complied with the Council will have to consider again its enforcement options and further action that may be required to ensure a safe and wholesome supply of water. These options would include the carrying out of works in default of the Notice and recovering costs from relevant persons. Such a route could entail considerable cost and time resource and so it is the officers view that an appropriate and proportionate route would be to support residents in meeting the requirements of the notice.

Further information

18. When this item was considered by The District Executive at its July meeting officers were advocating the provision of a grant to meet the funding shortfall. At that meeting the item was deferred and officers were asked to provide further information about the availability of offering a low interest loan through the Wessex Home loans scheme, as a preferred mechanism for providing assistance. Officers were also asked to provide more information about other private water supplies in the district.

19. The total cost of the works is £199,100 to bring mains water into the village with the necessary connections. This includes money required to pay for easements and compensation to landowners whose land the water main will have to cross. The current scheme has been negotiated with Wessex Water. There are 15 residents wishing to join this scheme although this is still leaving a shortfall of £26,100. If this shortfall cannot be found then 5 of the residents have stated they will not be able to proceed on financial grounds meaning the cost to the remaining residents would increase further. This may make the scheme unviable.
20. Concerns have been raised by one of the Directors of the Allowenshay Water Company (AWC) regarding the recommendation in the previous report to make public money available to help finance a scheme. A number of residents set up and paid for the AWC infrastructure some years ago and continue to use, maintain and pay for it. No financial support was provided to those residents at the time. Connection to and use of the AWC supply is one of the options that was given in the Notice.

Wessex Loans

21. Wessex Resolutions CIC work in partnership with the Council to offer low interest loans (known as Wessex Home Loans) to bring privately owned properties up to the Decent Homes Standard. The need to provide a suitable and safe water supply would meet this criteria. Under the current policy for offering such loans, the applicants must have sufficient disposable income to cover the loan repayments and must have sufficient equity in their property to secure the loan. The current maximum loan is £15,000 per property. To meet the current funding shortfall of £26,100 this would be sufficient for each household.
22. Homeowners assisted by this scheme should normally be considered to be vulnerable by virtue of age, disability or financial circumstances. It is understood that some residents may fulfill this criteria but most are unlikely to. It is also understood that some residents do not wish to take out a loan given their personal circumstances and they may withdraw from this scheme if that is the only assistance available. If this were to happen it would increase the pro-rata cost to the remaining residents and may make it less affordable for them. Without a full assessment from Wessex it is difficult to be sure how many would qualify under the current criteria.
23. There is provision in our policy for the Exceptions and Appeals Panel to agree to deviations from the set policy to allow financial and other assistance to be given in exceptional circumstances where it is clearly to the benefit of the Council and the applicant to do so. It is considered elsewhere in this report that this situation provides exceptional circumstances.

Other Private Water Supplies

24. Information was requested about the number of private water supplies across the district with an indication of whether there may be the potential for similar claims for help with funding for improvements on these supplies.
25. There are currently 432 private water supplies in the district that we are aware of. The vast majority of these (327) are supply single households only and no sampling or risk assessment of these is required. Any works to these supplies would be down to the sole owner and user of the supply.
26. Of the remaining supplies around two thirds are classed as 'small supplies'. This means they are supplying less than 10m³ (approx. 2 – 12 houses) water per day and there is no associated commercial or business activity. The rest are known as 'large and commercial supplies'. The original supply at Allowenshay falls into the latter category.
27. Of the large supply group the majority are designated as such due to a commercial or business activity being supplied. There are only 7 supplies with similar numbers of residential properties to

that in Allowenshay. As far as the latest risk assessment and information shows, none of these have issues similar to those at the Allowenshay supply.

28. There are around half a dozen small supplies which have known ongoing problems that need attention, however we do not believe these have the same complexities as is the case at Allowenshay and should be resolved through usual regulatory measures.
29. In addition to the above information, the DWI have considered this case following appeals made to the service of Notices by this authority, on three occasions now,. They have stated in a published case study that ‘This case study highlights the complexities involving a large private supply which becomes insufficient and/or unwholesome due to ambiguities around who is a relevant person and the wide differences in deeds and easements’. They have also made reference to ‘... particular legal complexities surrounding this case.....’. It has been recognised that this has been an unusual case with such complexities and their investigations into this case will now help inform future confirmation decisions. It is unlikely therefore that a similarly complex case will arise in our district

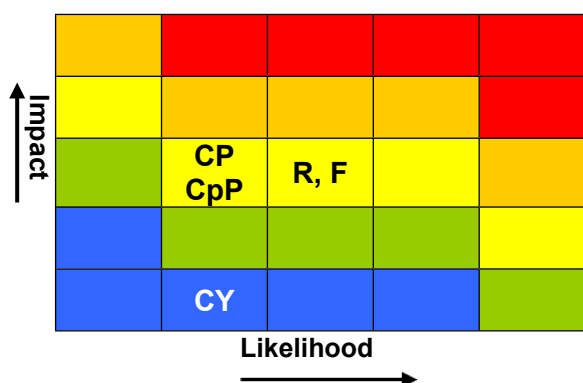
Financial Implications

30. For the scheme currently being considered there are 12/15 houses within Allowenshay village who would wish to connect to the public supply. With this scheme there is a funding shortfall of £26,100 that the residents are unable to meet with their own funds.
31. There are a further 12 households outside of the village that are yet to confirm their proposed course of action to comply with the notice. Further schemes may still come forward from these relevant persons. Costs of these schemes are not yet known.
32. Should members agree recommendation a) in this report the provision of a loan through Wessex CIC is at no additional cost to the Council. The loan is taken from a capital fund held and administered by Wessex CIC on behalf of the Council. The loans are offered at 4% interest. Affordability will be assessed by Wessex CIC who will fully administer the drawn down of the loan, and the collection of its repayments. The capital fund held is currently £175,883. VAT may need to be added to the £26,100 for this option which would also be met from the loan offered.
33. Should Members decide to agree recommendations b) and c) in this report, the total grant of £26,100 will be allocated from the useable capital receipt reserve and added to the capital programme for monitoring. This would be paid to a community benefit society set up by the residents and would not be subject to VAT.

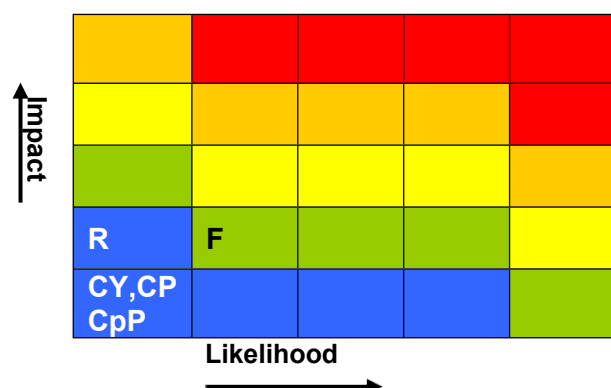
Risk Matrix

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

34. This links to the Council Plan 2016 – 2021 focus area: Healthy, self-reliant communities - To enable healthy communities which are cohesive, sustainable and enjoy a high quality of life

Carbon Emissions and Climate Change Implications

35. There are no specific carbon emission implications. The provision of a public water supply will significantly reduce the risk of lack of water supply should the spring water sufficiency be affected by climate change.

Equality and Diversity Implications

36. An Equality Impact Relevance Check Form has been completed for this proposal which has identified that there are no negative impacts for anyone from the Protected Characteristics in view of the positive benefits it will bring. To this end a full Equality Impact Assessment is not required. A copy of the Equality Impact Relevance Check Form is appended to this report.

Privacy Impact Assessment

37. The Council already holds non-sensitive personal data of the majority of the residents effected by this water supply issue, which was obtained with the consent of those residents. In implementing this decision of the District Executive, Council staff will need to process personal data for purposes that may include informing residents of the decision, the serving of further notices, and other related activities. Only staff in the Environmental Health and Legal services are able to access, control and process the personal data. This data will be retained until no longer required in relation to the Allowenshay water supply issue, where after it will be destroyed in accordance with Council policy

Background Papers

38. District Executive Report Allowenshay Private Water Supply 2nd February 2017
39. District Executive Report Allowenshay Private Water Supply 4th July 2019
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Equality Impact Relevance Check Form



The Public Sector Equality Duty requires us to eliminate discrimination, advance equality of opportunity and foster good relations with protected groups. This tool will identify the equalities relevance of a proposal, and establish whether a full Equality Impact Assessment will be required.

What is the proposal?	
Name of the proposal	Improvements to Allowenshay PWS
Type of proposal (new or changed Strategy, policy, project, service or budget):	Budget
Brief description of the proposal:	To provide funding to help residents improve a private water supply
Name of lead officer:	Vicki Dawson

You should consider whether the proposal has the potential to negatively impact on citizens or staff in the following ways:

- Access to or participation in a service,
- Levels of representation in our workforce, or
- Reducing quality of life (i.e. health, education, standard of living)

A negative impact is any change that could be considered detrimental. If a negative impact is imposed on any citizens or staff with protected characteristics, the Council has a legal duty to undertake a full Equality Impact Assessment.

Could your proposal negatively impact citizens with protected characteristics? (This includes service users and the wider community)	NO
Could your proposal negatively impact staff with protected characteristics? (i.e. reduction in posts, changes to working hours or locations, changes in pay)	NO

Is a full Equality Impact Assessment required?	NO
If Yes, Please provide a brief description of where there may be negative impacts, and for whom. Then complete a full Equality Impact assessment Form	
If No, Please set out your justification for why not.	
The proposal will improve the quality of life of the residents concerned and will not be detrimental to anyone with protected characteristics	
Service Director / Manager sign-off and date	Vicki Dawson 13 th June 2019
Equalities Officer sign-off and date	David Crisfield 13 th June 2019

Agenda Item 7

Financial Strategy 2020/21

Executive Portfolio Holder: Peter Seib, Finance and Corporate Services
Director: Netta Meadows, Strategy and Commissioning
Lead Officer: Paul Fitzgerald, S151 Officer
Contact Details: Paul.Fitzgerald@southsomerset.gov.uk or 01935 462226

Purpose of the Report

1. The purpose of this report is to seek Executive support for an updated Financial Strategy for 2020/21 onwards, and provide Members with information regarding the initial Medium Term Financial Plan estimates for the period 2020/21 to 2024/25.

Forward Plan

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

Public Interest

3. This report outlines South Somerset District Council's overall financial strategy setting out how the Council proposes to manage its financial position over the medium term (three to five years). It also provides an up to date set of estimates and assumptions regarding service costs and income, the funding available and the planned approach to 'balancing the books' over the same period. It is a legal requirement that the Council sets a balanced budget, and it is in the public interest that priority local services are both affordable and sustainable.

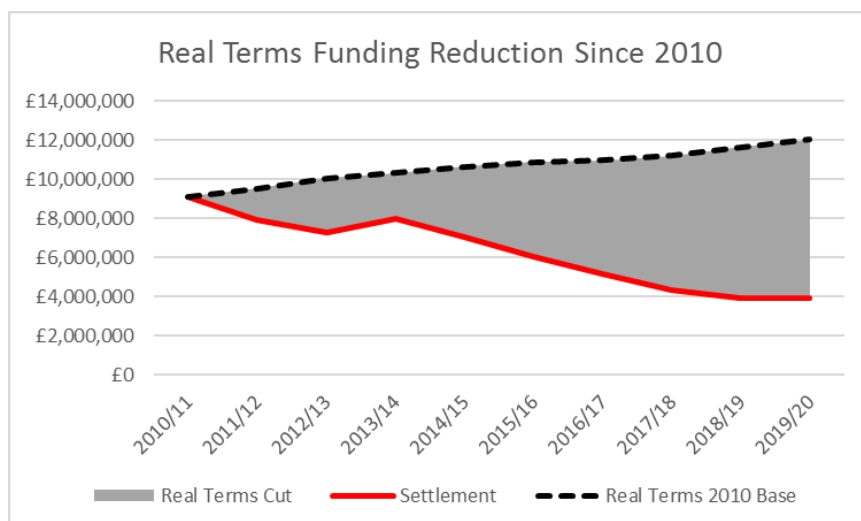
Recommendations

4. That the District Executive:
 - a. Approve the Financial Strategy including the proposed new Savings Targets.
 - b. Approve the planned movements in reserves as set out in paragraphs 62 and 65.
 - c. Note the initial 2020/21 Budget and Medium Term Financial Plan estimates.
 - d. Note the approach and timeline for budget setting for 2020/21.

Background

5. The Council set its current Financial Strategy in 2017, and refreshed this in 2018. The principle aim of the strategy is to enable the Council to set a balanced budget each year without the need to cut services. This is a challenge in the context of significant cuts in funding from central Government. At the highest level, the strategy can be summarised as striking a balance between delivering cost efficiency through transforming services, and generating additional income through charging for services, commercial investment and treasury investment. The Council has made good progress in driving these themes forward, and it is very important that Members and the Leadership team continue the momentum to address projected financial pressures in future years and ensure long-term financial sustainability.
6. Financial year 2019/20 is the last year of the current Council Plan, and following district council elections in May 2019 a new Council Plan will be developed. It is therefore appropriate to review and develop a new Financial Strategy that remains fit for purpose and aligns with updated Council ambitions and priorities.

7. Financial Planning is particularly difficult at this point, with a high degree of risk and uncertainty in particular regarding the Council's funding forecasts. A summary of the key factors affecting this are as follows (and expanded on later in this report) include:
- National context – Brexit uncertainty and potential for instability in the national economy
 - Financial stress in the local government sector – with particular emphasis on the NHS, social care, public health and homelessness
 - Funding – 2019/20 is the last year of the current 4-Year Finance Settlement
 - Funding – the Government's Spending Review was anticipated being announced before the summer recess but has not yet happened, therefore funding for local government next year remains. It is feasible the Review, when issued, will cover one year only.
 - Funding – the Fair Funding Review is due to inform 2020/21 Finance Settlement. However, as Government have not yet issued the results for consultation it seems highly likely this will be deferred.
 - Funding – Business Rates Retention Reform is due to inform 2020/21 Finance Settlement. However, as Government have not yet issued the results for consultation it seems highly likely this will be deferred.
 - Funding – Business Rates Baseline Reset is due for April 2020. This is expected to be a "Full Reset, with funding likely to reduce to Baseline.
 - Funding – New Homes Bonus Review is due in 2019 and could impact on 2020/21 Finance Settlement. However, as Government have not yet issued proposals for consultation it seems highly likely this will be deferred, but the risk remains that the current system will still be adjusted leading to a reduction in funding.
 - Cost inflation – some items of cost are running ahead of overall inflation including wage growth and there are demands from the unions for significant increases in pay and other entitlements.
8. All of the above means the Council will need to use a range of prudent / cautious assumptions for financial planning, and will need to be agile in responding to changes as further information becomes available. Appropriate levels of contingency will need to be considered when setting the Financial Strategy and calculating budget estimates.
9. General grant funding for local government, more so for shire districts, has been significantly reduced through this decade. This has seen a major reduction in funding, forcing councils to consider a range of measures to balance budgets. The following graph shows reduction in general grant funding since 2010 for South Somerset District Council, which emphasises the scale of the challenge. The grant funding received through the Finance Settlement in 2010/11 was £9.1m. In 2019/20, this had reduced to £3.9m – a cash reduction of £5.2m (further information is shown later in this report, with significant majority of residual funding received through business rates). When factoring in the impact of inflation the **'real terms' reduction equates to £8m per year by 2019/20**. In response, the Council has significantly reduced costs and sought alternative sources of income to ensure ongoing services are affordable and the Council is financially resilient.



This graph reflects changes to general funding income. The impact of this funding reduction adds to financial pressure arising from costs of annual inflation and demand growth.

Financial Strategy – Summary

10. Building on the success of the existing strategy it is proposed that the Council sets a new Financial Strategy for the next three years, and sets new financial targets at the same time. The direction in the financial strategy agreed in 2017 remains relevant and sets out to provide Members with options to respond to the ongoing financial challenges. This strategy builds on this to increase income needed to pay for services and deliver ongoing financial resilience.
11. The key themes to the proposed strategy are:
 - a) Ensuring clear service priorities that clearly align with corporate strategy and plans
 - b) Maximising operational efficiency and value for money through optimising benefits of the future operating model and exploring how new technologies can further improve efficiency
 - c) Adopting robust financial control and reporting arrangements
 - d) Developing approaches to manage and reduce demand on services in partnership with Somerset councils and other service delivery organisations
 - e) Investing further in property, energy and new services to generate additional income that can be reinvested to maintain and improve services to our community
 - f) Increasing the income yield from financial investments as part of a prudent treasury management approach
 - g) Taking a more commercial approach and increasing income yield by 5% per year
 - h) Reduce reliance on government grants such as New Homes Bonus for the funding of ongoing services
 - i) Supporting and enabling economic and housing growth and regeneration to protect and enhance funding through local taxation and grant funding
 - j) Focus on long term financial resilience through robust financial planning and maintaining appropriate reserves to manage risk and meet future commitments
12. The remainder of this report, and proposals contained within reflect the above themes.

Updated Medium Term Financial Plan Estimates

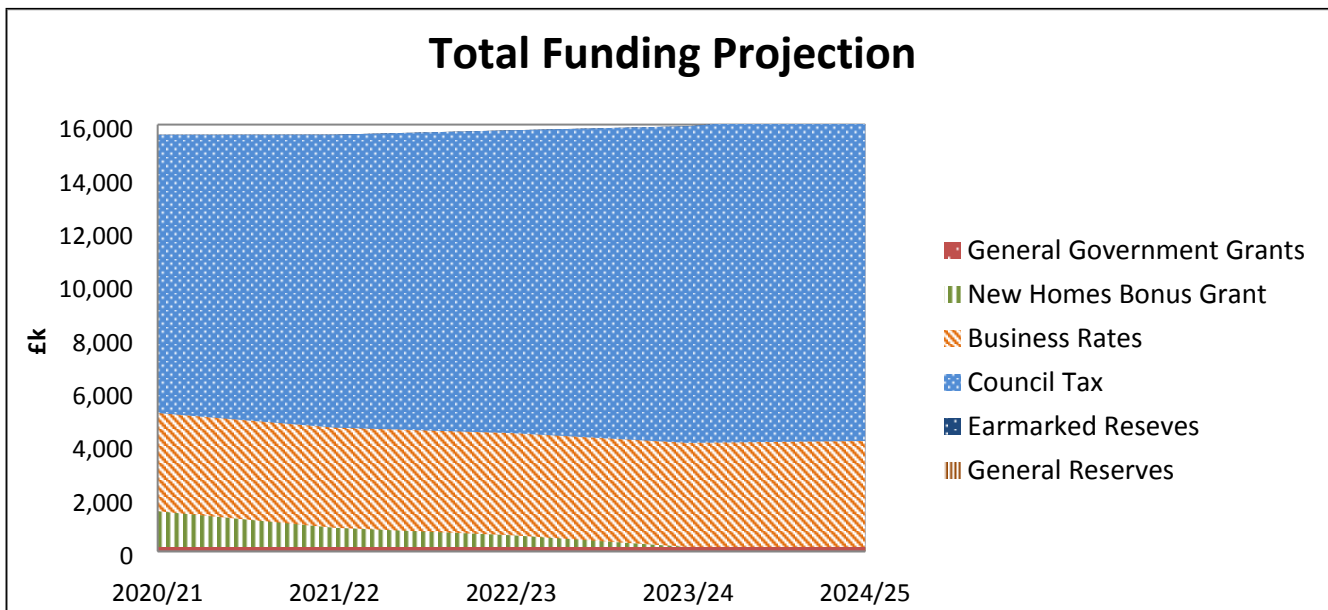
13. The Council approved its current Budget and Medium Term Financial Plan in February 2019. This reflected the progress made in recent years towards meeting an annual savings target rising to £6m

per year. As at February 2019, £4.4m of this target had been built into the MTFP as either delivered or with a high degree of confidence that the savings will be delivered in future.

14. In recent weeks, key estimates have been reviewed where appropriate, reflecting as much as possible what is “known”, and providing “best estimates” on areas of uncertainty.
15. Commercial investment: further progress has been made with commercial property investment income with a number of acquisitions completed or in the pipeline since the original 2019/20 budget estimates were finalised. On this basis the net income expectation built into the MTFP has increased to £2m per year by April 2020. As the market has tightened since the Commercial Strategy was approved it is prudent from a budget perspective to assume this will be the average income from the current approved investment fund. This has increased income in the MTFP by £1.1m since February 2019, but assumes for budget purposes there is a risk that the income target of £2.25m by April 2021 may not be achieved due to market conditions and our robust investment criteria.
16. Business Rates Reset: financial planning assumptions have been updated on the basis that the Reset in April 2020 will fully reduce retained business rates funding to the Baseline. This adds approximately £0.6m into the projected Budget Gap for 2020/21 onwards.
17. New Homes Bonus: the S151 Officer and Leadership Team recognise reducing confidence in the prospective income levels available through this funding mechanism. The MTFP has therefore been updated to accelerate the approach to removing reliance on this grant for ongoing service costs. The assumption is that the grant will be fully removed from budget by 2024/25. This adds £1.0m into the projected Budget Gap by 2024/25.
18. The following chart and table sets out a summary of the council’s latest forecasts of Net Expenditure and Funding, and shows a provisional budget gap rising to £1.2m by 2022/23 (7% of Net Expenditure). The Gap is projected to rise further to approximately £2.0m by 2024/25 (11% of Net Expenditure).

Table 1 – Initial Medium Term Financial Plan Summary

	2020/21	2021/22	2022/23	2023/24	2024/25
	£k	£k	£k	£k	£k
Net Expenditure Estimates	15,258	15,868	16,683	17,333	18,056
<i>Funded By:</i>					
General Government Grants	161	161	161	161	161
New Homes Bonus Grant	-1,341	-720	-441	0	0
Business Rates	-3,682	-3,755	-3,829	-3,902	-3,976
Council Tax	-10,433	-10,897	-11,355	-11,876	-12,360
Earmarked Reserves	25	-130	-59	-200	150
General Reserves	0	0	0	0	0
Total Funding	-15,270	-15,341	-15,523	-15,817	-16,025
Budget Gap	-12	527	1,160	1,516	2,031
Budget Gap Increase on Prior Year		539	633	356	515



Provision for New Priorities

19. As part of considering the new Financial Strategy, it is important to consider new spending requirements that emerge as the new Council (following May 2019 elections) reviews its priorities and develops a new Council Strategy for 2020 to 2024.
20. Spending options will be developed through the budgeting process, however from a financial planning perspective it is prudent to consider possible additional costs when setting an overall savings target. Additional net spending on new priorities would add to the Budget Gap included in Table 1. It is therefore proposed to set a Savings Target that exceeds the current projected Budget Gap, providing potential additional resources for spending on services.

Savings Targets

21. The updated MTFP includes **£5.5m** of annual savings delivered or committed against the previously set target of £6m per year by 2022/23. These savings are summarised as follows:

Table 2 – Savings Built into MTFP since 2017/18

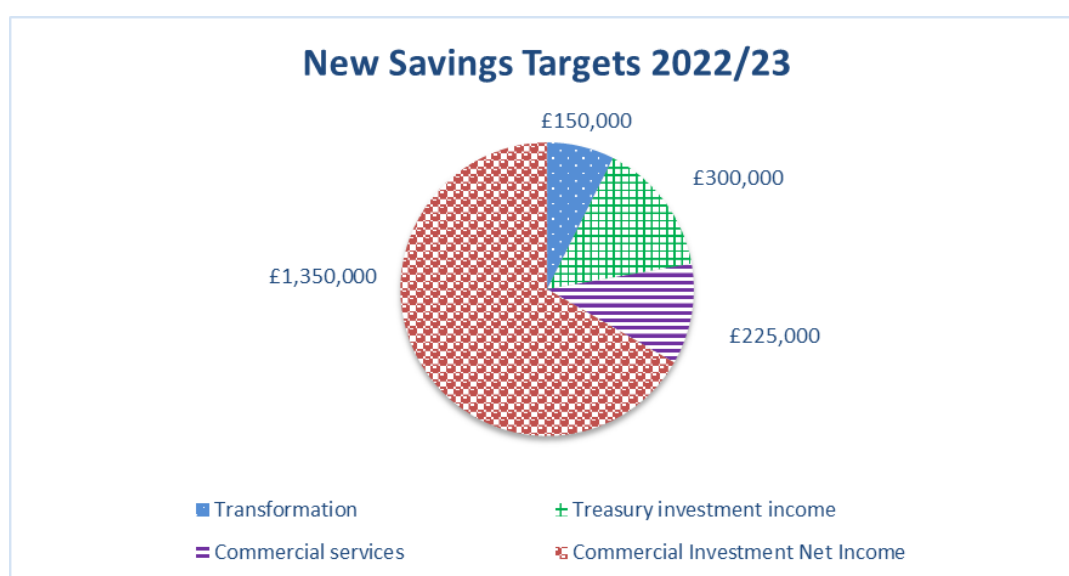
	£k
Transformation (staff and technology costs)	2,500
Operating model non-staff savings	50
Commercial investment portfolio	2,000
Treasury investment	450
Commercial Services and Other Service Income	500
Net Savings Compared to 2017/18 Base Position	5,500

22. By financial year 2020/21 the Transformation Programme will be completed and the £75m fund agreed by the Council for investment will have been invested. It is therefore proposed to set the current MTFP as a new starting 'Base' position for 2020/21, and set new Savings Targets initially for the period 2020/21 to 2022/23 but with a view to the longer term also.
23. In doing this it is proposed to recognise the £5.5m delivered of the previous £6m savings target and draw a line under this. It is recommended a **new Savings Target of £2.0m** is set, to be delivered over the next three years, reflecting the £0.5m still to be delivered and the new funding pressures emerging. The new Target is significantly focussed on income generation, and will mean the Council

aims to be fully self-financing without relying on general Government Grant funding in the medium to longer term. The targets are based on the Council supporting the updated Commercial Strategy investment, which is covered in a separate report.

Table 3 – New Cumulative Savings Targets 2020/21 to 2022/23 (in addition to £5.5m in Table 2)

	2020/21 £k	2021/22 £k	2022/23 £k
Transformation: Non-staff efficiency savings	150	150	150
Treasury investment income	100	200	300
Commercial Services and Other Service Income	75	150	225
Commercial Investment Net Income (from additional investment fund requested for approval by Council, on top of existing net income built in to MTFP)	675	1,350	1,350
Sub-Total: Financial Strategy Savings	1,000	1,850	2,025



Transformation – Operational Efficiency

24. The base budget position includes the full delivery of the transformation £2.5m efficiency savings from 2019/20 onwards. These savings relate predominantly to staff costs. As the Council's staffing establishment is significantly reduced, and more efficient ways of working are being introduced, it is anticipated a good proportion of historic operational overhead budgets may also be reduced to reflect the needs of the transformed organisation. A detailed and robust review of base budgets will be undertaken during 2019. The 2019/20 budget includes a savings target of £50k, which has been delivered through reduced travel costs. Per Table 4 above, it is proposed this target is increased by £150k in 2020/21 giving a total of £200k efficiency savings on top of the Transformation Business Case.

Table 4 – Operational Efficiency Base Budget Review

	2019/20 £k	2020/21 £k
Base Budget Efficiency Savings Target 2019/20	50	50
Add: Base Budget Efficiency Savings Target 2020/21		150
Ongoing Annual Savings 2020/21 onwards		200

(Negative figures = savings)

25. The results of the Base Budget Review will be reported to Members in future budget reports.

26. In support of the Financial Strategy and continuing to improve efficiency, customer service and adopt good practice, the Council will develop a new approach to Operational Efficiency to reflect that the Transformation Programme will end in 2019/20. As this approach has not been developed yet and experience suggests, will take some time to deliver and realise the benefits, it is not prudent to include financial savings targets or estimates at this stage.

Commercial Strategy and Income Generation

27. As part of the wider transformation agenda the Council is taking a more commercial approach, which includes being more business-like across all services and seeking to generate increased income through commercial investment. This commercial approach is essential in responding to the major cuts in central government funding and replace this with other income to maintain and enhance local services and investment in our communities. It is recognised that delivering savings through transformation and efficiencies alone will not fully address the financial challenge faced by the Council.
28. The Council (August 2017) approved a new Commercial Strategy for 2017 to 2021 supplemented with a Land and Property Strategy. The Strategy has been reviewed in light of experience to date, with an updated Strategy being reported and presented to the District Executive in September 2019.
29. The Commercial Strategy makes a significant contribution to the financial savings target through building a portfolio of commercial property investments. The Council is geared up with necessary resources, skills and experience to progress this priority, which is currently projected to provide ongoing net savings of £2m per year. The new Savings Target above will increase this total by £1.35m (Table 3) to £3.35m. Meeting this new Target will require the Council to increase its total Investments Portfolio to generate the additional income.
30. In order for this approach to be affordable, the Council will need to continue to disregard statutory guidance regarding use of borrowing for investment property acquisition, and increase its borrowing limit by £75m within the Treasury Management Strategy. The repayment of this borrowing and related interest costs will be met from the gross income generated from the investment portfolio, with the residual surplus funding Council services / priorities and risk reserves. This disregard of the guidance is necessary in the context that, whilst the guidance classifies the borrowing as 'in advance of need', there is a very clear need for the income to pay for services in response to the major reduction in funding from Government. This disregard is also explained within the Investment Strategy in line with disclosure requirements the Guidance.
31. Increasing income through commercial investment is considered a key component of the options to address the budget gap; however, it is important that Members carefully consider the risks for this approach. Alternatively, Members will need to consider ways of reducing or cutting service costs and spending ambitions in order to maintain a sustainable financial position for the Council.
32. If this element of the Financial Strategy is supported, the S151 Officer will reflect the implications within the detailed Capital, Investment, and Treasury strategy reports which will be presented alongside the Budget in February 2020.

Strategy for Service Income (Fees and Charges)

33. The agreed strategy for service income seeks to increase net income for services through being more commercial and efficient, increasing fees and charges income, and pursuing new income opportunities. There is an overall target to increase income yield across the Council by 5% per year, which includes a presumption of increasing locally set fees at least in line with inflation. It should be

noted that this is not a target applied to each service but instead is council-wide, reflecting that some services have greater capacity to generate additional income than others.

34. Care will need to be taken as certain services can only seek to recover costs under regulations (e.g. licensing), and it is feasible that in cases where operational efficiencies are delivered then fees will potential stand still or reduce, rather than increase. The approach will ensure compliance with the relevant regulations.
35. The new Financial Strategy proposes to maintain the target of increasing net services income by £75k per year over the next three years, giving a cumulative ongoing benefit of £225k per year compared to the current base budget.

Treasury Strategy

36. The Council updates its Treasury Management Strategy annually, with the current TMS approved at Full Council in February 2019 alongside the Budget. It is important to recognise that the financial strategies for revenue and capital resources and treasury management are intrinsically linked (as well as the commercial strategy). The strategies reflect the ongoing challenging and uncertain economic times. Of course, there remains uncertainty regarding the future implications of Brexit, not just on treasury performance but on wider service implications too. The current economic outlook has several key treasury management implications:
 - Short term investment returns are likely to remain relatively low
 - Borrowing interest rates are currently attractive and are likely to remain low for some time, despite some anticipated increases in base rate
 - Approaches to financing capital investment plans should consider the economic outlook e.g. any potential advantages in borrowing “in advance of need” (i.e. before planned capital spending is actually incurred) to secure lower long-term borrowing costs.
37. The Council has a good record of treasury performance. The current strategy has delivered increased investment income whilst continuing to implement an appropriately prudent balance between security, liquidity and yield. The financial strategy anticipates this performance will improve during the current and next financial year. The S151 Officer continues to monitor the overall treasury requirements for the Council, and considers there are opportunities to secure and grow the Council’s income through further use of strategic investments. This is a risk-managed approach that aims to increase annual investment income whilst accepting more risk of volatility (up and down) on capital values.
38. The S151 Officer and Finance Support Service continues to work with our treasury advisors – Arlingclose – to effectively manage opportunities and risks in line with CIPFA’s Prudential Code and Treasury Management Code and related Guidance.
39. The current base budget reflects an increase in the budget estimates for treasury investment income by £450k per year. The new Financial Strategy seeks to increase the treasury income target by a further £300k per year (Table 3), as a means of closing the Budget Gap.

Service Prioritisation and Costs

40. The overarching aim of the financial strategy is to protect services in the face of reductions in government funding. Transformation seeks to ensure the cost of delivering services is more efficient and customer focussed. It remains important that prioritisation of spending and investment in services reflects current and future Council priorities. Such prioritisation is secured through ensuring budget decisions are clearly linked to the Corporate Strategy and Council Plan.

41. Currently the estimates for service costs and income are based on using the current base budget, adjusted incrementally for:
- Inflationary pressures on employment and contract costs
 - “Unavoidable” cost increases (incremental £250k in 2020/21 then £200k per year from 2021/22 onwards)
 - Cost efficiency through transformation and other savings plans
 - Investment income
 - Revenue costs of capital investment
42. Currently no savings target is identified for services, with the assumption that overall resources will be refocussed / reprioritised in line with priorities each year with some tolerance for unavoidable cost increases.

Strategy for General Grant Funding

43. Budgeting for General Grant funding is uncertain as explained at the beginning of this report. The current MTFP assumes the Council will face a ‘negative RSG’ in 2020/21, but this will be partly offset by Rural Services Delivery Grant, using 2019/20 figures. Given the delays to the 2019 Spending Review, it remains a possibility that Government will effectively roll-forward the position for 2020/21. It is unknown whether Government will again offset the negative RSG in 2020/21, as happened for 2019/20, which could improve the funding estimates by £327k.

Table 5 – General Grant Estimates

	2019/20 £k	2020/21 £k	2021/22 £k	2022/23 £k	2023/24 £k	2024/25 £k
Negative Revenue Support Grant	0	-327	-327	-327	-327	-327
Rural Services Delivery Grant*	0	166	166	166	166	166

*RSDG of £166k was rolled into Business Rates Pooling in 2019/20 under the 75% Pilot

Strategy for Business Rates Retention (BRR)

44. The current Business Rates Retention system was introduced from April 2013. It seeks to incentivise business growth by enabling local authorities to keep a share of growth in business rates above funding baseline set by Government.
45. The Business Rates Income Target and Baseline are due to be “Reset” in April 2020. This will mean the historic growth currently built into the Council’s base budget will almost certainly be redistributed, and the Target/Baseline set in line with current position. In other words, the Council will no longer benefit from historic growth, and will need to see new growth in future to benefit from the system. The true impact of the Reset is not yet known, with detailed information required from Government.
46. In the absence of certainty and clarity, the most prudent budget approach is to set the budget and MTFP estimates in line with the current Baseline for initial MTFP estimates for 2020/21 onwards. Estimates for this line of funding will be carefully reviewed and updated through the budget process as more information becomes available.

Table 6 – Business Rates Retention Funding Estimates

	2019/20 £k	2020/21 £k	2021/22 £k	2022/23 £k	2023/24 £k	2024/25 £k
<i>Draft MTFP Indicative Baseline Funding estimates</i>	3,775	3,682	3,755	3,829	3,902	3,976
BRR Estimates February 2019	7,154	4,285	4,375	4,464	4,554	4,643
Funding reduction included in updated Draft MTFP since Feb 2019		603	620	635	652	667

47. The Council maintains a BRR Volatility Reserve to help “smooth” any impact on the budget of reductions in net funding as well as manage accounting timing differences within the BRR system. The balance in this reserve at April 2019 was £4.5m.
48. Reducing the net income estimates down to the Baseline reduces the risk of volatility hitting the Budget during the year. However, given the level of uncertainty over the likely funding position and the future design of the BRR system it is prudent to operate a minimum balance of £2m for this reserve.

Business Rates Pooling

49. A Somerset Business Rates Pool (comprising the County Council and the Districts the County Council area) has provided a positive impact on funding in 2018/19, with increased financial benefit from being a 75% BRR Pilot anticipated in 2019/20. The predicted benefit share for SSDC from Pooling/Pilot status in 2019/20 is c£1.2m.
50. Due to the uncertainty of future BRR system design and financial implications for each authority and the Pool, no pooling financial benefit is included in the current MTFP forecasts for 2020/21 onwards. The potential benefits of Pooling will need to be re-assessed when further information is available. The risks and rewards of pooling are kept under review by the Business Rates Pool Board, comprising the S151 Officers of the Somerset councils.

75% Business Rates Retention

51. The Government has previously indicated its intent to implement changes to the Business Rates Retention system so that local government directly retains 75% of income across the sector. It is uncertain at this stage whether this will be implemented for 2020/21 or possibly deferred. The current BRR projections from 2020/21 are based on the 50% BRR system. Estimates will be reviewed when further information is issued by Government.

Strategy for New Homes Bonus

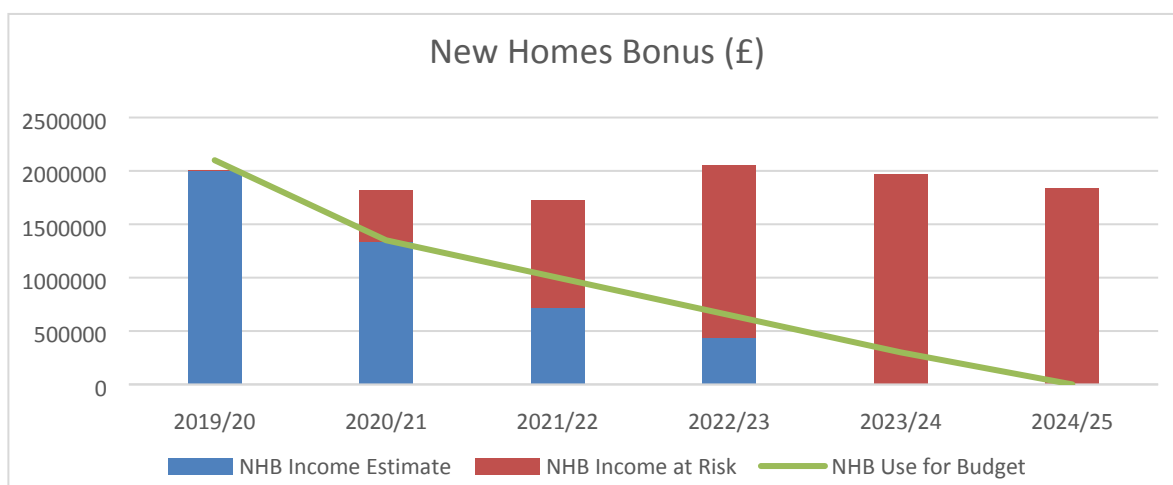
52. New Homes Bonus (NHB) is a non-ring-fenced grant funding mechanism designed to incentivise housing growth. SSDC receives the equivalent of 80% of the national average annual council tax for every new home (or long-term empty home brought back into use) once occupied. An additional £280 (80% of £350) is granted for every affordable home occupied. Annual growth is currently rewarded for 4 years.
53. Grant is only provided for annual housing growth above a minimum baseline set by Government, which in 2019/20 was 0.4% (approximately 290) of total Band D Equivalents. Government have previously indicated this baseline may increase, and our estimates assume it will increase to 0.5% in 2021/22 assuming the grant continues in its current form.

54. The Government previously indicated its intention to consult on the future of New Homes Bonus during 2019, with the potential for changes to be introduced from April 2020. Given no consultation has yet been launched (as at August 2019) it is likely but not certain that any changes will be delayed by at least a year. However, given the uncertainty and the risk of this grant diminishing, it is prudent to reduce reliance on this income to fund ongoing service costs. This is reflected in this new Financial Strategy with an accelerated reduction in use of NHB to fund day to day services, with no grant required for the Annual Budget by 2024/25. Judicious use of the MTFP Support Fund earmarked reserve aims to smooth this gradual reduction if grants reduce quicker than assumed. The projected balance in this reserve in April 2020 is £2.4m.
55. The current MTFP estimates for New Homes Bonus are shown in the table and graph below. There is a high risk that these projections are inaccurate. The table highlights the sums considered to be at risk from both estimation differences and potential reductions applied by future changes to the scheme. It is assumed that as a minimum Government will honour the legacy payments in respect of growth delivered up to 2019/20 allocations.

Table 7 – NHB Grant Income Indicative Projection

Annual settlement:	Actual 2019/20 £k	Estimate 2020/21 £k	Estimate 2021/22 £k	Estimate 2022/23 £k	Estimate 2023/24 £k	Estimate 2024/25 £k
2016/17	667					
2017/18	621	621				
2018/19	279	279	279			
2019/20	441	441	441	441		
2020/21		479	479	479	479	
2021/22			531	531	531	531
2022/23				607	607	607
2023/24					350	350
2024/25						350
Total Annual Grant Estimates	2,007	1,820	1,730	2,058	1,967	1,838
<i>Amount at risk if only 2019/20 Settlement 'honoured'</i>		479	1,010	1,617	1,967	1,838
<i>Cautious Estimate for NHB Income</i>		1,341	720	441	0	0

Planned use for service costs per 2019/20 MTFP (as at Feb 2019)	2,100	1,850	1,600	1,300	1,000	1,000
Accelerated reduction – new Strategy		-500	-600	-650	-700	-1,000
Planned use for service costs per 2020/21 MTFP (new Strategy)		1,350	1,000	650	300	0

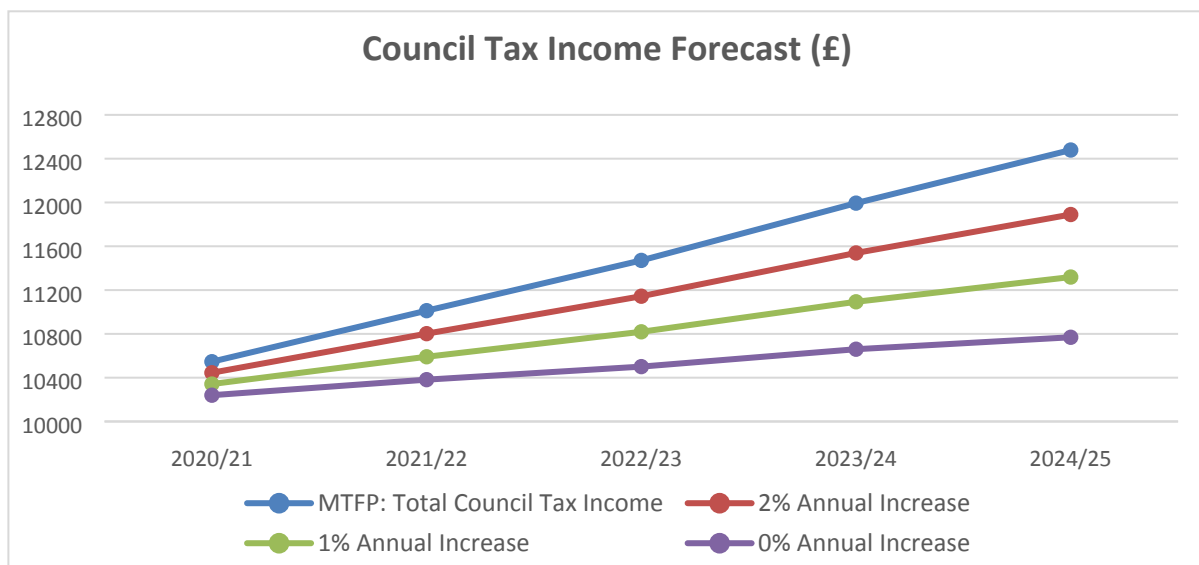


Council Tax

56. The setting of Council Tax is determined by Members each year at Full Council. For 2019/20 the Council increased Band D council tax by £4.63 per year (2.85%) for district council services. The basic annual Band D tax rate set by SSDC for 2019/20 is £167.11 per year, which raises £10.071m in Council Tax income.
57. The current MTFP incorporates the S151 Officer's financial planning assumption that the Council will increase the tax rate by 2.99% per year from 2020/21 onwards. This is subject to Full Council decisions, and the threshold for "excessive" increases set by the Secretary of State each year. The MTFP also assumes the Council Tax Base (number of properties expressed as Band D Equivalents) will grow on average by 1.4% per year. Annual Council Tax income is therefore projected to rise to c£12.48m by 2024/25. To provide indicative scenarios for alternative assumptions, if the tax rate was increased by 2% per year instead of 2.99% the projected Council Tax income in 2024/25 would be c£11.89m – increasing the projected Budget Gap by £590,000. Projections based on 1% and 0% annual increases are also shown in the table below.

Table 8 – Council Tax Income Forecast

	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate
Council Tax Base					
Increase %	1.7%	1.4%	1.1%	1.5%	1.0%
Increase in Band D Equivalents	1,009.3	852.2	710.8	954.8	651.6
Tax Base	61,275.4	62,127.6	62,838.4	63,793.2	64,444.8
Council Tax Rate					
Increase % (MTFP assumption)	2.99%	2.99%	2.99%	2.99%	2.99%
Increase £	5.00	5.15	5.30	5.46	5.62
Band D Rate £	172.11	177.25	182.55	188.01	193.63
Council Tax Income					
Increase due to Tax Base £k	169	147	126	174	123
Increase due to Tax Rate £k	306	320	333	348	362
MTFP: Total Council Tax Income £k	10,546	11,012	11,471	11,994	12,479
Council Tax Income indicative scenarios £k:					
2% annual increase	10,445	10,802	11,144	11,539	11,890
1% annual increase	10,342	10,591	10,819	11,093	11,319
0% annual increase	10,240	10,382	10,501	10,660	10,769



58. Included in the above Band D tax rate is £1.85 per year, which is collected by SSDC on behalf of the Somerset Rivers Authority (SRA). This equates to £111k in 2019/20, providing funding towards the 20 Year Flood Action Plan that was developed following the severe flooding experienced in Somerset in early 2014. Total contributions from the County and District Councils in Somerset provide an annual budget for the SRA of c£2.8m per year. There are five key workstreams within Somerset's 20 Year Flood Action Plan:
- dredging and river management
 - land management (including natural flood management)
 - urban water management
 - resilient infrastructure
 - building local resilience
59. The Executive will recommend proposed Council Tax rates to Full Council in February each year.

Strategy for Reserves and Balances

60. The approach to general reserves includes a regular review to ensure the level of reserves held are adequate in the context of the financial risks faced and other mitigations in place (e.g. provisions, earmarked reserves, insurances). We will maintain reserves at or above the assessed minimum requirement, and generally any planned use of reserves above the minimum will support one-off expenditure or “bridge” a gap for timing differences on planned delivery of savings / commercial income. Holding adequate reserves remains a key pillar of the Council's financial resilience.
61. The adequate minimum General Reserve requirement has been reviewed in August 2019, and is recommended to be set at **£2.6m**. This balance takes into account a number of risks, such as unplanned budget variances for overspend and income shortfalls, bad debts (not covered by provisions), banking failure, civil contingency costs, etc. The assessment also takes into account where risks are covered by insurances or other specific earmarked reserves. This will continue to be reviewed regularly to ensure the minimum balance reflects up to date and future risks. With the level of funding uncertainty, it is advisable to maintain reserves above the minimum requirement to withstand unplanned financial pressures and allow longer term plans to be developed if required. This risk is likely to be low-medium due to the prudent approach to estimating future funding within the MTFP.
62. As shown in the table below, the Council's uncommitted general reserves balance on 1 April 2019 is £4.1m. The approved 2019/20 Budget was balanced without the need to use reserves, and the aim of the Financial Strategy is to continue this approach so that net costs are affordable within total planned income each year without using general balances.

Table 9 – General Reserves

	Balance £k
Balance held 1 April 2019	4,593
Commitments:	
Area & Economic Development Balances	-121
Budget Carry Forwards to 2019/20	-170
Agreed Commitments Not Yet Drawn	-157
Uncommitted Balance 1 April 2019	4,145
Financial Strategy – Transfer to Commercial Investment Risk Reserve	-661
Financial Strategy – Transfer to Treasury Investment Risk Reserve	-150
Projected Balance if Transfers approved	3,334
Adequate Minimum Reserve Balance	2,600
Projected Balance above Adequate Minimum if Transfers approved	634

63. The council also holds capital reserves and revenue earmarked reserves for specific purposes such as planned spending in future years and contingencies not included in general reserves, including.

- Capital receipts not yet spent
- Grants received in advance of spending
- Revenue budgets set aside where spending is planned in future years
- Contingencies for specified financial risks (such as business rates volatility)

64. These will also be reviewed annually to ensure the requirement for the funds remains, and re-prioritise or release any surplus balances to general reserves.

65. For the new Financial Strategy it is proposed to realign some reserve balances to reflect up to date financial risks. These include:

- a) Investment Properties – if Members approve the updated Commercial Strategy and Investment Fund balance, the Council will increase its reliance on investment income. It is proposed to quickly build up the current balance in the Investment Risk Reserve to £6.3m, and set aside c6% of net investment income to the reserve each year.

Table 10 – Commercial Investment Risk Reserve

	Estimated Balance £k
Balance held 1 April 2019	132
2019/20 Budgeted Transfer to Reserve from Net Income	57
2019/20 Planned Transfer of Investment Income Surplus	450
Financial Strategy recommended transfer from General Reserves	661
Financial Strategy recommended transfer from BRR Volatility Reserve	2,500
Financial Strategy recommended transfer from MTFP Support Fund Reserve	2,500
Projected Commercial Investment Risk Reserve Balance 31 March 2020	6,300

- b) Business Rates – the Volatility Reserve currently balance is £4.5m (April 2019), and this provides funding to mitigate risk of fluctuations in funding levels and offset accounting timing differences. By reducing the annual BRR budget to the Baseline, the budget risk is reduced. However, it is prudent to maintain a minimum of £2m in this reserve given the current uncertainty over the future system design and impact of the Fair Funding Review. In view of updated risks it is therefore proposed to transfer £2.5m from this Reserve to the Commercial Investment Risk Reserve.

Table 11 – BRR Volatility Reserve

	Estimated Balance £k
Balance held 1 April 2019	3,955
2019/20 Budgeted Transfer to Reserve	559
Current Balance	4,514
Financial Strategy – Transfer to Commercial Investment Risk Reserve	-2,500
Projected BRR Volatility Reserve Balance	2,014

- c) Regeneration Fund – More than £5.5m will have been allocated to this earmarked reserve by 2019/20, providing revenue resources to meet the Net Budget commitment agreed by Council. This includes £2.5m reallocated from the MTFP Support Fund agreed as part of the 2019/20 Budget. The majority of the costs will be accounted for as capital expenditure. It is proposed therefore to instead transfer the £2.5m from the MTFP Support Fund to the Commercial Investment Risk Reserve, and replace with this £2.5m of capital funds from the Capital Receipts Reserve.

Table 12 – Regeneration Fund Reserve

	Estimated Balance £k
Balance held 1 April 2019	2,094
2019/20 Budgeted Transfer to Reserve from MTFP Support Fund	2,500
2019/20 Budgeted Transfer using BRR Pooling and Pilot Gains	1,425
2019/20 Budgeted Transfer from annual budget	500
Current Balance – Revenue Funds	6,519
Financial Strategy – Reverse MTFP Support Fund allocation	-2,500
Projected Balance – Revenue Earmarked Funds	4,019
Financial Strategy – Ring-fenced Capital Receipts Reserve balance	2,500
Projected Balance – Regeneration Fund (Revenue + Capital Resources)	6,519

- d) Treasury Risk Reserve – the Financial Strategy savings targets includes implementing more cash balances within strategic investment funds, accepting some capital volatility risk whilst improving the Council’s income from treasury investments. The Financial Strategy seeks to mitigate this budget risk through building up funds within the Treasury Risk Reserve. It is proposed to increase the minimum balance in this reserve to £845,000 by 2024/25, comprising income volatility £320k (£1.6m income x 10% x 2 years) and capital volatility £525k (up to £35m x 7.5% x 2 years). The MTFP includes plans to add £50k to this reserve each year, therefore it is proposed to reallocate reserve balances from General Reserves and the MTFP Support Fund to meet the minimum balance requirement.

Table 13 – Treasury Risk Reserve

	Estimated Balance £k
Balance held 1 April 2019	150
2019/20 Budgeted Transfer from annual budget	150
Financial Strategy – Reallocation from General Reserves	150
Financial Strategy – Reallocation from MTFP Support Fund	150
Sub-Total – 2019/20 Balance	600
Financial Strategy – Budget Contribution £50k per year 20/21 – 24/25	250
Projected Balance 2024/25	850

- e) Capital Receipts Reserve – this reserve holds income received from the disposal of assets, and is primarily used to finance spending within the Capital Programme. In line with the information above it is proposed to ring-fence £2.5m from the current balance to meet planned costs of key town centre Regeneration Programmes.

Table 14 – Capital Receipts Reserve

	Estimated Balance £k
Balance held 1 April 2019	22,243
Amount Committed to Approved Capital Programme	-10,971
Financial Strategy – commit to funding approved Regeneration Programmes	-2,500
Uncommitted Balance (excluding new capital receipts since 1 April 2019)	8,772

Regeneration Programmes

66. In May 2018 Full Council approved new governance arrangements and a new financial approach for strategic development and regeneration. This included the Council approving Gross Budgets and Net Budgets for the Yeovil and Chard programmes. The strategy to date has been to build up earmarked funds to finance the Net Budget requirements of each programme. In addition, the

funding approach will require a combination of short term and longer term borrowing, according to the nature of individual projects and schemes ultimately delivered. This will be assessed through each business case as it comes forward.

Medium Term Financial Plan and Annual Budget Strategy 2020/21

67. A high level summary of the MTFP and chart showing the projected budget gap is shown earlier in this report. The tables below show the Net Budget Requirement and the MTFP in more detail.

Table 15 – Net Budget Requirement Estimates 2020/21 to 2024/25

Budget Requirement	2020/21 £k	2021/22 £k	2022/23 £k	2023/24 £k	2024/25 £k
Base Requirement B/F	16,198	15,258	15,868	16,683	17,333
<i>Plus/Minus In Year Changes:</i>					
Inflation – Staffing	410	448	420	378	348
Inflation – Other Costs / Contracts	169	174	179	180	180
Cost pressures	250	200	200	200	200
Planned savings	-141	-90	-13	-149	-45
Net investment income and capital programme implications *	-1,504	-6	29	41	40
Other	-124	-116	0	0	0
Budget Requirement C/F	15,258	15,868	16,683	17,333	18,056

(*The 'Net investment income & capital programme implications' line above does not include income achieved in years prior to 2020/21 which is included in the 'Base Requirement B/F' line)

Table 16 – Draft Medium Term Financial Plan 2020/21 to 2024/25

	2020/21 £k	2021/22 £k	2022/23 £k	2023/24 £k	2024/25 £k
Budget Requirement (Table 15)	15,258	15,868	16,683	17,333	18,056
<i>Funded by:</i>					
Revenue Support Grant	327	327	327	327	327
Rural Services Delivery Grant	-166	-166	-166	-166	-166
New Homes Bonus Grant	-1,341	-720	-441	0	0
Business Rates Retention (BRR)	-3,682	-3,755	-3,829	-3,902	-3,976
Collection Fund Surplus (BRR)	0	0	0	0	0
Council Tax	-10,546	-11,012	-11,471	-11,994	-12,479
Less: Council Tax Paid to SRA	113	115	116	118	119
Collection Fund Surplus - Council Tax	0	0	0	0	0
Sub-total: Funding	-15,295	-15,211	-15,464	-15,617	-16,175
<i>Reserve Transfers:</i>					
MTFP Support Fund Reserve	-9	-280	-209	-350	0
BRR Volatility Reserve	-54	0	0	0	0
Other Earmarked Reserves	88	150	150	150	150
General Reserves	0	0	0	0	0
Sub-total: Net Reserve Transfers	25	-130	-59	-200	150
Total Funding	-15,270	-15,341	-15,523	-15,817	-16,025
Budget Gap	-12	527	1,160	1,516	2,031
Budget Gap Increase on Prior Year		539	633	356	515

68. The initial MTFP estimates show that costs and funding are closely aligned in 2019/20, with a budget gap that steadily rises year on year to c£2m by 2024/25.

69. It is vital that Members continue to agree and implement measures to address the Gap. As explained later in this report, budget risk and uncertainty means medium to longer term forecasts are likely to change, and this will be carefully monitored on an ongoing basis.

Key Assumptions

70. The MTFP is based on reasonable estimates of costs and income over the period of the plan. These include:

Service Costs and Income Assumptions

- Staff pay awards are estimated at 2% annually.
- Inflation increases incorporated for main contractual arrangements (Waste partnership) and other smaller cost items.
- “Unavoidable” costs allowance included for items such as demographic growth reflected in demand for waste services, increased supported housing costs, etc.
- Employers pension contributions based on 16.1% of pay, based on the latest (2016) actuarial valuation. The impact of the next triennial should be known prior to setting the 2020/21 Budget in February 2020.
- Pension Fund deficit recovery lump sum costs rising from £1.6m in 2018/19 to £2m in 2024/25, based on the most recent 2016 actuarial valuation.
- Transformation savings fully delivered.

Funding Assumptions

- Business Rates Retention (BRR) will be subject to a Full Reset and reduce to the Baseline in April 2020.
- No ‘guess’ included for the future implementation of 75% Business Rates Retention.
- General Government Grant projected based on a ‘Negative’ Revenue Support Grant and continuation of current Rural Services Delivery Grant level.
- NHB grant projections based on pessimistic forecast with 2019/20 legacy payments continuing with no additional increments from 2020/21 onwards.
- Council tax is forecast based on officer assumption of a 2.99% increase each year.

Financial Planning Risks and Uncertainty

71. The funding projections within the financial plan are based on the current multi-year Finance Settlement which covers the four year period to 2019/20. There is significant uncertainty beyond then:

- a) **Spending Review 2019 (SR19)** – the Government’s Spending Review has not been completed before the summer recess, therefore spending plans likely to emerge in the autumn. It is not known at this stage whether SR19 will cover one or more years, but given Brexit uncertainty it will potentially only be for one year.
- b) **Fair Funding Review** – identifying the “need” for funding that will influence the distribution of funds between authorities. This is due in **2020/21** however it is feasible this will be delayed until 2021/22.
- c) **Business Rates Retention Reset** – the Business Rates Retention system is due to be “Fully Reset” in 2020, with BRR net funding expected to fall back to the Baseline. The Government is yet to issue details of the Reset method or calculations.
- d) **Business Rates Revaluations** – indications are the next Revaluation will be implemented in 2021, then be undertaken every three years rather than current arrangement every five years.

- e) **75% Business Rates Retention** – The scheme design for 75% BRR remains under development. It was previously expected this would be implemented for 2020/21 however it is likely this will be delayed until 2021/22. It is also assumed that the 2019/20 Pilot will not continue in 2020/21.
 - f) **New Homes Bonus** – Government has previously indicated its intention to consult on possible changes to the NHB scheme. This has not yet taken place, and it is unclear whether this will now take place in 2019 or later, what the changes will be, and what the impact on grant will be.
72. All of the above indicates that the Council's funding position in 2020/21 and beyond is impossible to predict with certainty, which brings added risk to our financial planning. The financial strategy addresses this uncertainty by:
- a) Prudent assumptions used for future funding forecasts
 - b) The proposed savings target is higher than current budget gap forecasts, building in some contingency for over-estimation of funding.
 - c) The use of reserves to offset key areas of financial risk and uncertainty
73. Other main areas of risk and uncertainty within the financial plan are:
- a) Inflation – rising inflation could place additional pressure on pay settlements and prices for purchases of goods and services
 - b) Demand volatility – fluctuation in costs and income as a result of changes in demand led services and usage (e.g. planning, building control, parking, garden waste)
 - c) Delivery of savings – the base budget includes transformation savings of £2.5m per year. The full benefits of transformation, such as successful channel shift, must be achieved for this reduction in cost to be sustainable.
 - d) Business Rates Retention – forecasts under BRR are notoriously difficult to predict with accuracy and can therefore change from year to year (e.g. for appeals, reliefs, etc.)
 - e) Economic slowdown – impact on business rates and NHB as well as income from fees and charges
 - f) Brexit – impact on services, investment performance, funding, etc.

Capital Strategy

74. This Capital Strategy outlines how SSDC will utilise its capital resources to deliver the Council Plan and key strategies. Resources to fund capital investment comes from a variety of sources, including:
- Capital receipts reserves
 - Capital grants and contributions
 - Planning obligations (e.g. S106 receipts)
 - Community Infrastructure Levy
 - Other reserves (e.g. Internal Loans Fund)
 - Borrowing
 - Revenue budget contributions to capital
75. SSDC continues to hold significant funds in capital receipts reserves - £22.2million as at 31 March 2019. Of this balance, £11.2m is uncommitted, and therefore available to meet future capital funding priorities. Council has delegated responsibility to the S151 Officer to determine the most appropriate ways to fund commercial investment, which may include some or all of this balance, however the

aim is to preserve capital reserves and prioritise borrowing for this purpose. Capital bids will be developed during the autumn to determine an approximate need for future investment.

76. The Capital Programme will be developed during the autumn for consideration by Members in January/February 2020. This will reflect planned investment in service related schemes and transformation, and available costed information in respect of regeneration programmes. In addition, significant funding has been approved to support the acquisition of investment properties – aiming to meet the revenue budget savings target – and the development of regeneration schemes. The current strategy is:

- Each project will be reviewed initially on a commercial basis so that schemes will be considered utilising “Internal Borrowing” (from £1m internal borrowing reserve) where bids can be made for loans that repay both capital and interest at PWLB rates.
- External borrowing will be considered on a project by project basis for commercial projects so they can in effect be “stand alone” repaying the capital sum and surplus return to SSDC that can be reinvested in services.
- SSDC will utilise the flexibility in the period to 2021/22 to use new receipts from property, plant and equipment disposals for one-off revenue expenditure if required in delivering the Council’s approved Efficiency Plan (this flexibility does not apply to ongoing service delivery costs).
- The level of capital receipts will be monitored to ensure that community and non-commercial projects that benefit residents and businesses can continue to be funded from available resources.

77. A full Capital Strategy will be prepared for consideration by members alongside the Budget, Treasury and Investment strategies.

78. District Executive has delegated authority to approve the use of up to 5% of capital receipts in any one year (approx. £600k). Approvals beyond this sum must be agreed through full Council.

Summary Budget Timetable

79. Below is a summary outline of the key budget reporting dates to Members.

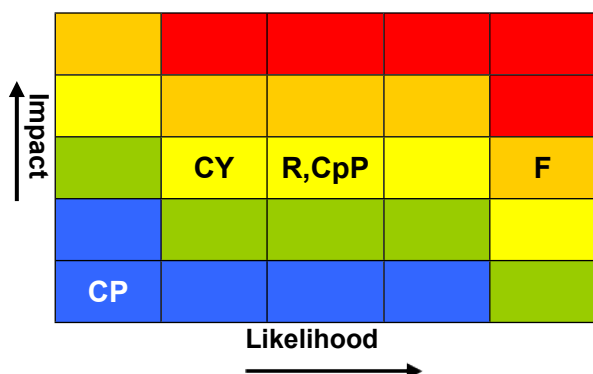
3 September 2019	Scrutiny	Financial Strategy and Initial MTFP Estimates
5 September 2019	District Executive	Financial Strategy and Initial MTFP Estimates
3 December 2019	Scrutiny	Budget Update and Draft Options
5 December 2019	District Executive	Budget Update and Draft Options
23 January 2020	Audit Committee	Capital, Treasury and Investment Strategy
4 February 2020	Scrutiny	Draft 2020/21 Revenue and Capital Budgets
6 February 2020	District Executive	Draft 2020/21 Revenue and Capital Budgets
20 February 2020	Council	2020/21 Revenue and Capital Budgets 2020/21 Council Tax Setting Treasury Management Strategy and Capital Strategy

Financial Implications

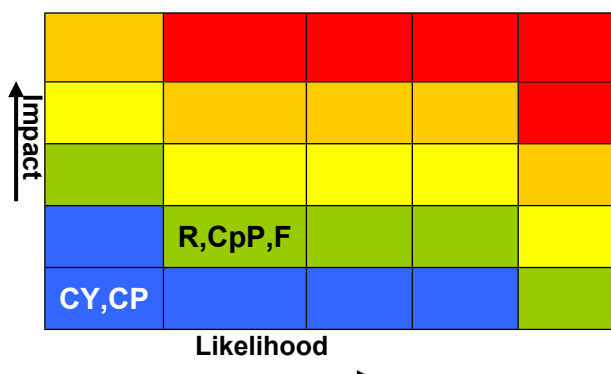
80. This is a finance focussed report with financial implications covered throughout.

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

81. The Financial Strategy and MTFP incorporate costs, income and funding implications directly related to the delivery the Council's aims and priorities.

Carbon Emissions and Climate Change Implications

82. Not applicable within this report.

Equality and Diversity Implications

83. Not applicable within this report.

Privacy Impact Assessment

84. 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

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

- 2019/20 Budget Reports (Council 21 February 2019)

Agenda Item 8

Commercial Strategy 2017-2021 (Interim Update 2019)

Executive Portfolio Holders: Cllr Tony Lock, Portfolio: Protecting Core Services
Cllr John Clark, Portfolio: Economy and Income Generation
Director: Clare Pestell, Director, Commercial Services & Income Generation
Service Manager: Robert Orrett, Commercial Property, Land & Development Manager
Lead Officer: Clare Pestell, Director, Commercial Services & Income Generation
Contact Details: Clare.pestell@southsomerset.gov.uk or 01935 462520

Purpose of the Report

1. This report is a mid-term review of the Commercial Strategy 2017-2021 which was originally approved by District Executive and Full Council in August 2017. This was a brand new strategy and area of business for the Council at that time. It is linked to the Transformation programme to achieve financial savings and income targets needed to ensure the Council's financial stability for the future. It also aims to implement the new ways of working that the Council wished to adopt including becoming a more ambitious and commercial organisation.
2. The strategy is now two years into its four year programme. A number of matters have evolved during this time, including corporate objectives, funding requirements, audit outcomes and experience of operationally implementing the governance.
3. This report seeks approval to update and strengthen the Commercial Strategy to ensure that it is fit for purpose until 2021, by taking into account:
 - a. approval of a new investment fund requirement to align with the council's Financial Strategy.
 - b. adoption and incorporation of the Commercial Strategy Audit recommendations
 - c. minor revisions and improvements to the Commercial Strategy by way of written clarifications and additional explanations; to aid understanding to the reader and those using and being guided by it.

Forward Plan

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

Public Interest

5. The Commercial Strategy 2017-2021 (Interim Update 2019) at Appendix 1 of this report is of public interest because it sets out how the Council aims to become a more commercial organisation, and what it needs to achieve by way of annual net income, in order to ensure that services to our communities are not cut and can continue to be funded into the future. Additionally, how it will meet the Council's Vision and wider corporate objectives that link to commercial activity and support them.
6. It also explains how we will resource those aims to achieve the income targets and other commercial objectives. It outlines the governance arrangements for how we will invest money, categorise our assets and acquire and dispose of them.
7. The revised strategy, at Appendix 1, includes a number of changes to update and improve the strategy with the experience of the last two years and incorporate changes that have emerged during that time. It aims to give greater clarity in some areas which have been noted during the last two years, to incorporate the audit's minor recommendations and to strengthen the governance

arrangements further. This report and updated strategy aims to ensure that the strategy is fit for purpose until 2021 and updates financial targets to align with the Council Financial Strategy and emerging needs for future annual net income.

Recommendations

8. That the District Executive:
 - a. Approves the Commercial Strategy 2017-2021 (Interim Update 2019) as per the attached revised Strategy at Appendix 1
 - b. Approves that any capital received from the disposal of investment assets (only) are used as part of a revolving investment fund, unless specifically agreed otherwise by council.
 - c. Recommends to Full Council the approval of an increased investment fund limit and borrowing limit to take the council through to 2021, as set out at Appendix 2 as a Confidential item.
 - d. Recommends to Full Council the increased level of delegation of individual investment / acquisition approvals to the CEO in consultation with the Leader as set out at Appendix 2 as a Confidential item.

Background

9. The Commercial Strategy 2017-2021 was approved by District Executive and Full Council in 2017. To date it has been very successful in its implementation. Having committed £73.44m of the existing fund into a range of investments to date in 2019, a portfolio wide running yield on commercial property interests of 6.61% improving to 7.25% in 2020 has been achieved. This is to be compared against the target of 7% set in the initial Commercial Strategy 2017-2021. This equates to £2.0m or 91% of our annual net income target of £2.2m set in 2017 and required by 2021 from commercial property investment, ahead of schedule. SSDC has also been awarded a national MJ Achievement of Highly Commended for Best Commercial Council.
10. During this time, we have gained experience in implementing the Commercial Strategy and working with it and noted some areas that could be improved upon. Additionally, the Council's funding requirements have grown due to further central government cuts and ambitions in the Council Plan have been formulated in more detail. A review of the experience of working with the new commercial governance arrangements has been undertaken and this year we were able to undertake the first Commercial Strategy audit. This had a very positive outcome and made some minor recommendations for the strategy, which are incorporated into this updated Commercial Strategy.
11. All of these factors have led to a number of minor recommended revisions, including more detailed explanations and clarifications being considered appropriate. Financially, an additional investment fund will be required to take the Strategy to 2021 and align with the council's Financial Strategy revised funding requirements of council services into the future. These updates and investment funds will ensure that the strategy has evolved with external market and funding changes and is even more relevant and robust, so that it remains fit for purpose for the remainder of its term until 2021.

Summary of Key Changes in the Commercial Strategy 2017-2021 (Interim Update 2019)

12. Whilst the majority of the Commercial Strategy remains unchanged a summary of the headline updates are given here for ease of reference as to what has been changed:

- The annual net revenue target has been increased from £2.2m p.a. to £3.35m p.a. by 2021/22 financial year – in line with financial strategy and new projections for revenue requirements. This will require an additional investment fund to be approved. Please see confidential item at Appendix 2.
 - A more detailed explanation and definition for property portfolio target yields/returns of 7% and what the net revenue return of 3% + means in line with the Financial Strategy and to aid understanding of the differences between the property market perspective when acquiring assets and how the Council in house accountancy requirements deal with and present the net income, which also explains what happens to the margin between the 7% return on investment and 3% target net revenue.
 - Investment Fund purpose: Clarification on what the investment fund can be used for. This includes new and existing assets, where they are categorised as investments e.g. the asset is held purely for investment/income purposes. This would NOT include our operational buildings and land, community assets or strategically held regeneration assets.
 - Strengthening of Investment Assessment Group (IAG) and Disposal Assessment Group (DAG) governance: Whilst the audit was very satisfied with existing governance procedures, internally it was felt that this could be more robust. Therefore, official deputies for IAG /DAG members are now provided with delegated authority. Experience has shown that there are occasions where group members are conflicted or absent. Having official deputies for each member role on IAG and DAG ensures a full and broad debate, challenge and wider representation to the recommendation making process. For example: it is proposed that the Portfolio Holder for Income Generation will now have the Portfolio Holder covering Finance as their deputy on these groups.
 - Income & Opportunities Development role in Commercialisation: This was a brand new role approved in 2017 and further clarity and explanation of the extent of this role and how it will shape the commercialisation of the organisation internally and externally is now provided.
 - SWAP Audit Recommendation: The audit recommended removal of reference to the Income Generation Board in its previous guise, as members were not appointed with any formal delegated authority, it was considered to be a ‘think tank’ and therefore held no place in the Commercial Strategy. This has been replaced with an explanation of the WeShape forum which will take income generating ideas forward with the relevant Portfolio Holder oversight, or their nominated member deputy to work with the service the idea relates to and the Income and Opportunity Development Manager to drive forward. This increases councillor involvement in the commercialisation of the council services.
 - Capital Receipts: Capital receipts received from the disposal of assets needed further clarification as to what they will be used for. This is now more clearly defined in the strategy. In summary they will be used either as a revolving investment fund to invest into more income producing assets that meet the strategy requirements for all assets categorised as Commercial Investment, or otherwise as approved by capital decision making arrangements.
13. In terms of how the Commercial Strategy has been implemented and how the council is performing against its targets and objectives, formal reports on assets are provided to District Executive every 6 months, with the last update report in June 2019 and the next due in December. In summary, to date we are ahead of schedule towards achieving and identifying income to meet the 2017 known income shortfall by 2021; and achieving the target yields/returns across the portfolio investments to date. However, due to market conditions and uncertainty around financing costs the S151 Officer has prudently budgeted for income slightly below target from the current investment fund limit.

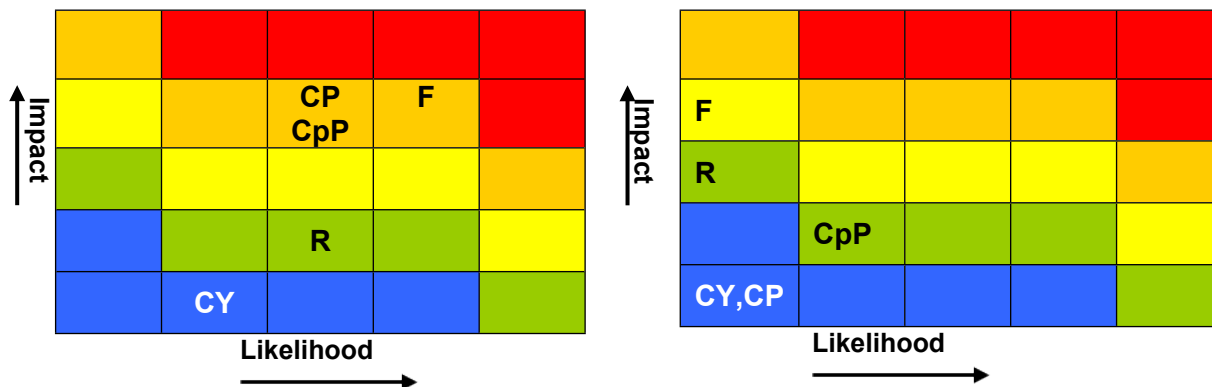
14. In recognition of the Council's successful progress in commercialisation and commercial achievements to date, the council were awarded the MJ Highly Commended Achievement Award, for Best Commercial Council, winning joint second place nationally. This also demonstrates that the Council is raising its reputation in the commercial sector and meeting its ambitions to thrive. All commercial activity to date has been based around the Commercial Strategy and the Council's implementation of it has worked exceptionally well. This coupled with a very positive outcome of the first Commercial Strategy Audit is extremely positive news for South Somerset. Therefore the Interim Update of the Commercial Strategy is timely to take us forward for the next 2 years.

Financial Implications

15. Please refer to Appendix 2 for the Confidential Item detail in relation to a new investment fund to take the Council forward to meet its revised financial needs in line with the Financial Strategy of £3.35m per annum of net revenue.

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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Council Plan Implications

16. Council Plan Priority - Protecting Core Services – Commercial Strategy.

Carbon Emissions and Climate Change Implications

17. Commercial Investment has already enabled provision of new sustainable energy infrastructure in Somerset. Further opportunities will be considered. Otherwise, the interim update report on the Commercial Strategy does not have any carbon emission or climate change implications.

Equality and Diversity Implications

18. There are no equality or diversity implications associated with the interim update report on the Commercial Strategy.

Privacy Impact Assessment

19. There are no adverse personal data implications to this report.

Background Papers

- Commercial Strategy 2017 -2021 (non-confidential papers)
- Appendix 1 Commercial Strategy 2017-2021 (Interim Update 2019)



Commercial Services and Income Generation

Commercial Strategy: 2017-2021

Version Details	
Programme:	SSDC Commercialism
Version:	Final – August 2019 Interim Update
Author:	Clare Pestell
Review Date:	October 2020

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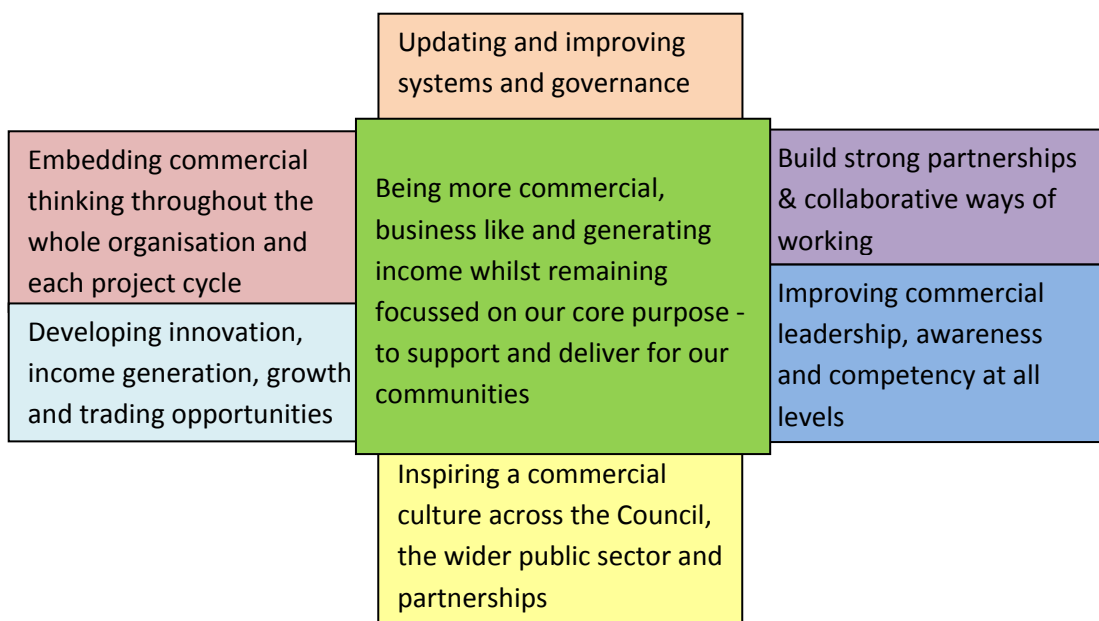
1 Commercial Strategy Overview

SDDC recognises that we exist in a rapidly changing world and are working in a challenging financial environment, which is forecast to become even more demanding in the coming years. We want to meet these challenges and exceed them, survive and thrive in this environment, become a leading Council that is financially self-sufficient. This is with the aim of delivering high quality services to our customers and communities, being able to deal with the challenges the district faces and invest in improving quality of life for residents.

To do this, it is accepted that we need to change our culture, thinking, and ways of working, and embrace and deliver commercialism throughout the Council at every level. Over the next pages, the Commercial Strategy will focus on outlining our aims and objectives, how we will achieve them and know that we have been successful. This will be presented as follows:

- The **commercial strategic aims** describe what we are going to do to support the overall Council objectives and strategy as set out in the Council plan and related documents.
- The **rationale** explains why this is important and the current context.
- The objectives explain **what we will need to do** or put in place to achieve our strategic aims
- The measures describe **how we will evaluate our success**

1.1 Commercial Strategic Aims



1.2 Rationale - Why do we need a Commercial Strategy?

- 1.2.1 All public sector organisations currently find themselves in an extremely challenging environment, with mounting financial pressure, reduced resources, growing demand and greater market competition for services.
- 1.2.2 South Somerset District Council (SSDC) financial strategy recognises the growing gap between core funding and costs of service. The Financial Strategy in 2017 projected a Budget Gap rising to £5.2m by 2022/23, and set a savings target rising to £6m per year by 2022/23 building in a contingency for new financial pressures and opportunity to support new priorities. There is significant uncertainty beyond 2020 due to factors beyond our control, and we need to plan to be more self-sufficient and much less reliant on Government grants. The Transformation programme will make us more modern and efficient and is due to be fully implemented before the end of 2019, delivering £2.5m of the £6m needed. The remainder of the revenue shortfall must be found through commercialism and income generation if we are to avoid cutting services and if we are going to be able to invest in council priorities such as the regeneration of our towns and the development of our economy.
- 1.2.3 There will inevitably be uncertainties in future Government funding through the Spending Review 2019, Fair Funding Review, Business Rate Retention reform, and review of New Homes Bonus. We also face increasing demands on costs of services, including housing. These are some of the reasons for the financial shortfall which is anticipated to increase in the future.
- 1.2.4 The Financial Strategy and MTFP have been reviewed in August 2019, with £5.5m of the £6m savings target built into the Medium Term Financial Plan. The £5.5m includes £2m net income per year from commercial property investment. Despite strong progress towards the savings target set in 2017, reductions in expected funding through business rates and new homes bonus has hardened the residual Budget Gap with a new savings target of £2m (on top of the £5.5m built into base budget) required by 2022/23.
- 1.2.5 SSDC recognises this ongoing need and the requirement to take a more commercial approach to be self-sufficient financially and ensure that services are not adversely affected, so that we are 'future-proofed' and thriving into the future.

1.3 How do we achieve Council objectives through our Commercial Strategy?

- 1.3.1 For SSDC commercialism means the ability to think and act more business-like when considering the ways we manage, operate, deliver and resource our services and products in order to deliver best value for communities and customers.

Commercialism does not mean just making a profit for profit sake. It includes:

- Considering the whole life cost of policy decisions, including market impact and benefits realisation.
- Improving efficiency of service delivery – reducing costs and streamlining processes
- Maximising value for money from contractual relationships
- Making robust decisions on a consistent basis with evidence and a sound business case
- Considering new and innovative ways of generating income
- Taking an investment based approach to the use of financial resources including assessing the return from the investment in terms of financial return, delivery of the council's priorities and added value to our communities

- 1.3.2 This means making sound and clear decisions in using our resources, investing public funds to become more efficient and generate income for the Council to deliver better services whilst retaining a clear focus on our communities. This will affect different parts of the Council in different ways and to varying degrees, as some services will never be fully commercial.
- 1.3.3 However, commercial principles can be applied to most operations and must be considered when reviewing all policy objectives and direction. It will involve physical, technical and cultural change with strong and effective leadership and management at all levels and throughout the organisation.
- 1.3.4 To achieve these requirements we will need to work to a clear Commercial Strategy and deliver its objectives on time and on target.
- 1.3.5 We need to understand that embracing a more commercial culture, in both our thinking and actions will be of paramount importance to help us deliver revenue and high quality services, effectively and efficiently.
- 1.3.6 We will need to be ambitious and innovative in our thinking to invest to earn and save additional, secure and long term revenue streams in order to support the Council priorities and service delivery objectives. By adopting this mind-set and achieving in all of these areas we will ultimately be in a better position to meet the wider Council objectives.

1.4 What is the outcome?

- 1.4.1 Revenue shortfalls will be met, with the contribution from the commercial investment portfolio **net income target** of £3.35m per annum income by the end of 2021/22 (compared to the £2.25m target in 2017/18). The Council's **overall savings target** is increased to £7.5m per year by 2023/24 (compared to the £6m target in 2017/18). With £5.5m already built in as 'delivered' the Council needs to ensure these savings are sustained and now deliver a further £2m to meet the overall updated forecast Budget Gap of £7.5m. The Financial Strategy Report (September 2019) provides further detail on the savings delivered and still required.
- 1.4.2 The latest Financial Strategy also recognises that market prices and returns have changed since the Commercial Strategy was first prepared in Q2 2017. The combined impact of the expectation of additional savings being needed and changed market conditions leads to the Financial Strategy proposing an increase in the investment fund.
- 1.4.3 However, commercialism work will evolve and continue into the future to meet or exceed ongoing revenue targets wherever possible.
- 1.4.4 In summary SSDC will continue to grow its revenue through commercial, ambitious and innovative investment, development, trading of its more commercial services as viable business plans are developed and cost reduction of its services.
- 1.4.5 By delivering the Commercial Strategy which aligns with and supports the Council Plan and complements other corporate strategies such as Finance and Information Technology SSDC will:
- develop into a more cohesive and ambitious, economically efficient organisation
 - become a partner of choice for the community and commercial sectors by demonstrating its commercial awareness and effective delivery of services, partially through commercially traded services
 - be a desirable and respected employer that invests in its staff and attracts the next generation
 - become a leader in its field, delivering high quality, efficient, effective and timely services to its communities and customers.

In delivering the Commercial Strategy SSDC will also contribute to achieving its Vision:

Our Vision for a Transformed Council:
“ONE TEAM,
Ambitious for South Somerset”

<p>Great to work for</p> <ul style="list-style-type: none">*Agile and empowered staff*Inspiring people 	<p>Leading the way</p> <ul style="list-style-type: none">*Modern and resilient*Adaptable to change*Technology enabled 
<p>Excellent to work with</p> <ul style="list-style-type: none">*Commercial mindset*Efficient and effective 	<p>Delivering for our communities</p> <ul style="list-style-type: none">*Resilient services*Customer focused*Data driven*Proactive 

Section 2 Commercial Approach to Income Generation

2.1 Commercial Approach - Our Core Principles and Methodology

- 2.1.1 This strategy applies whenever we spend money with external suppliers, enter into or manage our commercial arrangements, invest in assets or services that generate income or we make a commercial decision. Whilst the Commercial Services teams will lead on delivery, they will also work in partnership, forming relevant communities of practice for each project or service area across the organisation and externally with partners and customers.
- 2.1.2 However, we recognise that not all services can 'trade' or charge for what they do for customers to generate a direct income, but to some degree commercial strategy principles could still apply; we can demonstrate that other services can be more innovative but believe that in the past they have never been encouraged or enabled to do so in a commercial manner prior to this strategy implementation.
- 2.1.3 SSDC will adopt a commercial approach across the organisation, which allows everybody to share their ideas through the WeShape Programme encouraging staff and members to put forward their ideas and by working with the Income and Opportunities Development Manager who will drive relevant Communities of Practice (CoP)¹ appropriate to the service involved to help develop viable ideas and deliver commercial outcomes. This will allow avenues for all ideas within internal business services and with external partners and customers to the Council to be evaluated swiftly, using a robust early assessment criteria model and fully costed business case approach. In this way we can take forward the right projects, measure efficiencies, deadlines and income, through to delivering the final project. Any project taken forward will involve member input and oversight, through the relevant portfolio holder to the service it involves; or their nominated deputy for a particular project.
- 2.1.4 We have enterprising staff, partners and members, their skills and ideas need to be clearly and effectively communicated and harnessed to help achieve our commercial strategy. We will invest in our staff training to enhance staff skills and raise the level of commercial expertise across the Council; which we see as an investment and of value to our organisation not a cost. Commercialisation training has commenced and will continue to be rolled out across the organisation, as well as to members and our partner councils that request it; supporting their development, shared working practices and services wherever possible.
- 2.1.5 Stakeholders, staff and customers will feel engaged and valued in our new commercial and innovative approach, realistic targets and projects will be agreed having engaged with them to obtain views, inputs and buy-in. Regular headline summary updates on commercial investments, achievements and service yield improvements will be reported back to Full Council quarterly, as part of the Corporate Performance Report, as baseline data becomes available to develop and add to performance monitoring.
- 2.1.6 We accept that the Council will need to take more and different risk than in recent times in order to achieve its ambitions and commercial success. This risk should be balanced with an efficient and proportional regard to governance, policy, management, processes and systems to ensure robust decision-making, performance and success of new commercial enterprises, contracts and partnerships. All of which will continue to evolve and be refined over time to ensure that the Council adheres to its statutory responsibilities and that public money continues to be appropriately invested, used and accounted for.

¹ CoP – a group of people with the relevant skill or experience brought together to drive and deliver a specific piece of work or project.

Section 3 Organisation Wide Objectives for 2017 – 2021

3.1 Business Services Objective

- 3.1.1 Each and every business service will look to enhance its yield by 5% p.a. commencing from 2017/8 by reviewing fees, charges, processes, the cost of delivering services and potential to deliver new added value services.
- 3.1.2 This will be done in conjunction with the Commercial Services, Income & Opportunities Development Manager and relevant CoP, working with each service as a 'critical friend' to achieve a common goal. They will assist the internal business services and offer advice and specialist experience to draw upon in order take the best innovative ideas forward to improve service yields by 5% per annum across the organisation, with a comprehensive proposal and business plan for approval and implementation.

3.2 Income Generation Objectives, Process and Governance

- 3.2.1 Commercial Investments in property and renewable energy need to be dealt with swiftly and confidentially if local authorities are to compete within the commercial marketplace. Therefore, a schedule of delegation has been approved to enable positive decisions to be made that respect market requirements for swift action and confidentiality.
- 3.2.2 Stage 1 of our process, with any proposed investment, is for an early analysis and assessment to be completed by property and finance specialists, with external advice as necessary, to develop the business case for the Investment Assessment Group (IAG) to consider at stage 2. Most opportunities will not pass Stage 1; if not in accordance with the basic requirements of this strategy they will not proceed to stage 2.
- 3.2.3 The IAG, comprising the relevant Portfolio Holder for Income Generation (currently Economic Development and Commercial Strategy), S151 Officer, Monitoring Officer, Director for Commercial Services and Income Generation and the Commercial Property Land and Development Manager provide a Stage 2 governance panel to consider and debate new investment proposals, including external investment proposals and partnership working. Each opportunity is assessed against a range of investment and risk criteria and requires unanimous support of all IAG members before a recommendation is made to the Chief Executive in consultation with the Council Leader to approve, Stage 3. In turn they will have the option to approve, refuse or refer the investment proposal to District Executive for a final decision. The recommendation to approve may contain a bidding range that officers can work within, accepting that non material matters may need to be addressed during negotiations. This is accepted normal commercial activity to complete a transaction.
- 3.2.4 However, any material changes to the original recommendation during due diligence and negotiations post approval will be referred back to the IAG if necessary and a further recommendation made to Chief Executive in consultation with Council Leader. Examples of a material change could include matters such as discovering a heavily contaminated site devaluing the investment or restricting its future development; or the financial status of the tenant in situ suddenly diminishing prior to completion of the transaction.
- 3.2.5 Each member of the IAG will have a nominated deputy, in case of absence or conflict of interest arising for any specific investment proposal. The deputies will comprise Portfolio Holder for Finance, Deputy S151 Officer, Deputy Monitoring Officer, Director for either Strategy & Commissioning or Service Delivery, and a Commercial Property Investment Project Manager.
- 3.2.6 These investment proposals will be measured against agreed assessment criteria, in order to ensure they meet the required returns/objectives and so that investment of public money is applied with proportionate and efficient regard to procurement and governance procedures. The IAG and Chief Executive have agreed delegated authority limits for individual transactions and are empowered to make decisions to proceed

within these parameters and to report these to DX and Council in due course. This includes the setting up of an appropriate vehicle, such as a company Special Purpose Vehicle (SPV) or Joint Venture if the investment proposal involves the trading of services in order to generate income. Wherever appropriate, this will be undertaken fully prior to the final decision making processes or approval given subject to named conditions to be met, to ensure that only valid projects with real merit are taken forward. Where potential investments exceed delegated limits they will be considered through District Executive and if appropriate, Full Council.

- 3.2.7 The headline financial objective is to progress investment property proposals that offer a target 7% return on investment across the investment term adopted, and/or provide a consistent balance to the overall investment portfolio in terms of security, liquidity and spread. In some cases investments will achieve a higher return on investment and in others less, in order that balance within the portfolio and spread of risk is achieved and an average return is maintained at the target rate of 7%. All projects will be in accordance with reviewed and updated procurement and governance procedures. These will be regularly reviewed, updated and refined in order to ensure flexibility with operational needs, so that a proportionate and efficient reliance can be applied in their use. In any event individual transactions should not be accepted below a 6% return on investment or minimum net revenue returns will not be able to be achieved across the portfolio.
- 3.2.9 An exception to this may be where there is an opportunity to purchase an investment in order to then sell part off to release capital receipts and raise remaining returns to 6%+. For example, a long leasehold industrial estate let for 125 years with multiple units may provide a very secure, long term income to the portfolio helping to balance risk, but initially may only achieve say 4% yield. However, an opportunity to achieve break-up value and recover some initial capital may then increase the remaining returns to an acceptable level of over 6% return on investment enabling IAG to recommend approval. This would be acceptable as considered an estate management opportunity. This strategy for the purchase would need to be made clear in the IAG report prior to a recommendation.
- 3.2.10 Since the preparation of the first Commercial Strategy in Q2 2017 the commercial property market has seen significant increases in typical prices with consequent reduction in the levels of return on investment that properties deliver. As an example, the industrial property investment sector has seen prices rise over this period to produce a fall in the rate return greater than 0.5%. Thus a property that would have delivered a rate of return of 7% if sold at Q2 2017 would now command a higher price delivering a rate of return below 6.5% as at Q2 2019.
- 3.2.11 Our first Commercial Strategy identified a target yield of 7%, which we have been able to achieve. However, because of the demand for income much of the stock that we have been able to afford has shorter unexpired lease terms than we might have expected at the outset. Consequently, assuming a worst case scenario wherein all tenants vacate at the earliest possible opportunity, the annual yield until 2028 at present averages 6.46% due to the allowance for periods of reduced income whilst properties are re-let.
- 3.2.12 As a Local Authority investor, we need to recognise that we meet a number of other financial commitments from the rental income of our property investments, prior to reporting the net revenue return of that income to the council. These include interest costs on borrowing, MRP which is provision for repaying borrowing, sinking fund for future costs and income volatility risk arising and management costs. The net revenue position subsequently reported gives the residual amount of available revenue to the council each year, after all of the required monetary provisions have been made and are retained within the council for their required purpose. This net position is reflected in the financial strategy savings targets.
- 3.2.13 Not all investments and assets remain fit for purpose indefinitely. Therefore, it is also prudent to consider the disposal of assets, as part of normal estate management practice. Disposal follows a similar governance procedure to the IAG, through the Disposals Assessment Group (DAG) comprising the same members as above. However, DAG has different limited delegated authority to consider assets up to varying values for

investments and operational assets. The DAG needs to have consulted in advance with relevant members, as well as considered relevant assessment criteria, prior to making a recommendation with a majority group agreement. Full details are available under the Disposals and Community Asset Transfers policy.

3.2.14 The fund invested in new property and renewable energy assets together with the capital invested in existing commercial investment property assets will generally be managed as a revolving fund enabling capital released via asset disposals to be retained within the fund for reinvestment. This is expected to ultimately contribute to growth in the capital within the fund.

3.3 Other Corporate Plan Objectives and Social Value

3.3.1 Other projects that do not meet income generation criteria, but do provide some financial return and also bring collective benefit to the community in accordance with our wider Corporate Plan objectives, will be considered under other appropriate strategy and policy. They will have a different form of assessment criteria and their primary objective may be to deliver a service of community benefit, over income i.e. regeneration, economic development, housing need etc. Each project will set its own terms of reference and objectives. E.g. a leisure project may meet a wider corporate objective, cover its costs by generating a return to repay the funding for its development, but will not meet the primary objectives of the Commercial Strategy.

Section 4 Specific Property, Land and Development Objectives

4.1 Overview

- 4.1.1 In order to become an enterprising and commercially focused Council which achieves its vision, SSDC will need to make effective use and invest in its skills, existing land and property assets, as well as look to invest in development and regeneration of infrastructure, land, housing, commercial property and renewable energy sources.
- 4.1.2 By investing in schemes and projects that improve productivity and reduce costs the Council will generate extra revenue. Generating significant levels of new income for the Council will help it to become financially sustainable for the future. Delivering these objectives will help to shape and improve public services and enable economic growth across the District. These assets and attributes will be applied to redefine and redesign how we work, where we work, who we work with and influence how we take investment decisions forward.

4.2 Commercial Services and Income Generation Directorate

- 4.2.1 Investment in resource and skills to deliver - In redefining and redesigning how we work and who we work with, investment in a new role for Director of Commercial Services and Income Generation has already been appointed. This Director oversees additional resource of a Commercial Property, Land and Development Manager and associated team comprising both in-house and specialist external resource where required.
- 4.2.2 The in house team was appointed over 2018, with external elements being recruited as and when required. The remainder of this Directorate aligns with the Transformation programme and comprises existing commercial services.
- 4.2.3 There is also a Commercial Directorate role recruited to assist with the Income Generation objective. This role has been recruited on a 'self-funding' basis for new business and income generation. The Income & Opportunities Development Manager is tasked with overseeing and managing existing business units and developing them into more efficient, commercially minded services and where appropriate independent profit centres (such as the Yeovil Innovation Centre or arms-length trading companies); investigating new business and income opportunities, partly through leading on the new proposed WeShape programme; and taking these projects forward to fruition.
- 4.2.4 Both Transformation and Commercial Services & Income Generation will be pivotal in delivering the overall initial income targets. (See proposed estimated breakdown at 1.4).

4.3 Defined Areas of Commercial Investment & Income Generation

- 4.3.1 Investment in New and Existing Commercial Property and Land Assets - Invest to Earn – Process and Performance Reporting In order to reach our annual income targets, immediate investment in income producing assets achieving a target return on investment of 7% (or more) across our land, commercial and housing investment portfolio, forms part of this strategy. In considering such opportunities, a predetermined set of assessment criteria and summary business case report for each proposed investment project will be used, supported by additional due diligence or business planning where appropriate prior to completing each case to ensure transparency, due diligence, governance and consistency to aid achievement of our objectives.
- 4.3.2 The governance and decision making process is outlined at 3.2 above and will reflect the specific circumstances of each case. There will also be regular performance monitoring to demonstrate how the investments are performing over time, and to enable portfolio review to take place to maximise benefit over

time. Detailed reporting to the District Executive every 6 months specifically on our assets and new investments will be undertaken to ensure transparency and information is provided to demonstrate how well the Commercial Strategy is performing. Further general financial reporting will be provided through usual budget monitoring and budget setting processes.

- 4.3.3 Existing Commercial and Operational Asset Management - Invest to Save The Council already owns a significant number of valuable property and land assets from which commercial value can be derived. The Property Project Review June 2017 by David Lock Associates (confidential report) makes a number of recommendations which will inform the agreed way forward and objectives for the coming years to contribute towards income generation.
- 4.3.4 The headline recommendations are to retain, invest in, regenerate and consider disposal of a number of these assets. Action will be taken in line with these recommendations when approved.
- 4.3.5 The overarching principle for existing assets will be that unless they either contribute positively to a policy objective, and represent value for money compared to other ways in which the same benefit could be achieved, or provide an adequate financial return on investment, they should be considered for disposal.
- 4.3.6 The overall aim is to move to a balanced, more financially beneficial, well managed estate that includes a performing investment portfolio in line with agreed criteria.
- 4.3.7 Renewable Energy Schemes - Invest to Save and Invest to Earn A number of renewable energy measures and projects will be investigated to manage our existing and future energy costs and requirements on our own operational property, as well as opportunities for investment purely for income generation. A valid business case in line with assessment criteria will need to be met and also considered within the overall asset portfolio in order to ensure correct governance and a balanced investment and income portfolio is maintained, having regard to investment risk in new technology, in terms of security, liquidity and yield in financial terms.
- 4.3.8 Housing Development, Sale and Retention - Invest to Earn and Corporate Objective By the end of financial year 2019/20 the Council will investigate the benefits of the best vehicle or vehicles to take forward investing in housing land and mixed use development projects including Wholly Owned Companies, Joint Venture and Commercial Partnerships. It will source expert advice in Company set up, trading ventures and VAT implications to ensure that it then creates the most commercially appropriate vehicle for the range of projects it progresses. It will develop in house skills and partnership working to ensure that projects taken forward are suitably resourced to deliver the project objectives.
- 4.3.9 In developing Housing the initial objective is to provide Market Housing to help deliver the market needs and sell the completed units to recover development costs and make a set capital receipt benchmark of no less than 10% Profit on Cost. Once this has been achieved any remaining units still available may be considered for Market and Affordable Rent dependent on both housing need in that location and achieving the running target yield of 7% across the investment portfolio. These units will be retained by the Council for long-term income production and capital value growth. Each housing development case will need to be assessed on its own merits and need in terms of the split required between sale and/or whether to hold any units for rental.
- 4.3.10 A further potential benefit that will be sought is to partner with developers on schemes with the intention that any direct investment made by SSDC is matched by the developer, thus using SSDC's involvement and cash flow to kick start the delivery of more units to the market in a shorter timescale. When possible these developments will be within the district and given priority, but it is recognised that this is market opportunity and viability driven and will not always be possible. However, the benefit will ultimately return

to the Council through additional financial resources to invest in service delivery and other local priorities e.g. Regeneration schemes.

- 4.3.11 The Council's exposure to the housing market will be monitored over time as part of its overall investment portfolio, so that the impact of changes in market conditions can be considered.
- 4.3.12 Regeneration Major Regeneration Schemes –SSDC already has a number of major regeneration schemes planned, such as the Chard Regeneration Scheme, Yeovil Refresh and the Wincanton Town Centre Regeneration, and these are projects with their own strategies and plans for delivery, but they link to the Commercial Strategy objectives in the longer term and the same principles apply in executing these projects.
- 4.3.13 Other Strategic Regeneration - there are also a number of smaller and more local schemes targeted at specific needs such as the Yeovil Crematorium Refurbishment and Extension and Delivering Employment Land across the District, which are both current projects and ongoing longer term projects.
- 4.3.14 Regeneration usually takes a longer time until it is income producing than direct income generation investment. It often requires more resource, capital or grant funding in the early stages and usually relies on partnership working with third parties. However, regeneration schemes and projects do also meet other SSDC Corporate Objectives, such as economic development, housing, jobs and infrastructure.
- 4.3.15 Regeneration delivers both tangible commercial and community objectives resulting in income generation for the wider district in the medium to long-term, as well as directly to the Council through business rates or council tax, for example.
- 4.3.16 Therefore our Commercial Strategy is just as applicable to regeneration proposals, as it is for income generation. The main variance is the timescale for income delivery. Therefore, the council has set up a Strategic Regeneration Board which oversees the approved specific regeneration projects and will continue to progress, consider and assess Regeneration proposals over the life of this Commercial Strategy, using an investment based approach that seeks to create viable regeneration schemes that not only pay for themselves but generate a return on the investment over the longer term. As a result, these will become the income generation deliverables for the future SSDC Commercial Strategies. If SSDC is to adopt commercialism in its thinking and actions the Commercial Strategy cannot apply only until 2021 but must look to continually generate income for the future.
- 4.3.17 Liquid Assets - Invest to Earn SSDC have cash reserves that will be reviewed continually under Finance and Treasury Management policies, to ensure that the best yields and returns are achieved whilst maintaining, suitable levels of security and liquidity to ensure a balanced portfolio for the organisation both ensuring the smooth running and maximising returns wherever possible.
- 4.3.18 The Council also has access to low cost borrowing. As part of the commercial strategy the Finance department will review each proposal for investment and income generation prospects to ensure that proposals which meet our investment criteria are progressed. This will be undertaken through keen commercial management and consideration of all financial vehicles available to us. These may include short term low cost borrowing from other organisations, borrowing from the Public Works Loan Board, or investing cash reserves into income generating financial products for the best returns over the short and longer term.

4.4 Summary

- 4.4.1 Directors will oversee all commercial business activities ensuring that they are appropriately governed, scrutinised, managed and monitored. Managers and officers throughout the organisation will also be empowered and responsible to consider and progress proposals such as:
- Capital receipts generated from asset sales
 - Asset retention and enhancement
 - Borrowing proposals, internal and external
 - Capital spending decisions
 - External lending decisions
 - Income generation proposals and trading opportunities
- 4.4.2 Ultimately, all investment decisions will be made having applied a robust business case or evaluated against agreed key assessment criteria prior to progressing.
- 4.4.3 A set of financial and non-financial criteria will be used to assess which schemes and projects progress.
- 4.4.4 Final decisions for larger investments and income generating proposals will be taken by the appropriate officers and members under the reviewed and pre-agreed governance and procurement procedures.

5 How will we know that we have been successful?

5.1 Commercial Objectives will be measured overall by the level of additional income generated, but also in a number of other ways, for example;

- Embed a commercial culture across the organisation through developing and upskilling our staff to empower them to be more commercially aware, enterprising and innovative.
- An increase in commercial activity demonstrated by the level of additional income being achieved, such as an increase in total contribution to fixed costs and overheads (by %) and contribution to staff costs (by %).
- Reducing the net budget of a service by reducing variable costs of that service.
- Additional investment income will be measured and monitored in terms of increase in turnover, profit and return on investment, as appropriate
- Income targets will be agreed with and set for teams that can/are charging for services and efficiency targets agreed with and set for all teams.

5.2 Ongoing refinement of individual commercial objectives

5.2.1 The refined and detailed commercial objectives within each commercial business service are agreed and will be reviewed and updated annually to reflect projects implemented and new objectives to be achieved over the next years. Other services will adopt a similar approach as and when business plans can be developed with commercial objectives. These will be linked to and complement our corporate, financial, capital and treasury management strategies. In the meantime, the following overarching targets are proposed and may be defined further during the life of this strategy.

- To maintain the Commercial Property, Land and Development Team, delivering new income from Housing, Energy, Property, Land and Development.
- To complete the first investment and commercial programmes delivering a minimum of £2.0m per annum of revenue from property investment and £500k per annum of revenue from commercial services and other service income by year end 2019/20.
- To deliver a minimum of £1.35m per annum of revenue by 2021/22 via the additional capital investment of £75m as outlined in the Financial Strategy and commercial activity and/or existing asset management, be that renewables, commercial or residential property investment, regeneration or development, with a target average of 7% return on investment across all new commercial investment proposals. This will equate to a lower net revenue of 2.5% to 3%, or more, available to the council after accounting and financing provisions.
- To deliver an additional £150k per annum of revenue from commercial services and other service income by year end 2021/22.
- To deliver the Property Project review recommendations for existing assets including potential for disposal, for investment in change of use and retention or letting of existing assets by 2021.
- To review all fees and charges and look to increase them in line with inflation annually, or where more appropriate every four years, in order to maintain 'true value' and cost effective fees and charges.
- To deliver a 5% per annum improvement in yield collectively across all internal services.

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

Document is Restricted

Agenda Item 9

Accelerating Housing Supply in South Somerset - Housing Infrastructure Fund

<i>Executive Portfolio Holder:</i>	<i>Cllr. Val Keitch, Strategy and Housing</i>
<i>Ward Member(s)</i>	<i>Cllr. Peter Seib, Cllr. Jenny Snell, Cllr. Alan Smith</i>
<i>Director:</i>	<i>Martin Woods. Director - Service Delivery</i>
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Purpose of the Report

1. To gain agreement for SSDC to administer grant funding from Homes England (HE) to help accelerate housing delivery in South Somerset by facilitating the accelerated development of 569 homes at the Brimsmore Key site in Yeovil.

Forward Plan

2. This was put on the forward plan last month as until then the progression to full acceptance of the grant was unconfirmed.

Public Interest

3. Housing supply is a national and local issue. The provision of a steady supply housing to meet the varied needs of the population of South Somerset is crucial to the wellbeing of citizens and communities. It is also of critical importance to the local economy. This report seeks to accelerate the supply of housing in Yeovil by means of delivering grant-aid to fund vital infrastructure on a key site in Yeovil.

Recommendations

That the District Executive:

- a. Notes the award of £2m grant from Homes England to accelerate the construction of 569 homes on the Brimsmore site, Yeovil.
- b. Approves the use of officer time to administer grant aid from Homes England according to their standard terms and conditions.
- c. Notes the risks and costs and benefits of this course of being responsible for the delivery of the agreed outcomes of the bid as contained in the Assurance Framework.
- d. Delegates the signing of the grant funding legal agreement and drawdown agreement to the Director for Service Delivery

Background

4. The local plan target of 725 dwellings per year is currently not being met, leading to extra pressure on areas not designated for development around the district. The Council Plan states that the Council will enable sufficient housing in appropriate places to meet community needs as well as

maximise the number of affordable homes, including providing more affordable homes to support rural economies and communities.

The desired 2019/20 project outcomes are:

- Sufficient housing of all tenures available to those who need it
 - Stalled sites are brought forward
 - Associated Infrastructure to improve connectivity
5. The tools for local authorities in increasing housing supply have been limited, and the Government have recognised this in their recent policy initiatives described below.
 6. **The Housing Infrastructure Fund (HIF)** is £5 billion of capital grant funding available from 2017/18 to 2022/23. It has been allocated to local government on a competitive basis, providing infrastructure targeted at unlocking up to 200,000 new homes where housing demand is greatest. HIF was announced at Autumn Statement 2016 as part of the National Productivity Investment Fund, with £2.3 billion funding available. An additional £2.7 billion was announced at Autumn Budget 2017. HIF has been divided into two funding streams:
 7. **Marginal Viability Funding (MVF)** – for typically smaller, stalled sites that aren't viable due to infrastructure costs and where the Fund will be the final, or missing, piece of the funding puzzle. Grants of up to £10m were available to lower tier local authorities (districts, metropolitan, London boroughs, or unitary authorities)
 8. **Forward Funding (FF)** – for strategic projects where HIF may be the first piece of funding needed to lever in and secure private investment and other public sector funding. Grants of up to £250m are available to the uppermost tier of local authorities (combined authorities, or counties and unitary authorities where there is not a combined authority).
 9. Officers have been working since September 2017 to secure a successful bid to Homes England under the MVF fund for the Brimsmore site in Yeovil after reviewing the status and likely success of a number of schemes. The key site is allocated in the Local Plan as Policy KS/YEWI/2. The development has to provide significant infrastructure and as a result has taken 10 years from outline approval to start, and despite having full planning approval has not produced the potential number of homes it should to contribute to the housing supply of South Somerset.
 10. A detailed proposal was written by SSDC, submitted in 2017 and approved in principle by Homes England in early 2018. At this stage a detailed appraisal, cash flow and delivery plan was written in conjunction with the developer. This was subject to considerable negotiation and discussion with Homes England. A visit was arranged to the site in July 2018, and following that detailed approval was given, subject to legal agreements being approved and signed. This has been a protracted process given the detailed nature of the agreements and clauses, which include clawback of grant should viabilities change. After considerable work by the Lead Specialist Legal and Commercial Property, Land and Development Manager, we are now in an advanced position to move forwards, secure the funding and accelerate the homes supply for Yeovil and South Somerset.

Report Detail

11. Brimsmore comprises 977 homes with a Village Square with shops, offices, a community hall, a care home, retirement flats, a family pub/restaurant and a primary school. The site extends to approximately 54 hectares and is located on the north side of Yeovil. The proposal is designated KS/YEWI/2 in the adopted South Somerset Local Plan 2006-28, adopted 2015. The whole site has outline planning permission and detailed reserved matters approval for 329 dwellings. A further

reserved matters application for circa 65 dwellings has been submitted. To date 109 houses have been completed.

12. The site is owned in the main by Charles Bishop Limited. The current developer is Wyatt Homes who are a Poole based family housebuilding company. The development has won a number of regional Awards, including design awards from 'What House' and 'Premier Guarantee' and also 'Building Excellence' award from Local Authority Building Control.
13. Without Marginal Viability Fund (MVF) funding the housing delivery rate will slow, given overall scheme viability and the large capital investment required to facilitate the road construction and the cost of undergrounding 33kv overhead cables. The proposal allows the site to continue and fulfil its masterplan total of 977 dwellings.

Benefits

14. Receipt of grant funding and delivery of this infrastructure will:
 - Unlock the development of an additional 569 homes in an area of high housing need which will not otherwise come forward.
 - Deliver new physical infrastructure to support both new and existing communities.
 - Unlock the land for a new two form entry primary school and community facilities for which there is demonstrable need.
 - Enable the Council to make a very positive impact on overall housing supply by facilitating a high quality scheme which enjoys widespread local support.
 - Enable the development to continue at pace and not stall due to high infrastructure costs.
 - Bring the Council considerable new homes bonus to support the impact of development.
 - Contribute to the achievement of land housing land supply figures and improve prospects of relieving pressure elsewhere in the district.
 - Potentially allow the Council to retain any cost savings/recoveries made on the Project to reinvest (with Homes England's consent) into the delivery of further housing.

The Infrastructure Scheme requiring Funding

15. The Marginal Viability Fund (MVF) bid seeks assistance with the financing of the central section of the internal Link Road (including associated infrastructure). The Link Road is a continuation of the Western Corridor around the west and north of Yeovil, thereby contributing to wider objectives of relieving traffic flow. This requires the design construction of the road to exceed the specification of a standard estate road. To complete the project Yeovil's principal electricity supply, a 2KV overhead cable will have to be laid underground. The central section of the Link Road will be in the form of a single lane dual carriageway separated by a 7.5m wide central verge planted with a line of London Plane trees. Construction of this central section will provide access to the Village Square and to various eastern housing development parcels, both open market and affordable.

Project Management

16. South Somerset District Council will be responsible for ensuring that any funding is invested in the infrastructure for which this funding is sought.
17. A project group has been established. This group has comprised the Director - Service Delivery, the Commercial Property Land and Development Manager and the Lead Specialist Legal, with significant input from the Procurement Manager and Section 151 Officer and officers from Financial Services.
18. An Assurance Framework determines the schedule for monitoring of the obligations will have to take place (Appendix 1) and the Council is obliged to provide Homes England with detailed progress reports against targets by way of quarterly returns. The council draw down the money and are responsible to passing this onto the developer as targets are met.
19. This places responsibilities in terms of procurement and State Aid legislation upon the Council.

Grant Funding Agreement

20. A funding agreement between SSDC and Homes England determines the milestones and monitoring arrangements. A 'back to back' legally enforceable drawdown agreement passports the obligations from SSDC to the developer.
21. The funding agreement has been drawn up by Burgess Salmon solicitors acting on instructions from the Lead Specialist, Legal and the necessary state aid compliance check have been made and approved by solicitors acting for the council.
22. The Highway Authority has an existing responsibility to carry out inspections in accordance with Section 38 and Section 278 agreements. The cost of the inspections will be met by the developer. County Highways will update the Delivery Group on progress at the monthly meeting.
23. The District Council will also communicate with the providers of the utilities and request regular updates on the progress. In terms of site management of the Link Road scheme. It is envisaged that the current arrangements of Wyatt's on-site site management role and CBL's over-arching wider project management role will continue.

Other Factors - Viability

24. Homes England have, as a part of their assessment examined all factors regarding viability, and applied a Treasury model of viability, and value for money before determining if a grant is applicable.

Resource Impact

25. The proposal incurs additional work for SSDC, as we take on the role of HE. It has been agreed that SSDC will seek recompense of up to £20,000 pa from the developer to cover our costs and costs incurred to date have already been part-funded by the developer.
26. Being directly involved with the provision of Infrastructure is a new departure for SSDC, but is a 'non-negotiable' requirement for us (and other councils) who wish to access this and any other grant from HE under the government's 'Building for the Future' Programme. It is considered that this exercise is a good learning process that may prove useful if we apply for further funding in the future to support other towns' stalled sites and further increase housing supply to meet the needs of our residents.

Financial Implications

27. The Council will passport the £2m funding to the developer in line the milestones agreed within a prior approved project plan which will be clearly documented. There will be cost of administering the funding, dealing with the HE and their audit requirements, therefore a sum of up to £20,000 p.a has been agreed with the developer to cover these costs and will be deducted from the grant.

Risks

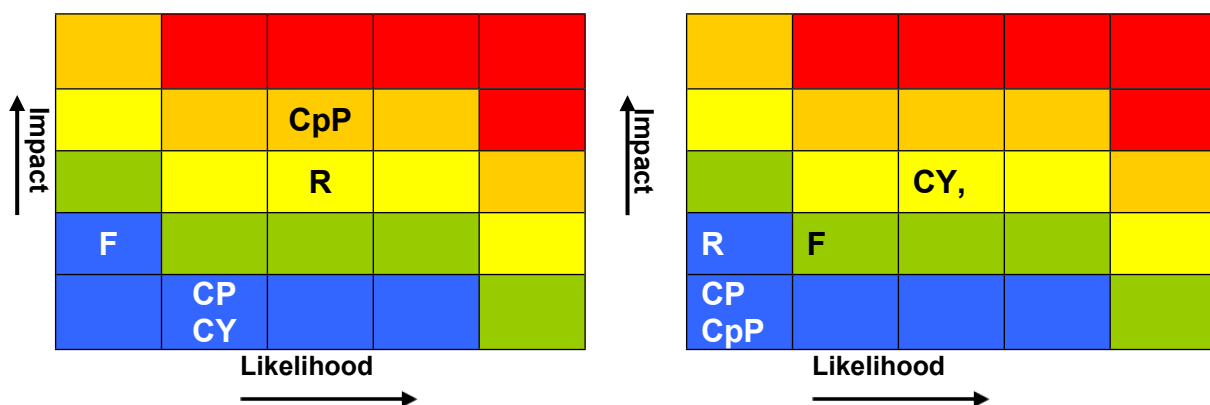
28. Burgess Salmon have reviewed the Funding Agreement in detail. SSDC has proposed a form of agreement to Charles Bishop Limited which mitigates a range of risks to SSDC by passing through all obligations under the Funding Agreement to Charles Bishop (the “**Flow-Down Agreement**”).

In summary, the outstanding key risks are:

- (a) Homes England has a broad ability to terminate the Funding Agreement on notice in the event of a breach or immediately on failure to achieve a Milestone or Output.
 - (b) Where an Event of Default occurs, Homes England has the ability to clawback funding paid to SSDC within a short timescale, but this can in turn be clawed back from the developer
 - (c) SSDC gives Homes England a broad and uncapped indemnity, including in respect of losses etc. caused as a result of the Project as a whole rather than as a result of SSDC’s actions or omissions. This indemnity will be flowed down to the developer but is only as effective as the standing of the developer
29. Homes England’s position is that they do not accept any amendments to their standard terms and conditions. As such, options to mitigate these risks are limited but the Council has nonetheless worked to achieve the best possible agreement. The Lead Specialist Legal has reviewed the advice and considers that these risks are proportionate and reasonable, if SSDC is to pursue its commitment to housing and enter the field of direct support in partnership with Homes England. Regular dialogue with the developer and close monitoring of progress should ensure that any potential breach or failure to deliver a Milestone or Output will be identified early, and provides the best chance of agreeing a way forward with Homes England, such that termination of the agreement or clawback of grant is avoided

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

The overriding objective is to enable sufficient housing in appropriate places to meet community needs.

The desired 2019/20 project outcomes are:

- Sufficient housing of all tenures available to those who need it
- Stalled sites are brought forward
- Associated Infrastructure improves connectivity

This report addresses all these in a practical way.

Carbon Emissions and Climate Change Implications

In many ways this is an exemplary development.

- The homes will be built to the current building control environmental code standards
- The development has been based on principles of easy permeability and access to play, schooling and recreation.
- Routes are planned as part of the development for walking and cycling offering opportunities for minimising the use of the car.

Equality and Diversity Implications

- The development will accelerate the delivery of affordable homes and support the community of South Somerset

Privacy Impact Assessment

- .None

Background Papers

- Homes England Assurance Framework for Marginal Viability Fund



Homes
England

Assurance Framework for the Housing Infrastructure Fund – Marginal Viability Funding

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Introduction

1. The Housing Infrastructure Fund (HIF) is £5 billion of capital grant funding available from 2017/18 to 2022/23. It has been allocated to local government on a competitive basis, providing infrastructure targeted at unlocking up to 200,000 new homes where housing demand is greatest. HIF was announced at Autumn Statement 2016 as part of the National Productivity Investment Fund, with £2.3 billion funding available. An additional £2.7 billion was announced at Autumn Budget 2017.
2. HIF has been divided into two funding streams:
 - **Marginal Viability Funding (MVF)** – for typically smaller, stalled sites that aren't viable due to infrastructure costs and where the Fund will be the final, or missing, piece of the funding puzzle. Grants of up to £10m¹ were available to lower tier local authorities (districts, metropolitan, London boroughs, or unitary authorities)
 - **Forward Funding (FF)** – for strategic projects where HIF may be the first piece of funding needed to lever in and secure private investment and other public sector funding. Grants of up to £250m² are available to the uppermost tier of local authorities (combined authorities, or counties and unitary authorities where there is not a combined authority).
3. This document sets out the Assurance Framework requirements for Marginal Viability Funding projects receiving Housing Infrastructure Fund (HIF) funding from 2017/18.
4. This document will be accompanied by the HIF MVF Grant Determination Agreement (GDA) that will be specific to each project. GDA's will be entered into following a period of funding clarification which will confirm the amount of grant awarded and project deliverables. Further details regarding funding clarification and the GDA are set out in **Section four** of this document.

¹ MVF schemes had a "soft" cap of £10 million, however higher funding amounts could be awarded in exceptional cases

² FF schemes had a "soft" cap of £250 million, however higher funding amounts could be awarded in exceptional cases

Section one

Audience of the document

1. This document should be read by those Local Authorities who were successful in their application to the Housing Infrastructure Fund for Marginal Viability Funding.
2. It is understood that, in some instances, the Local Authority submitting the bid will not be the recipient of the funding and another Local Authority will be responsible for utilizing the HIF MVF Funding. In these occasions, this document should also be read by the recipient of funding.
3. Where there is a difference between bidder and recipient of funding the GDA will outline the accountability of both parties.

Section two

How the assurance framework works with the Accountability Statement for Local Government.

1. The assurance framework for the Housing Infrastructure Fund (Marginal Viability Funding) builds on the checks and balances established in the Accountability System Statement for Local Government. It includes regular reporting, an annual performance review, and a robust approach to monitoring and evaluation.

The Accountability System Statement for Local Government

2. The Accountability System Statement for Local Government sets out how the MHCLG Accounting Officer will meet their responsibilities and assure themselves that local government spends its money with regularity, propriety and value for money. It sets out the core local government accountability framework and, since the HIF MVF grant is paid to local authority accountable bodies, applies to how the HIF MVF grant is managed by those local authorities.
3. This Assurance Framework (the Assurance Framework for the Housing Infrastructure Fund – Marginal Viability Funding) provides the additional specific arrangements to assure MHCLG of value for money for the HIF MVF grant.

Section three

Allocation of the Housing Infrastructure Fund – Marginal Viability Funding

1. Allocations of the HIF MVF projects were informed by an assessment of the business cases submitted by Local Authorities. Bids were assessed using three main criteria:
 - Value for money
 - Deliverability
 - Strategic approach to delivering housing growth
2. The assessment, based on Green Book principles, selected bids with the strongest business cases and projects. The assessment was undertaken by analysts and officials, providing a fuller understanding of the projects, particularly around deliverability. This process was moderated to ensure a consistent and transparent approach to assessment. The investment decisions were made via a cross-government panel with MHCLG Ministerial agreement.
3. Any future awards of HIF, or similar grant programmes, will be informed by a consistent track record of successful implementation and demonstration of value for money, which will act as an important incentive to ensure quality and deliverability of projects. This includes the funding awarded under MVF.

Section four

How Local Authorities receive and utilise their Housing Infrastructure Fund - Marginal Viability Funding allocations

Funding Clarification

1. The allocation of grant will be subject to a period of funding clarification which will be undertaken before the GDA is concluded.
2. The funding clarification period will provide further assurance on the deliverability of the project and ensure that the details provided in the bid present an accurate and current representation of the project, including financials, site conditions and planning and procurement status. If any specifics of the project have changed during the time in between the bid being submitted and funding clarification being undertaken then they will be addressed in this process.
3. The funding clarification work will provide the required metrics that will be used for the GDA and baseline.

Grant Determination Agreement

4. The GDA will be agreed following the funding clarification period. All projects will be required to sign up to the GDA by December 2018 unless otherwise agreed even if grant funding is not awarded until future years.
5. The GDA will set out the terms and conditions for the grant funding, including the availability period, within which the funds are available to be drawn, and the project end date when project monitoring will end. The GDA will define the 'project' and the deliverables (including key milestones & outputs) which will be monitored against. The GDA will also include an initial (or base) cashflow setting out costs, values, funding and outputs.
6. The cashflow is a key document which will agree the annual HIF funding profile for the project. In order to ensure that HIF MVF spend for all projects is in line with the profile agreed with HMT, it is required that any alteration to an individual project's profile is agreed, in writing, by Homes England.

Payment mechanism

7. MVF allocations will be paid to the bidding Local Authorities (or agreed nominated Local Authority). All payments will be made by Homes England under Section 19 of the Housing and Regeneration Act 2008.
8. Payments will be made in quarterly installments on the receipt of a valid claim form (with required supporting documentation), as well as evidence of progress from the most recent monitoring return provided by the local authority. These will need to confirm that that delivery is on track and that there is a reasonable expectation that they will be able to spend the allocated funding on the infrastructure project within the financial year. If the local authority cannot provide adequate assurance, then Homes England retains the right to withhold the grant payment.
9. Once all relevant conditions have been met, the quarterly payments will be on a

standardised basis, following first drawdown.

10. Payments for quarters one to three will be made in advance (upfront) and in arrears (where required), where justification through the monitoring process is provided to the satisfaction of Homes England, and in arrears for the last payment within the financial year.
11. Where payments are made upfront, this will only be for costs reasonably expected to be incurred up until to the next payment tranche. No funding can be provided for expenditure occurring in the next financial year. Section 151 officer sign-off must be received for all payments.
12. Homes England will carry out reconciliations of each claim to ensure the correct amount of funding is provided in the subsequent period.
13. Local authorities may use grant funding to recover any capital which has been spent at risk on the MVF project since 28 September 2017, subject to the claim and supporting documentation being to the satisfaction of Homes England.
14. **Annex A** provides an overview of the claim process and a table of the quarterly 'claim points' and claim period dependent on the first drawdown.
15. Due to the challenging nature of delivering infrastructure projects, we recognise that there may be exceptional circumstances where urgent payments may be required earlier than the agreed payment date. In these circumstances, local authorities can request an ad-hoc payment. Requests will only be granted on the condition that the previous grant payment has been spent (or with exceptionally high confidence in spend) and waiting until the next scheduled payment tranche could delay the progress of the project. Decisions will be made on a case-by-case basis by Homes England.
16. Any other changes regarding the agreed amount of MVF grant, or annual profile of MVF payments, will be reviewed as part of the annual performance conversation or regular engagement with Homes England contacts. Any changes to the agreed amount of grant or profile will require authorisation by Homes England, and, if significant, by MHCLG (and in some circumstances HMT).
17. The GDA will set out specific funding requirements for the project which must be followed and the local authority's Section 151 Officer is required to agree to these and the following standard grant conditions to receive HIF MVF funding:
 - a. The money is to be spent on capital related to the project;
 - b. The scheme will deliver by an agreed date. Otherwise, Homes England can recover funding;
 - c. Any costs saved or recovered are retained by the local authority and to be used for further housing delivery (subject to Homes England approval); and
 - d. The Local Authority will assure Government on delivery through proportionate regular reporting on progress, as set out in this document and the GDA.
18. It will be the responsibility of the local authority to procure and manage the spend of HIF funding on the agreed project, including through contracts for the delivery of infrastructure being funded by the grant. As part of the local authority's delivery plan, they will keep a procurement plan and associated timelines up to date.
19. Local authorities are responsible for ensuring that any funding they are awarded will be spent in accordance with all applicable legal requirements. This includes state aid, public

procurement law, wider public law (including the Public Sector Equality Duty), and planning law.

20. Local Authorities are expected to deliver the agreed projects. Where a local authority chooses to loan or pay money to developers or contractors to secure infrastructure delivery, the local authority will also be responsible for ensuring the recipient delivers on that agreement, and for taking any follow-up enforcement action. Government reserves the right to take track record of delivery on HIF MVF into account when determining the allocation of future funding.

Section five

Monitoring and evaluating delivery

1. MVF will be subject to monitoring and evaluation. Local Authorities will be required to monitor and report on a range of data including inputs, outputs and outcomes to demonstrate success and providing clarity to Government and the public about what HIF MVF funding has delivered.
2. Relevant metrics include the progress of the infrastructure against milestones, wider project delivery, the amount of private sector investment leveraged, housing units started and completed, and wider benefits achieved (such as supporting SMEs / Modern Methods of Construction and recovery of HIF funding). MVF performance will be monitored by Homes England, enabling it to target support where issues arise.

Monitoring

3. MVF performance will be monitored throughout the life of the project, this includes prior to first payment and after last payment to ensure that projects remain on track.
4. To support the monitoring process, each project will have a regionally based Homes England Relationship Manager (RM) who will provide support to Local Authorities and ensure a regular dialogue is maintained. RMs will be on-hand to deal with any emerging risks and issues and will be the main channel of communication between the Local Authorities and central government.
5. MVF Projects will be monitored in the following ways:
6. Prior to first payment:
 - a. **Project baseline.** A baseline of project deliverables and milestones will be agreed with Homes England in the GDA and appended cashflow. Monitoring returns, during the life of the projects, will be compared against this baseline to keep track of progress.
 - b. **Quarterly Local Authority monitoring returns (MR's).** Local Authorities will provide Homes England with a set of comprehensive data relating to each MVF project on a quarterly basis, including forecast spend, and project deliverables and progress and output metrics. RMs will meet with Local Authorities to discuss these returns.
 - c. **MR Assurance.** Homes England Assurance Managers (AMs) will review all quarterly returns to review project delivery. AMs are corporate Homes England staff, responsible for providing an independent assessment of project performance and for signing off drawdowns of grant funding to Local Authorities. AMs will attend meetings with local authorities as appropriate, depending on the size, complexity and risk profile of the projects. If any concerns are raised about the monitoring submission, they will be communicated to Local Authorities and may require amendments to be made to the submitted return. These reviews, combined with regular RMs engagement, provides an early warning system which highlights any emerging risks so that prompt action can be taken to address them. If a project is identified as under-delivering, Homes England reserves the right to request more frequent meetings and updates against progress and will work with Local

Authorities to put in place mitigation plans with appropriate mechanisms to address delivery concerns.

7. During payments:

- a. **Quarterly Local Authority monitoring returns (MR's)** – as detailed above and will also include detail on actual spend.
- b. **MR Assurance** – as detailed above.
- c. **Quarterly grant request.** Prior to each quarterly grant payment, Local Authorities will submit a grant request with evidence demonstrating how the grant funding will be utilised over the next period (and evidence of any spend incurred that is being included in the claim). Evidence should also be provided of how the funding has been spent in the previous quarter (if there has been a previous claim). The grant request and additional assurance information will need to be signed off by the Local Authority's S.151 Officer. Documentation provided from the most recently submitted MR, including an updated cashflow, and prior performance will be reviewed and considered by Homes England before confirming that the payment will be made.
- d. **Annual reviews.** Homes England will use the information from the monitoring framework to conduct a performance review of project delivery over the past year. This will review how the project is performing compared to the agreed baseline and confirm a forward plan for the next 12 months. It will also agree a set of actions and next steps, if there are any issues to be addressed by the Local Authority or by central government.

8. After payments completed:

- a. **Quarterly Relationship Manager (RM) discussions.** Every quarter, through engagement with RMs (and AMs as appropriate), Local Authorities will confirm whether progress on site is in-line with the baseline and that the project is on-track to deliver the housing and any other expected outputs. A reduced frequency of discussions may be agreed for projects where there is strong evidence of progress and milestones have consistently been met.
- b. **Six-monthly Local Authority monitoring returns (MR's).** Local Authorities provide Homes England with a progress report on the wider project works, the delivery of housing and any recovered HIF grant. This monitoring requirement will continue throughout the lifetime of the project and subsequent use of recycled funds (if relevant). Homes England reserves the right to request more frequent monitoring returns if wider project is underperforming.

Evaluation

9. As a recipient of grant funding, local authorities will be required to complete evaluation surveys on MVF. This will involve completing short surveys and interviews with independent programme evaluators, to help inform future programme and policy development. We may wish to involve developers as part of this.

Annex A - Claim process Overview

- Payments will be made on a quarterly basis in advance (up until the next quarter) and in arrears for the final payment of the financial year (**shown in red**).
- **All claims must be for spend incurred within the financial year (from 1 April-31 March)**.
- The final claim of the financial year is to be made in March for costs already incurred (i.e. on an arrears basis since last claim).
- First payments will be made once a scheme goes unconditional. Once a scheme has gone unconditional, and received its first payment, the payment quarters will start from that month.
- Claims should be submitted to Homes England in the claim month, **no later than the 20th of the month (15th for March payments)**, using the claim form provided with the GDA.
- If your scheme goes unconditional in January or February, the claim cannot be made until March, with March commencing the claim month cycle.
- Payments will be made within 12 working days on receipt of a valid claim.
- All claim forms require a section 151 officer sign off (or delegated authority).
- If there is any expenditure that was not validated in a previous claim (i.e. appropriate evidence still to be provided) then this can be included within the next payment (if valid).
- Claim forecasts will be required within MR returns.
- The payment timetable and claim period is shown below:

1 st Claim Month	Claim period 1	2 nd Claim Month	Claim period 2	3 rd Claim Month	Claim Period 3	4 th Claim Month	Claim Period 4
Apr	Apr 1 st - June 30 th	July	July 1 st - Sept 30 th	Oct	Oct 1 st - Dec 31 st	Mar	Jan 1 st - Mar 31 st
May	Apr 1 st - July 31 st	Aug	Aug 1 st - Oct 31 st	Nov	Nov 1 st - Jan 31 st	Mar	Feb 1 st - Mar 31 st
June	Apr 1 st - Aug 31 st	Sept	Sept 1 st - Nov 30 th	Dec	Dec 1 st - Feb 28 th *	Mar	Mar 1 st - Mar 31 st
July	July 1 st - Sept 30 th	Oct	Oct 1 st - Dec 31 st	Mar	Jan 1 st - Mar 31 st	Apr	Apr 1 st - June 30 th
Aug	Aug 1 st - Oct 31 st	Nov	Nov 1 st - Jan 31 st	Mar	Feb 1 st - Mar 31 st	May	Apr 1 st - July 31 st
Sept	Sept 1 st - Nov 30 th	Dec	Dec 1 st - Feb 28 th *	Mar	Mar 1 st - Mar 31 st	June	Apr 1 st - Aug 31 st
Oct	Oct 1 st - Dec 31 st	Mar	Jan 1 st - Mar 31 st	Apr	Apr 1 st - June 30 th	July	July 1 st - Sept 30 th
Nov	Nov 1 st - Jan 31 st	Mar	Feb 1 st - Mar 31 st	May	Apr 1 st - July 31 st	Aug	Aug 1 st - Oct 31 st
Dec	Dec 1 st - Feb 28 th *	Mar	Mar 1 st - Mar 31 st	June	Apr 1 st - Aug 31 st	Sept	Sept 1 st - Nov 30 th
Jan	If your scheme goes unconditional in January or February the first claim month will be March on an arrears basis only (see Section 4 Paragraph 13 above).						
Feb							
Mar	Mar 1 st - Mar 31 st	June	Apr 1 st - Aug 31 st	Sept	Sept 1 st - Nov 30 th	Dec	Dec 1 st - Feb 28 th *

*In case of leap year - February 29th

Equality Impact Relevance Check Form



The Public Sector Equality Duty requires us to eliminate discrimination, advance equality of opportunity and foster good relations with protected groups. This tool will identify the equalities relevance of a proposal, and establish whether a full Equality Impact Assessment will be required.

What is the proposal?	
Name of the proposal	Housing Infrastructure Fund - Brimsmore Key Site
Type of proposal (new or changed Strategy, policy, project, service or budget):	Grant award from Homes England to SSDC
Brief description of the proposal:	Grant to fund provision of key infrastructure at the Site.
Name of lead officer:	Martin Woods

You should consider whether the proposal has the potential to negatively impact on citizens or staff in the following ways:

- Access to or participation in a service,
- Levels of representation in our workforce, or
- Reducing quality of life (i.e. health, education, standard of living)

A negative impact is any change that could be considered detrimental. If a negative impact is imposed on any citizens or staff with protected characteristics, the Council has a legal duty to undertake a full Equality Impact Assessment.

Could your proposal negatively impact citizens with protected characteristics? (This includes service users and the wider community)	NO
Could your proposal negatively impact staff with protected characteristics? (i.e. reduction in posts, changes to working hours or locations, changes in pay)	NO

Is a full Equality Impact Assessment required?	NO
If Yes, Please provide a brief description of where there may be negative impacts, and for whom. Then complete a full Equality Impact assessment Form	
If No, Please set out your justification for why not.	
The grant will speed up the delivery of mixed housing on the Site, including affordable housing, along with community facilities.	
Service Director / Manager sign-off and date	Martin Woods - 21 August 2019
Equalities Officer sign-off and date	

Agenda Item 10

Public Space Protection Orders: Yeovil

Executive Portfolio Holder: Councillor Val Keitch, Housing and Strategy
Ward Member(s) Councillors Karl Gill, David Gubbins, Andy Soughton
Strategic Director: Martin Woods, Service Delivery Director
Service Manager: Nigel Marston, Specialist Team Manager
Lead Officer: Paul Huntington, Compliance & Enforcement Specialist, Service Delivery
Contact Details: Paul.huntington@southsomerset.gov.uk or 01935 462532

Purpose of the Report

1. For members to agree to the approval of two Public Space Protection Orders; one to address street drinking and one to address begging. Both PSPOs are in relation to defined areas of Yeovil town centre.

Forward Plan

2. This report appeared on the District Executive Forward Plan with an anticipated Committee date of 5th September 2019.

Public Interest

3. Public Spaces Protection Orders are intended to deal with a particular nuisance or problem in a specific area that is detrimental to the local community's quality of life, by imposing conditions on the use of that area which apply to everyone. PSPOs are intended to help ensure that the law-abiding majority can use and enjoy public spaces, safe from anti-social behaviour.
4. Given that these orders can restrict what people can do and how they behave in public spaces, it is important that the restrictions imposed are focused on specific behaviours and are proportionate to the detrimental effect that the behaviour is causing or can cause, and are necessary to prevent it from continuing, occurring or recurring.
5. Data collected in 2017 and 2018 indicates that anti-social behaviour associated with street drinking is causing problems in the centre of Yeovil. It is therefore proposed that South Somerset District Council make a Public Space Protection Order to deal with this issue.
6. A separate PSPO also addresses the issue of begging in the town centre. It is therefore proposed that South Somerset District Council make a Public Space Protection Order to tackle this issue.

Recommendations

7. It is recommended that:
 - i. the Council make a Public Space Protection Order to restrict street drinking in the town centre of Yeovil;
 - ii. the Council make a Public Space Protection Order to restrict begging in the town centre of Yeovil.

Background

8. Local councils are responsible for making Public Spaces Protection Orders: district councils should take the lead in England.
9. The legal tests focus on the impact that anti-social behaviour is having on victims and communities. A Public Spaces Protection Order can be made by the council if they are satisfied on reasonable grounds that the activity or behaviour concerned, carried out, or likely to be carried out, in a public space:
 - has had, or is likely to have, a detrimental effect on the quality of life of those in the locality;
 - is, or is likely to be, persistent or continuing in nature;
 - is, or is likely to be, unreasonable; and
 - justifies the restrictions imposed.
10. The council can make a Public Spaces Protection Order on any public space within its own area. The definition of public space is wide and includes any place to which the public or any section of the public has access, on payment or otherwise, as of right or by virtue of express or implied permission, for example a shopping centre.
11. Before making a Public Spaces Protection Order, the council must consult with the police. This should be done formally through the chief officer of police and the Police and Crime Commissioner, but details could be agreed by working level leads. This is an opportunity for the police and council to share information about the area and the problems being caused as well as discussing the practicalities of enforcement. In this case officers have worked closely with the local police in Yeovil, not only to gather the data relating to anti-social incidents but also to agree an enforcement protocol so that the Council and the Police will work together to address any issues which occur after the PSPOs have been declared.
12. The council must also consult whatever community representatives they think appropriate. It is strongly recommended that the council engages in an open and public consultation to give the users of the public space the opportunity to comment on whether the proposed restriction or restrictions are appropriate, proportionate or needed at all. In order to comply with this recommendation the Council undertook a public consultation between 28th May 2019 and the 7th July 2019. The results of this consultation can be found in the background paper "PSPO Consultation Result".
13. Consultation has also taken place with other key partners including Yeovil Town Council, Yeovil Chamber of Commerce, Somerset County Council, Somerset Drug and Alcohol Service (SDAS), Pathways, Yarlinton Housing Group, Yeovil Refresh and the Yeovil One team.
14. Given that the effect of Public Spaces Protection Orders is to restrict the behaviour of everyone using the public space, the direct involvement of elected members will help ensure that openness and accountability is achieved. National guidance recommends that the decision to adopt a PSPO is put to the Cabinet or full Council.

Street Drinking PSPO

Evidence Base

15. Anecdotal evidence from members of the public, officers, partner organisations and businesses in Yeovil have suggested that anti-social behavior associated with street drinking has occurred in the town centre of Yeovil.
16. Working with Avon and Somerset Police council officers examined the police data on reported incidents where police officers attended the incident. The advantage of this approach is that the quality and reliability of the evidence is high. The disadvantage is that this approach is likely to under-report the scope and scale of the problem. However given that any PSPO could be subject to a legal challenge in the form of an appeal it is the judgement of officers that the council should be wary using anecdotal evidence to justify the imposition of a PSPO.
17. Nevertheless the approach used identified 47 alcohol related incidents in 2017 and 49 in 2018. These incidents are graphically represented in figure 1 and figure 2. Based on this data the proposed restricted area was drawn up and is presented in figure 3.

Figure 1: Alcohol related ASB incidents in 2017

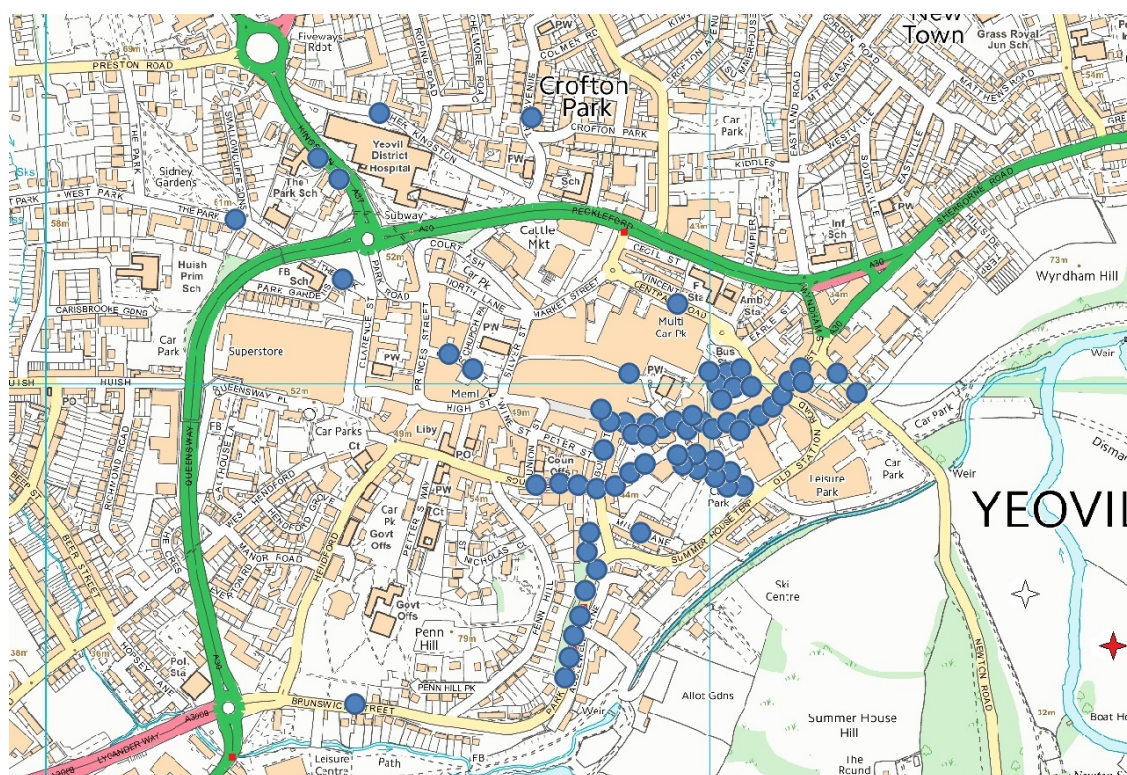


Figure 2: Alcohol related ASB incidents in 2018

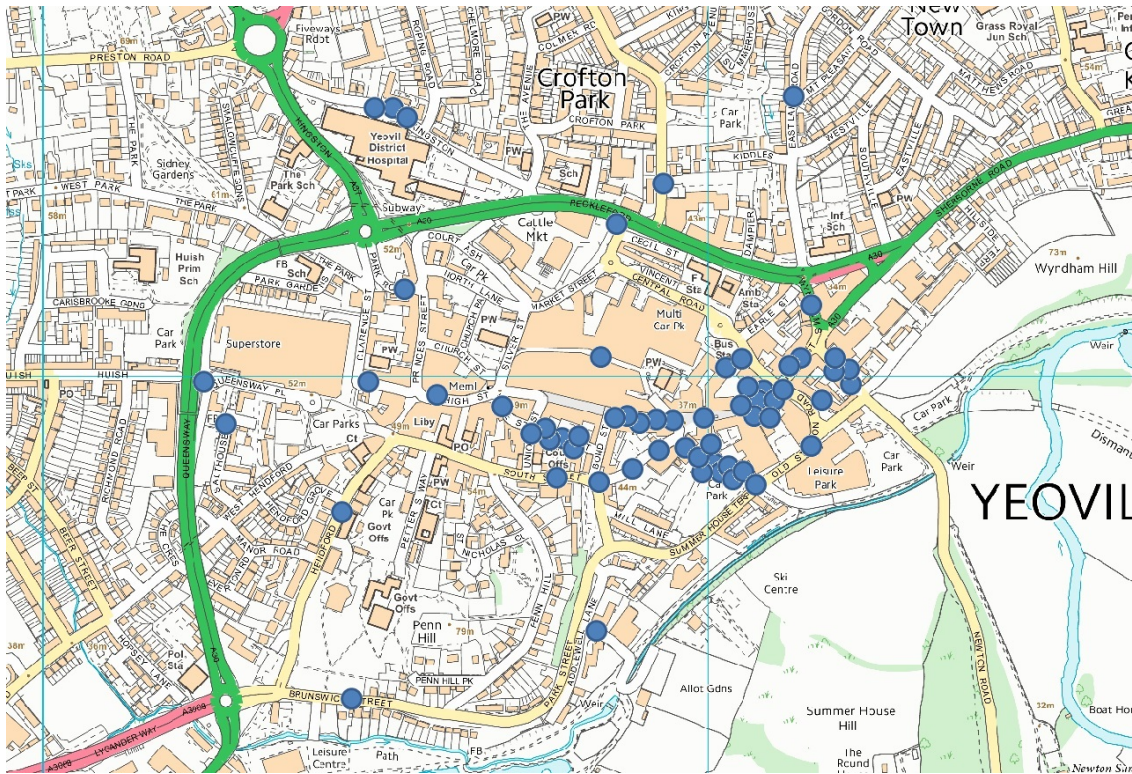
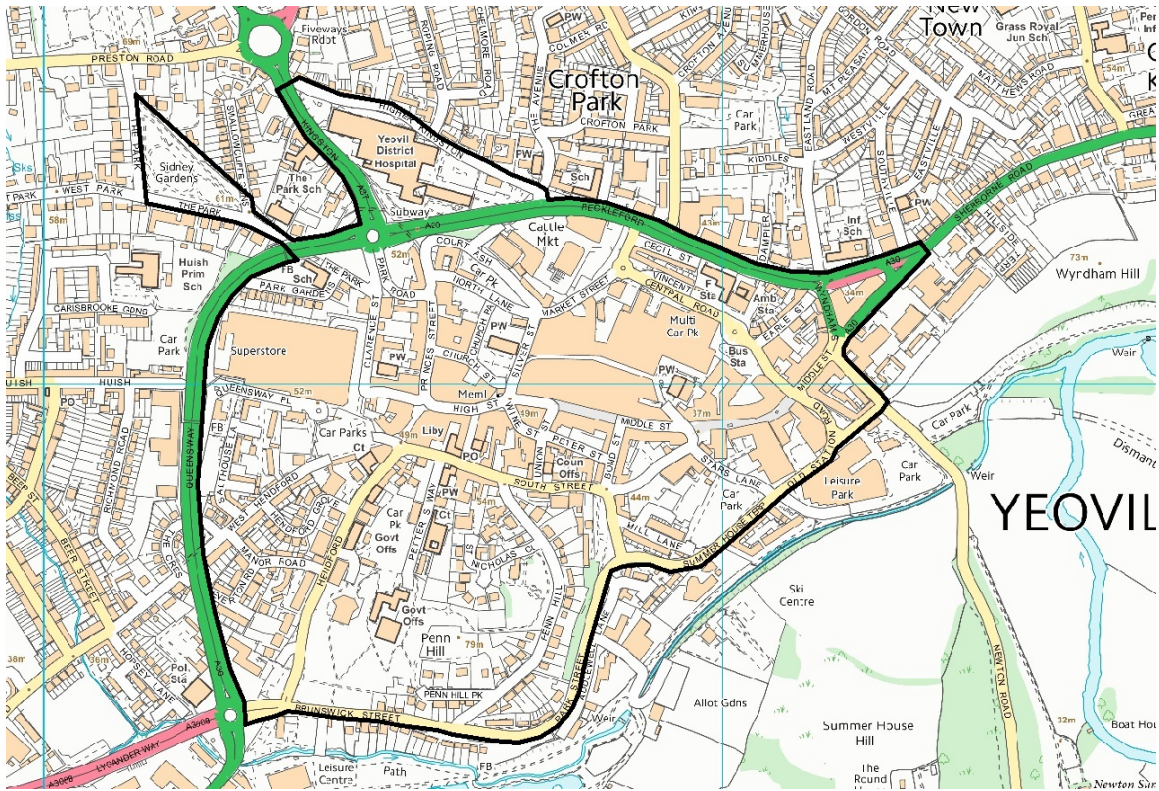


Figure 3: Proposed Restricted Area



Proposed Restrictions

18. In establishing which restrictions or requirements should be included, the council should be satisfied on reasonable grounds that the measures are necessary to prevent the detrimental effect on those in the locality or reduce the likelihood of the detrimental effect continuing, occurring or recurring.
19. As with all the anti-social behavior powers, the council should give due regard to issues of proportionality: i.e. is the restriction proposed proportionate to the specific harm or nuisance that is being caused? Councils should ensure that the restrictions being introduced are reasonable and will prevent or reduce the detrimental effect continuing, occurring or recurring. In addition, councils should ensure that the Order is appropriately worded so that it targets the specific behavior or activity that is causing nuisance or harm and thereby having a detrimental impact on others' quality of life.
20. A Public Spaces Protection Order can be used to restrict the consumption of alcohol in a public space where the relevant legal tests are met. However, such an Order cannot be used to restrict the consumption of alcohol where the premises or its curtilage (a beer garden or pavement seating area) is licensed for the supply of alcohol (other than council operated licensed premises). There are also limitations where a temporary event notice has been given under Part 5 of the Licensing Act 2003, or where the sale or consumption of alcohol is permitted by virtue of permission granted under section 115E of the Highways Act 1980. This is because the licensing system already includes safeguards against premises becoming centres for anti-social behavior. It would create confusion and duplication if Public Spaces Protection Orders were introduced here.
21. A total prohibition on the consumption of alcohol was considered within the restricted area. However looking at the experience of other councils and in consultation with the police, it was decided that the proposed restrictions below are more appropriate. Not only do these restrictions link the behavior directly to anti-social impacts, but it gives the person subject to the restrictions an opportunity to comply with the restrictions without the need for further formal enforcement action. This complies with the principles of proportionality, directly addresses the behavior causing the problem and is reasonable. The requirements are shown below:

The Requirements

1. *No person shall fail to stop consuming alcohol when required to do so by a Police Officer, Police Community Support Officer or an authorised officer from the Council.*
2. *No person shall fail to surrender anything in their possession which a Police Officer, Police Community Support Officer or authorised officer from the Council reasonably believes to be alcohol or a container for alcohol when required to do so.*

Begging PSPO

Evidence Base

22. Again anecdotal evidence from members of the public, officers, partner organisations and businesses in Yeovil have suggested that anti-social behavior associated with begging has occurred in the town centre of Yeovil.
23. Working with Avon and Somerset Police council officers examined the police data on reported incidents where police officers attended the incident. The advantage of this approach is that the quality and reliability of the evidence is high. However anecdotal evidence suggests that the scope and scale of the issue is heavily unreported. Attempts have been made to quantify and verify the anecdotal evidence, unfortunately it has not been possible to do this to a reliable standard.
24. Nevertheless the approach used identified 32 begging related incidents in 2017 and 14 in 2018. These incidents are graphically represented in figure 4 and figure 5. Based on this data the proposed restricted area was drawn up and is presented in figure 6.

Figure 4: *Begging related ASB incidents in 2017*

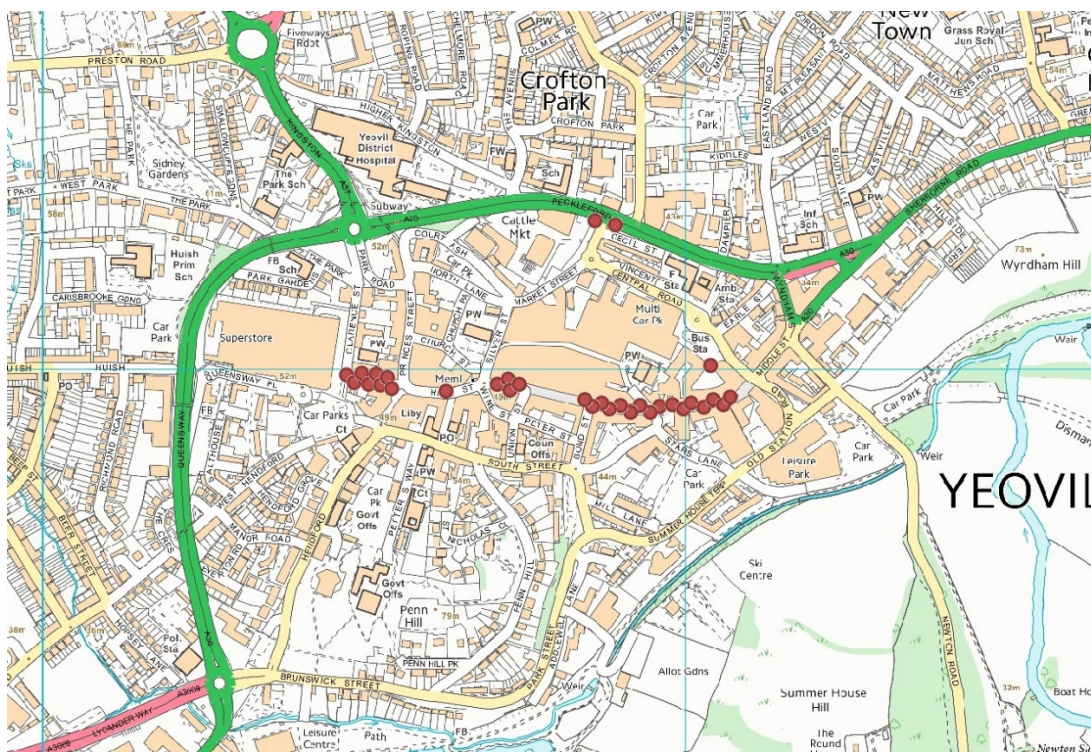


Figure 5: Begging related ASB incidents in 2018

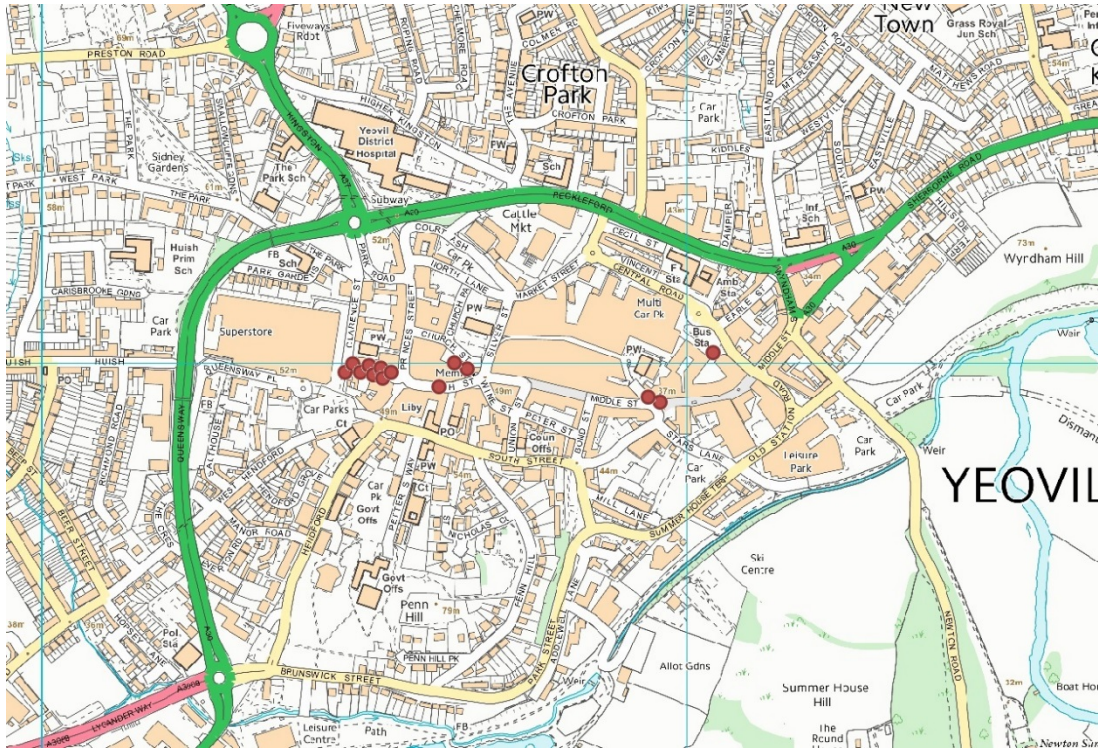
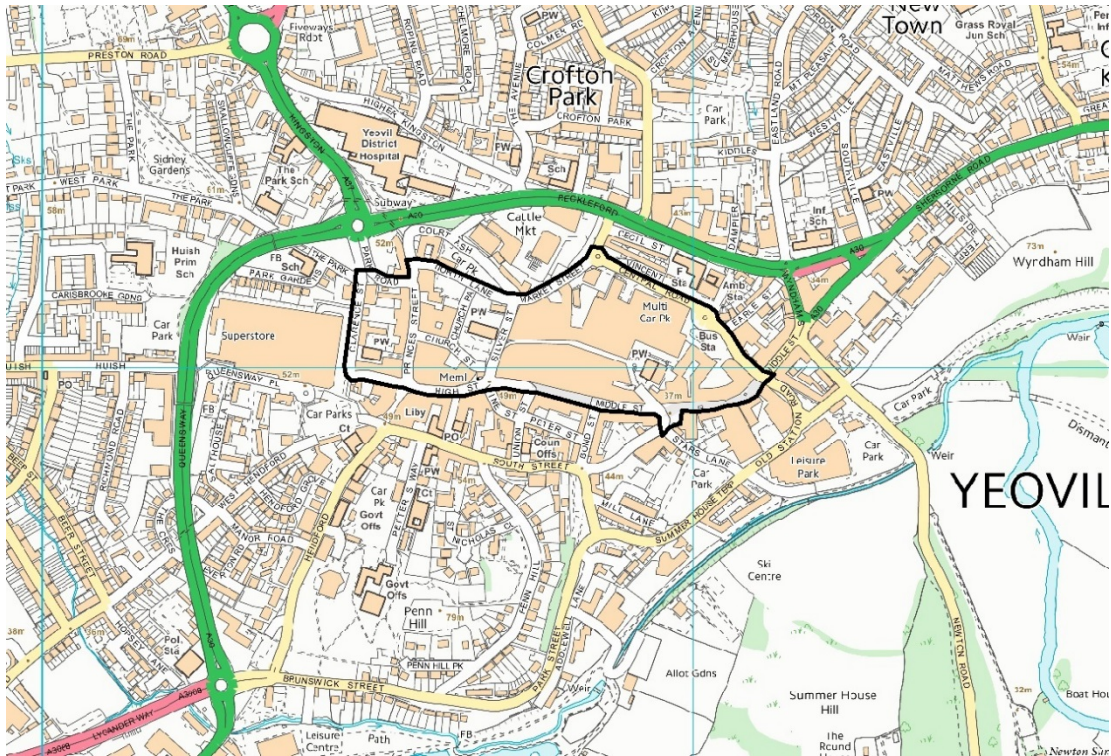


Figure 6: Proposed Restricted Area



Proposed Restrictions

25. As with the alcohol restrictions, the council should be satisfied on reasonable grounds that the measures are necessary to prevent the detrimental effect on those in the locality or reduce the likelihood of the detrimental effect continuing, occurring or recurring. The council should also give due regard to issues of proportionality and reasonableness.
26. It was felt important to target the wording of the restrictions in such a manner that it does not capture people in need such as the homeless or those with other vulnerabilities.
27. The intention is to target the restrictions at those individuals who are begging for profit, have other known incomes and have accommodation options open to them.
28. The activities which are prohibited or required by this PSPO are;
 - a. *All persons are prohibited from approaching another person, either in person, verbally or through action in a misleading manner in a public place in order to solicit monies from the other person.*
 - b. *All persons are prohibited from sitting or loitering in a public place between the hours of 08:00 to 20:00 hrs, being in possession of a receptacle used to obtain monies in a misleading manner. This includes the use of signage, children or animals to solicit monies from members of the public.*

Enforcement

29. The activities set out in this PSPO are prohibited or required only where an authorised person requires a person to stop the activity or requires that person to do something as set out in this Order.
30. An authorised person means a constable, a police community support officer or a person authorised in writing by the Council.
31. It is an offence for a person without reasonable excuse—
 - a. *to do anything that the person is prohibited from doing by a public spaces protection order, or*
 - b. *to fail to comply with a requirement to which the person is subject under a public spaces protection order.*
32. A person guilty of an offence under this section is liable on summary conviction to a fine not exceeding level 3 on the standard scale.
33. The council has agreed an enforcement protocol with Avon and Somerset Police. This is required because while a constable and police community support officer can enforce the PSPOs, only the council can issue the fixed penalty notice or undertake any follow-up formal enforcement action.
34. The council will make enforcement decisions based on the evidence provided in line with the council enforcement policy. Generally this will mean that the minimum enforcement stance will be taken in order to achieve compliance. This initially will typically take the form of warning letters. Repeated breaches of the PSPO restrictions by the same individuals will likely result

in escalated enforcement in the form of fixed penalty notices (FPNs) and where these are not paid, possible prosecution.

35. The level of FPNs is intended to be sent at £100.
36. Should the restrictions in the PSPOs continue not to be complied with, the council, working with the police, will consider other enforcement options. For example the use of Civil Injunctions placing additional restrictions against specific individuals. The very fact that the restrictions imposed by the PSPOs have been repeatedly breached will help provide the evidence base for this option.

Consultation Responses

37. The consultation on the PSPOs ran from 28th May 2019 to the 7th July 2019. It took the form of a mainly online advertising campaign with support on the SSDC website. A pop up event was held in Yeovil town centre on the evening of the 14th June 2019 in order to engage with those who may be most directly affected by the proposed PSPOs.
38. The online survey had a total of 131 respondents. Some results of this survey include:
 - 85% of respondents agreed or strongly agreed that anti-social behavior affects how much they enjoy their visits to Yeovil town centre.
 - 75% of respondents disagreed or strongly disagreed that anti-social behaviour is well dealt with in Yeovil town centre.
 - 95% agreed or strongly agreed that people should be penalised if they do not stop, when required to do so, consuming intoxicating liquor.
 - 92% agreed or strongly agreed that people should be penalised if they do not handover, when required to do so, intoxicating liquor.
 - 86% agreed or strongly agreed that people should be penalised if they aggressively beg in Yeovil town centre.
 - 73% agreed or strongly agreed that people that people should be penalised if they passively beg in Yeovil town centre.

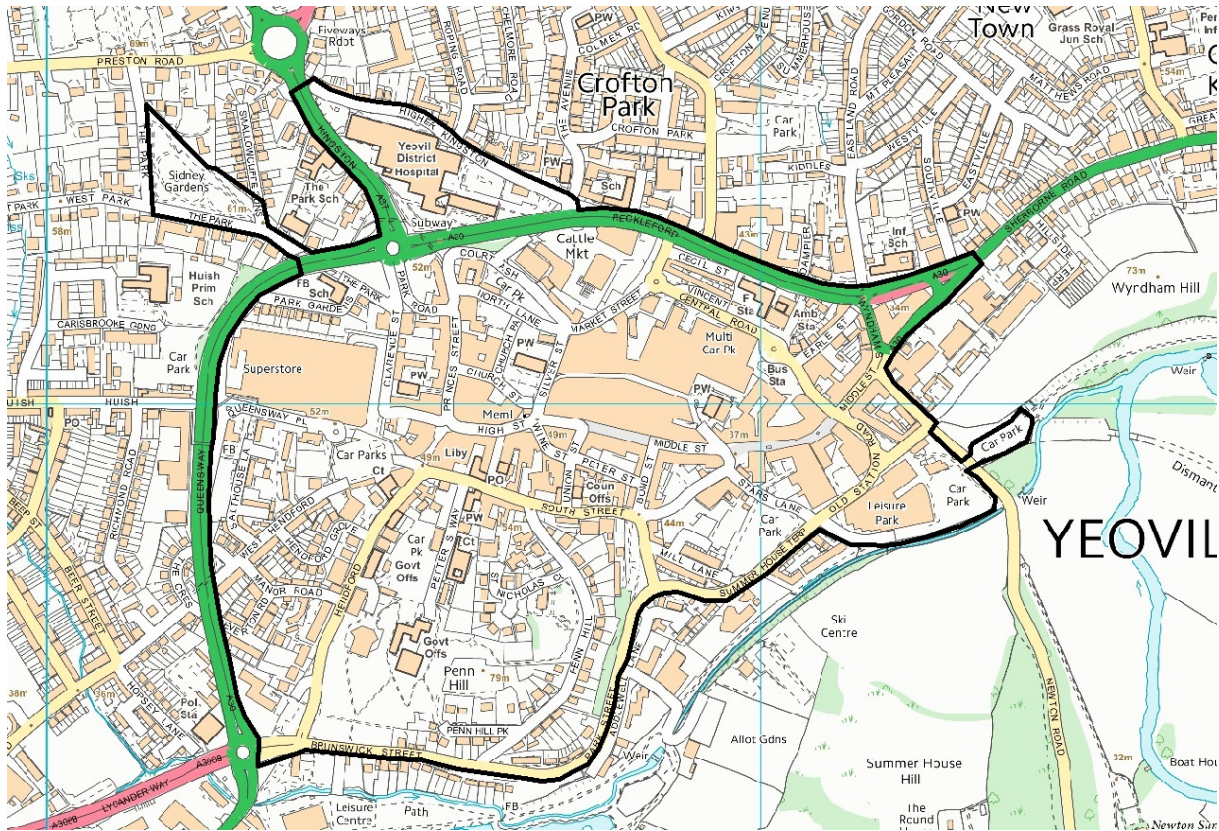
The full consultation report is included in the background papers.

39. From this it is clear that support for the street drinking PSPOs is extremely firm, while support for the begging PSPO, while still in the majority of respondents is not as concrete.
40. A number of respondents commented that that poverty should not be criminalised and that individuals in need should be supported. The council agrees with this point and it should be emphasised that the PSPO is targeted at those who are begging for profit, have other known incomes and have accommodation options open to them.
41. A substantive response to the begging PSPO was received from Liberty, which strongly objected to the imposition of the begging PSPO. This letter is contained within the background papers. Officers took account of this and all other responses and as such the final wording of the begging PSPO was reviewed in order to reflect the stated aim above, that the PSPO should be aimed solely at those aiming to beg for profit in a misleading or fraudulent manner.
42. Another substantive response was received from Yeovil Town Council. The Town Council very much support these proposals; however they would like to see the Public Space Protection Order for street drinking extended to Yeovil Country Park and the Yeo Leisure Park.

Proposed Restrictive Areas

43. When defining the area restrictions should cover, consideration should be given as to whether prohibitions in one area will displace the problem behaviour elsewhere. It is worth noting here that the legislation allows for Orders to address activity that 'is likely to' occur in that public place. Local areas can therefore consider whether there are any legitimate concerns that introducing an Order in one area, and not another, could simply move issues somewhere else – and thus whether it would be appropriate to extend into a larger area or adjacent street. Councils will however need to ensure that a proportionate approach is taken overall, and that there is evidence to support using a broader approach.
44. During the consultation exercise a number of consultees expressed the view that the proposed areas should be extended to include Ninesprings Yeovil Country Park and the Yeo Leisure Park. These consultees included several members of the public and Yeovil Town Council.
45. The Councils countryside team were consulted early in the process of developing the proposed PSPOs. Their view was that there was no requirement to restrict public drinking within Yeovil Country Park because to their knowledge no significant issues concerning anti-social behaviour linked to public drinking existed within the Park. In addition it was felt that any perceived restriction on public drinking would be unwelcoming and difficult for the Rangers to effectively enforce.
46. There was also no evidence to suggest that begging ever occurred within the County Park.
47. The owners of Yeo Leisure Park have been approached directly for their views regarding whether the Yeo Leisure Park should be included within the PSPO. They responded by saying that it is clearly disappointing that such a family orientated area of the town should be excluded.
48. Given the character of the Yeo Leisure Park and the importance of this area to the night time economy and the continuous character of the area with the rest of the town centre, it was judged that the risk of displacement of alcohol related anti-social behaviour was high. It was therefore reasonable to vary the proposed area to include the Yeo Leisure Park.
49. In the event that the proposed PSPO has the effect that displacement occurs it can be dealt with in the short and medium term. In the short term the Police have additional powers to require individuals to leave the area. In the medium term additional PSPOs can be imposed if the evidence base exists to justify such action.
50. It was the officer judgement that at this time the risk of displacement into the Yeovil Country park was low but the situation should be kept under review if the event that the proposed PSPO be adopted.
51. It is therefore recommended that the Yeo Leisure Park should be included within the proposed area alcohol PSPO. The restricted area for the begging PSPO should remain as proposed. The situation will remain under review for the duration of the PSPOs. Should anti-social behaviour be displaced beyond the proposed area then additional PSPOs will be considered according to the need.

Figure 7: Adjusted Alcohol Restricted Area



Financial Implications

Signage

As a result of imposing a PSPO there is a statutory requirement to publicise the PSPO and designate the restricted area. Signage will therefore be required. It is estimated that to achieve this 30 signs will be required for the Yeovil PSPOs at the following costs

30 x PSPO signage	£450.00
Installation cost x 30	£400.00

These installation costs are not significant and will be met from existing budgets.

Enforcement Costs

Enforcement of the PSPOs will be incorporated into the existing role of the Compliance and Enforcement officer. Initially it is expected that the direct enforcement and evidence gathering will be undertaken by the Police in accordance with the proposed enforcement protocol. In due course it is the aspiration that additional direct enforcement and evidence gathering will be undertaken by Locality officers, but this is dependent on the provision of the appropriate training and equipment.

No additional officer time is expected.

Risk Matrix

The risk matrix shows risk relating to the Corporate Plan headings.

Reputation

In the consultation public survey, 85% of respondents felt that anti-social behaviour affected how much they enjoyed their visits to Yeovil. 75% of respondents also felt that anti-social behaviour was not well dealt with in Yeovil. Since South Somerset District Council and only SSDC has the power to designate PSPOs, if the Council fails to do so after a clear need has been established, the Councils' reputation could be impacted.

Judging from the consultation responses, there is a very high degree of public support for the street drinking PSPO. Support for the begging PSPO is also high, although there is some concern that this measure is in danger of criminalising those most at need. Officers have considered these views and amended the wording of the begging PSPO to ensure that the PSPO is accurately directed at those individuals who are begging in a misleading manner, those who have an income and those with accommodation or offers of accommodation. It is felt that these amendments will ensure that the Councils position is clear.

Corporate Plan Priorities

South Somerset District Council plans to regenerate the town centre of Yeovil through multiple projects as part of the adopted Yeovil Refresh strategy. The stated vision is that "Yeovil town centre will be a vibrant place to live, work, learn and visit. Revitalised public spaces will celebrate the town's civic life and heritage – and help to regenerate the town's retail heart. A broad range of quality housing will encourage a diverse and inclusive community."

Should anti-social behaviour be allowed to continue unchallenged within the town centre this will undermine the efforts to achieve the stated vision. Effective enforcement of the PSPOs is likely to improve the rates of compliance and reduce the incidents of anti-social behaviour.

Community Priorities

In the Council Plan themes and Areas of focus for 2019/20 under the banner of Healthy, Self-reliant Communities SSDC have stated that we will "Work with partners to keep our residents safe and help them to feel safe in their local area."

The PSPOs will give both our officers and the local police another tool to help tackle anti-social behaviour within Yeovil Town centre.

Capacity

The short term impacts on capacity are likely to be low. The on street enforcement is to be undertaken by the police, who will supply SSDC with the evidence should the PSPOs be breached. Such evidence will be followed up by the Compliance and Enforcement specialist as part of his normal duties.

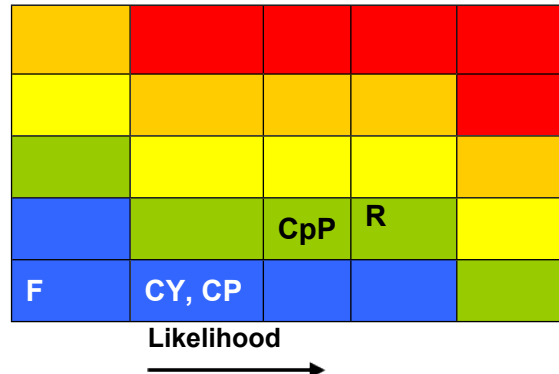
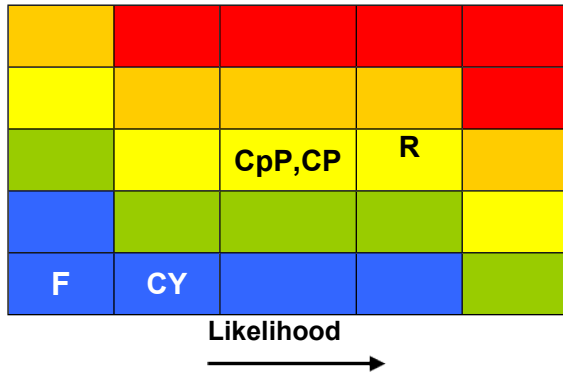
In the longer term, effective enforcement will improve the rates of compliance and thus reduce service demand for both the Council and the Police.

Financial

The direct financial risk is limited to the cost of signage. No other risk has been identified.

Risk Profile before officer recommendations

Risk Profile after officer recommendations



Key

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

Council Plan Implications

This measure links in with the theme of promoting Healthy, Self-reliant Communities. It involves working closely with our partners, in this case the police, social services and housing providers to keep our residents safe and help them to feel safe in their local area.

Carbon Emissions and Climate Change Implications

There are no carbon emission or climate change implications with regard to this recommendation.

Equality and Diversity Implications

It is important for councils to consider carefully the potential impact of a PSPO on different sections of their communities. In introducing an Order, councils must take care to ensure that they comply with the requirements of the public sector equality duty under the Equality Act 2010. The Equality Act requires public authorities to have due regard to a number of equality considerations when exercising their functions. Proposals for a PSPO should therefore be reviewed to determine how they might target or impact on certain groups.

Although it is not a specific requirement of the legislation, it is recommended that areas undertake an Equality Impact Assessment (EIA) to assess whether the proposed PSPO will have disparate impact on groups with protected characteristics.

This process will help councils to establish any potential negative impacts and consider how to mitigate against these. This exercise will also help to ensure transparency.

The Equality Duty covers:

- Age

- disability
- gender
- gender reassignment
- pregnancy and maternity
- race
- religion or belief
- sexual orientation
- Marriage and civil partnership

The full equality impact assessment is included within the background documents. It shows that there is a potential negative impact to those with disabilities, specifically mental health issues. The EIA details how this potential negative impact is to be mitigated against.

Data Protection Impact Assessment

Because personal and sensitive data can potentially be past to SSDC as part of the enforcement process of the PSPOs a full data protection impact assessment is required and had been completed. This is included in the background papers.

Background Papers

- Consultation Response
- Draft Enforcement Protocol between Avon and Somerset Police and South Somerset District Council
- Equalities Impact Assessment
- Data Protection Impact Assessment
- Draft Street Drinking Public Space Protection Order: Yeovil
- Draft Begging Public Space Protection Order: Yeovil

Public Space Protection Orders Consultation Results

Introduction

Before introducing, extending, varying or discharging a PSPO, there are requirements under the Anti-social Behaviour, Crime and Policing Act 2014 (the Act) regarding consultation.

Local authorities are obliged to consult with the local chief officer of police; the police and crime commissioner; owners or occupiers of land within the affected area where reasonably practicable, and appropriate community representatives. Any county councils (where the Order is being made by a district), parish or town councils that are in the proposed area covered by the PSPO must be notified.

This consultation process does provide an important opportunity to seek a broad range of views on the issue and can be invaluable in determining ways forward, establishing the final scope of the proposals and ascertaining their impact.

Encouraging open discussion as part of the consultation process can help to identify how best to balance the interests of different groups – both those affected by the anti-social behaviour and those who will be restricted by the terms of an Order – and a chance to explore whether there may be any unintended consequences from the proposals; in particular, any adverse impacts on vulnerable people.

An effective consultation should provide an overview of what the local issues are, set out why a PSPO is being proposed, and what its impact would be. Publishing details of the extent of the problem behaviour can assist respondents to understand why a PSPO is being considered and help inform views on whether it would therefore be an appropriate response.

Summary of the Consultation Process and Results

The consultation on the PSPOs ran from 28th May 2019 to the 7th July 2019. It took the form of a mainly online advertising campaign with support on the SSDC website.

A pop up event was held in Yeovil town centre on the evening of the 14th June 2019 in order to engage with those who may be most directly affected by the proposed PSPOs.

Key stakeholders including the police, Yeovil town council, Yeovil chamber of commerce, Somerset Drug and Alcohol Service, SSDC Housing, Yeovil Refresh, Somerset County Council and members of Yeovil One were also directly consulted.

The online survey had a total of 131 respondents, the full results of survey can be found in Appendix 1. Some of the survey results include:

- **85%** of respondents agreed or strongly agreed that anti-social behaviour affects how much they enjoy their visits to Yeovil town centre.
- **75%** of respondents disagreed or strongly disagreed that anti-social behaviour is well dealt with in Yeovil town centre.
- **95%** agreed or strongly agreed that people should be penalised if they do not stop, when required to do so, consuming intoxicating liquor.
- **92%** agreed or strongly agreed that people should be penalised if they do not handover, when required to do so, intoxicating liquor.
- **86%** agreed or strongly agreed that people should be penalised if they aggressively beg in Yeovil town centre.
- **73%** agreed or strongly agreed that people that people should be penalised if they passively beg in Yeovil town centre.

From this it is clear that support for the street drinking PSPOs is extremely firm, while support for the begging PSPO, while still in the majority of respondents is not as concrete.





A number of respondents commented that that poverty should not be criminalised and that individuals in need should be supported.




A substantive response to the begging PSPO was received from Liberty, which is included in Appendix 2. Liberty strongly objected to the imposition of the begging PSPO.





Another substantive response was received from Yeovil Town Council, included in Appendix 3. The Town Council very much support these proposals; however they would like to see the Public Space Protection Order for street drinking extended to Yeovil Country Park and the Yeo Leisure Park.


Appendix 1: Full Consultation Response

Necessity




1. How often do you visit Yeovil town centre?				
			Response Percent	Response Total
1	Daily		30.47%	39
2	Weekly		51.56%	66
3	Monthly		13.28%	17
4	Less Often		4.69%	6

2. Thinking about the last few occasions you visited Yeovil town centre what was the purpose for your visit?				
			Response Percent	Response Total
1	Leisure		36.72%	47
2	Retail		71.09%	91
3	Work		25.00%	32











3. Thinking about the last time you visited Yeovil town centre what time did you visit?				
			Response Percent	Response Total
1	Morning		47.66%	61
2	Lunchtime		40.63%	52
3	Afternoon		50.00%	64
4	Evening		10.16%	13

4. To what extent do you agree with the following statement?" Anti-social behaviour affects how much I enjoy my visits to Yeovil town centre"				
			Response Percent	Response Total
1	Agree Strongly		53.91%	69





4. To what extent do you agree with the following statement?" Anti-social behaviour affects how much I enjoy my visits to Yeovil town centre"

			Response Percent	Response Total
2	Agree		31.25%	40
3	Disagree		8.59%	11
4	Disagree Strongly		6.25%	8

5. What are your main concerns regards anti-social behaviour in Yeovil town centre? (Pick up the three)





			Response Percent	Response Total
1	Street drinking		63.28%	81
2	Loud music/noise		9.38%	12
3	Aggressive begging		52.34%	67
4	Sleeping in the street		49.22%	63
5	Urinating / defecating in public		28.13%	36
6	The use of legal highs		22.66%	29
7	Graffiti		7.81%	10
8	Public nuisance / intimidation		53.91%	69
9	Misuse of skateboards / cycles / scooters		23.44%	30
10	Other (please specify):		9.38%	12

6. To what extend do you agree with the following statement?" Anti-social behaviour is well dealt with in Yeovil town centre"





			Response Percent	Response Total
1	Agree Strongly		3.91%	5
2	Agree		20.31%	26
3	Disagree		57.81%	74
4	Disagree Strongly		17.97%	23

Street Drinking PSPO





7. To what extent do you agree that people should be penalised if they do not stop, when required to do so, consuming intoxicating liquor?

			Response Percent	Response Total
1	Agree Strongly		71.88%	92
2	Agree		23.44%	30
3	Disagree		2.34%	3
4	Disagree Strongly		2.34%	3



8. To what extent do you agree that people should be penalised if they do not handover, when required to do so, intoxicating liquor or containers believed to contain intoxicating liquor?

			Response Percent	Response Total
1	Agree Strongly		71.09%	91
2	Agree		21.09%	27
3	Disagree		5.47%	7
4	Disagree Strongly		2.34%	3

9. To what extent do you agree that people should be penalised if they consume any intoxicating liquor in the prohibited area? (total prohibition on consumption, not currently proposed).





			Response Percent	Response Total
1	Agree Strongly		65.63%	84
2	Agree		22.66%	29
3	Disagree		8.59%	11
4	Disagree Strongly		3.13%	4

10. Do you think that the Street Drinking Public Space Protection Order (PSPO) will disproportionately target a specific group of people?





			Response Percent	Response Total
1	Yes		29.69%	38
2	No		70.31%	90

Begging PSPO





11. To what extent do you agree that people should be penalised if they aggressively beg (e.g. approach you directly) in Yeovil town centre?

			Response Percent	Response Total
1	Agree Strongly		56.25%	72
2	Agree		29.69%	38
3	Disagree		10.16%	13
4	Disagree Strongly		3.91%	5



12. To what extent do you agree that people should be penalised if they passively beg (e.g. loiter with signs) in Yeovil town centre?

			Response Percent	Response Total
1	Agree Strongly		39.06%	50
2	Agree		33.59%	43
3	Disagree		15.63%	20
4	Disagree Strongly		11.72%	15







13. To what extent do you agree with the following statement? "The Proposed Begging Public Space Protection Order criminalises those most at need and the poor"







			Response Percent	Response Total
1	Agree Strongly		14.06%	18
2	Agree		21.88%	28
3	Disagree		44.53%	57
4	Disagree Strongly		19.53%	25

14. Do you think that the Begging Public Space Protection Order (PSPO) will disproportionately target a specific group of people?

			Response Percent	Response Total
1	Yes		39.06%	50
2	No		60.94%	78



Penalties

15. What level of penalty should people who commit an offence under the Street Drinking Public Space Protection Order be subject to?						Response Percent	Response Total	
1	Warning					14.84%	19	
2	Fixed penalty notice £50					33.59%	43	
3	Fixed penalty notice £100					17.97%	23	
4	Fixed penalty notice £150					7.03%	9	
5	Prosecution					13.28%	17	
6	Other (please specify):					13.28%	17	
Analysis	Mean:	3.1	Std. Deviation:	1.65	Satisfaction Rate:	42.03	answered	128
	Variance:	2.72	Std. Error:	0.15			skipped	0

16. What level of penalty should people who commit an offence under the Begging Public Space Protection Order be subject to?						Response Percent	Response Total	
1	Warning					35.94%	46	
2	Fixed penalty notice £50					18.75%	24	
3	Fixed penalty notice £100					6.25%	8	
4	Fixed penalty notice £150					2.34%	3	
5	Prosecution					17.19%	22	
6	Other (please specify):					19.53%	25	
Analysis	Mean:	3.05	Std. Deviation:	2.02	Satisfaction Rate:	40.94	answered	128
	Variance:	4.09	Std. Error:	0.18			skipped	0

Proposed Areas





17. Looking at the area proposed for the Street Drinking Public Space Protection Order, do you think the proposed area is correct?

			Response Percent	Response Total
1	Yes		76.56%	98
2	No		23.44%	30





18. Looking at the area proposed for the Begging Public Space Protection Order, do you think the proposed area is correct?

			Response Percent	Response Total
1	Yes		61.72%	79
2	No		38.28%	49

19. To what extent do you agree with the following statement? "The Street Drinking Public Space Protection Order area should be extended to include Ninesprings Country Park" (not currently proposed).

			Response Percent	Response Total
1	Agree Strongly		59.38%	76
2	Agree		26.56%	34
3	Disagree		7.03%	9
4	Disagree Strongly		7.03%	9

20. To what extent do you agree with the following statement? "The Street Drinking Public Space Protection Order area should be extended to include the Yeo Leisure Area (Cineworld, Bowling, Frankie & Benny's etc." (not currently proposed).

			Response Percent	Response Total
1	Agree Strongly		58.59%	75
2	Agree		28.91%	37
3	Disagree		6.25%	8
4	Disagree Strongly		6.25%	8

Appendix 2: Liberty Consultation Response

LIBERTY

Cllr Val Keitch
South Somerset District Council
Brympton Way,
Yeovil, BA20 2HT
5 July 2019

LAWYERS

HEAD OF LEGAL CASEWORK
Emma Norton, Solicitor

Rosie Brighouse, Solicitor
Debaleena Dasgupta, Solicitor
Lara ten Caten, Solicitor
Megan Goulding, Solicitor

BY EMAIL TO val.keitch@southsomerset.gov.uk

The solicitors employed by Liberty are individually authorised and regulated by the Solicitors Regulation Authority

Dear Cllr Val Keitch

South Somerset District Council - Yeovil Public Spaces Protection Order

We are writing to you as the leader of South Somerset District Council ('the Council') with regard to the proposed Public Spaces Protection Order ('PSPO') in Yeovil Town Centre concerning street begging.¹ The Council is currently running a consultation before introducing this PSPO, as it is required to do by law.² However, this consultation is by way of multiple-choice questions and does not allow for a substantive response.³ We are therefore writing to you to set out in more detail why we oppose this PSPO. We have also submitted a response to the survey and indicated in that response that we are writing to you.

1. Background to Liberty's Concerns

We have been concerned about the impact of PSPOs since their inception and have successfully persuaded a number of local authorities not to pursue their proposed PSPOs. We are particularly concerned about the potential misuse of PSPOs, especially those that punish poverty-related behaviours such as rough sleeping or begging.

2. Lack of Evidence

¹ Available here: <https://www.southsomerset.gov.uk/services/environmental-health/public-space-protection-order-consultation/draft-public-space-protection-order-concerning-street-begging/>

² Section 72(3) of the Anti-social Behaviour, Crime and Policing Act 2014. (Available at: <http://www.legislation.gov.uk/ukpga/2014/12/section/72>)

³ The consultation is available here: <https://www.southsomerset.gov.uk/services/environmental-health/public-space-protection-order-consultation/consultation-on-public-space-protection-orders-in-yeovil/>

Liberty is disappointed that very little evidence has been published on the Council's consultation webpage to support the proposed PSPO. The Council is required by s59 of the Anti-Social Behaviour, Crime and Policing Act 2014 ('the 2014 Act') to be satisfied on reasonable grounds that the conditions to introduce a PSPO are met before it can lawfully make a decision to introduce a PSPO. The Council cannot reasonably be satisfied of the relevant conditions without first considering robust evidence on the situation in the area which will be covered by the PSPO. However very little data or other forms of evidence are actually provided on the consultation webpage. Two maps are provided showing incidents of street begging in 2017 and 2018 within the rough area covered by the proposed PSPO.⁴ These actually show levels of street begging *decreasing* between 2017-2018. This is not strong evidence to support introducing a PSPO to ban the activity. Indeed, if anything, it is evidence that the "problem" of street begging in this area is decreasing.

By way of comparison, we have found that other councils have relied on, and published, data, witness statements, police reports, surveys, impact assessments, and many other sources of information to justify the need for a PSPO before setting out a proposed order and starting a consultation. Furthermore, when considering any evidence the Council should ensure that its consultation has heard a representative sample of views, including from those who will be negatively affected by the PSPO, who are likely to be among the most vulnerable and marginalised members of the community and may be difficult to reach through normal forms of public consultation.

3. The effect of the PSPO – Reasonable Grounds

As mentioned above, the Council is required by s59 of the 2014 Act to be satisfied on reasonable grounds that the conditions to introduce the PSPO are met. Further, the Council can only impose PSPO requirements that it is reasonable to impose. It is clearly not reasonable to impose requirements that are simply not needed. It is not reasonable (or efficient) to impose fines on people who cannot afford to pay them. We note that recently, Southampton City Council scrapped fines for begging under its PSPO, because "*few of those fixed penalties were paid and they did little to change the behaviour of these individuals*".⁵

It is particularly shocking that your proposed PSPO specifically criminalises begging in its most passive and harmless form – simply sitting in a public space with a receptacle. Such behaviour cannot in any reasonable way be considered to amount to harassment, intimidation or aggression of the type that could, in some circumstances, justify a criminal justice response. You have also not included wording in the PSPO that would limit its scope to include only 'false' or 'fraudulent' beggars. As such, your PSPO is specifically designed to criminalise those people who are, as a result of poverty and desperation, simply sitting on a pavement with a cup in the hope that passers-by may be willing to help. Such activity may engage the

⁴ Available here: <https://www.southsomerset.gov.uk/services/environmental-health/public-space-protection-order-consultation/consultation-on-public-space-protection-orders-in-yeovil/>

⁵ 'Southampton begging fines removed by council', BBC News, 16 April 2019.

person's rights under Articles 8 and 10 of the European Convention on Human Rights and, as such, it is at least questionable whether the PSPO is in violation of your legal obligations under the Human Rights Act 1998.

Your draft PSPO also criminalises anyone considered to be sitting or loitering in a public place for an "unreasonable time". This is an extremely vague provision and gives far too much discretion to your enforcement officers, who will be able to accuse almost anyone sitting down in public that they are breaching the PSPO. How will they determine what length of time is reasonable? How can anyone sitting down in the area covered by the PSPO be confident as to whether or not they are committing a criminal offence? The rule of law requires both that criminal offences are clearly delineated and consistently enforced. This provision is far too vague to be an appropriate use of a PSPO.

The only method of enforcing a PSPO is by way of a Fixed Penalty Notice ('FPN') of up to £100 or, upon prosecution, a fine of up to £1,000. A PSPO does not give council officers, police officers or Magistrates any other additional powers, including dispersal powers or powers to require engagement with substance misuse services, for example.

Prosecution for breaching a PSPO cannot, other than in the most exceptional circumstances, lead to the imposition of a community sentence. A PSPO is an extremely blunt and inappropriate measure to use when dealing with the effects of poverty. It is therefore likely that this provision will be ineffective. As the statutory guidance suggests, "*introducing a blanket ban on a particular activity may simply displace the behaviour and create victims elsewhere.*"⁶

Conclusion

Very little evidence has been put forward to support the proposed PSPO, and its introduction risks worsening the problems it seeks to solve. We urge you to think again before proposing this PSPO.

Yours sincerely



Rosie Brighthouse
Lawyer

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rosieb@libertyhumanrights.org.uk

⁶ Home Office, 'Anti-social Behaviour, Crime and Policing Act 2014: Anti-social behaviour powers, Statutory guidance for frontline professionals' (updated December 2017, p 49. Available at: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/679712/2017-12-13_ASB_Revised_Statutory_Guidance_V2.1_Final.pdf)

Appendix 3: Yeovil Town Council Consultation Response



Yeovil Town Council

Town House
19 Union Street
Yeovil
Somerset
BA20 1PQ

Telephone : (01935) 382424 Fax : (01935) 382429
Website : www.yeovil.gov.uk

Amanda Card Town Clerk

Mr P Huntingdon
Compliance and Enforcement Specialist
South Somerset District Council
The Council Offices
Brympton Way
YEOVIL
BA20 2HT

Date: 25th June 2019
Your Ref:
Our Ref: BCM/PSPO/AJC
Ask for: Amanda Card
E-mail: town.clerk@yeovil.gov.uk

Dear Paul

Anti-Social Behaviour, Crime and Policy Act 2014

Consultation on proposed new Public Space Protection Order for Yeovil Town Centre

Thank you for attending the meeting of the Buildings and Civic Matters committee held on 18th June 2019 and presenting the proposed new Public Space Protection Order for Yeovil Town Centre.

As a key agency within Yeovil Town, the Town Council very much support these proposals; however they would like to see the Public Space Protection Order for street drinking extended to Yeovil Country Park and the Yeo Leisure Park.

We look forward to receiving a copy of your report and learning whether the Public Space Protection Order will be designated or not.

Yours sincerely

Amanda Card
Town Clerk *CPFA, PSLCC, BA (Hons), BSc (Open)*
For and on behalf of Yeovil Town Council

Public Space Protection Order (PSPO) – Enforcement Process and Penalties.

Draft Enforcement Protocol: Street Drinking & Begging

The PSPO allows an authorised person to control the consumption of alcohol within the designated public place if they believe that someone is causing or likely to cause anti-social behaviour. If someone is consuming alcohol or intends to consume alcohol they can require them to stop or they can confiscate the alcohol.

- It is only if they fail to surrender the alcohol to you do they commit an offence, breaching the PSPO.
- All incidents of alcohol being confiscated or disposed of to be reported for evidence purposes.

A separate PSPO makes it an offence to beg within the designated public place. The precise activities which are prohibited or required by this PSPO are;

- All persons are prohibited from approaching another person, either in person, verbally or through action in a misleading manner in a public place in order to solicit monies from the other person.
- All persons are prohibited from sitting or loitering in a public place between the hours of 08:00 to 20:00 hrs, being in possession of a receptacle used to obtain monies in a misleading manner. This includes the use of signage, children or animals to solicit monies from members of the public.

Enforcement of the Street Drinking PSPO

The statutory guidance states that those found to be consuming alcohol within the area, against the terms of the order (causing or likely to cause Anti-Social Behaviour), are required to surrender any alcohol (sealed or unsealed) at the request of an authorised officer, be them a Police officer, PCSO or Local Authority officer.

Only if they fail to surrender Alcohol will it be dealt with as an offence.

This means that as an Officer if you are called or see somebody drinking in the street within the area of the PSPO you should approach that individual and ask them to surrender the alcohol they are drinking and it also gives you the power to take from them any sealed containers.

It is only if they fail to surrender the alcohol to you do they commit an offence, breaching the PSPO.

Warning

Where any person is requested to desist from breaching a PSPO and immediately complies, the officer will verify the details of the person, record the details on the appropriate police system and pass the information onto SSDC. A warning letter will then be sent to the person by SSDC.

In relation to disposal of any alcohol seized the act states that you can dispose of it by any means you see as reasonable, this most likely means simply pouring it away in the street and putting in the bin the empty containers, there is no need to bring it back to the Police Station.

The area of the PSPO has been identified due to complaints and Anti-Social Behaviour reports from the public so there will be a presumption that Officers will enforce the PSPO within the area.

However like all Police Powers, officers have the discretion to use them as you see fit and they must be applied sensibly in compliance with an individual's Human Rights. For instance if an individual is drinking in the street that is known for street drinking and causing problems you would remove both the sealed and unsealed containers. However if an individual who is not known to the Police is walking down the street drinking from a can going to a house party carrying another 4 cans to consume them at the party officers may want to only take the open container from them. It is expected for officers to use professional judgement in how you apply these powers.

Direct Breach

If somebody breaches the PSPO in not handing over the alcohol on request officers will complete a statement, supported by BWV evidence, giving the details of the offence, location, how they have breached the order, the individuals details (Name, DOB, Address) and that they will be reporting them to the council for the consideration of whether to issue a warning, FPN or prosecuting them for the Breach of the PSPO.

This statement should be sent electronically by email to a single point of contact (SPOC) at South Somerset District Council for consideration of what further enforcement action is required (Warning/FPN/prosecution).

SSDC will provide Avon and Somerset Police with feedback on what enforcement action has been take in each case, referencing the Niche number.

Enforcement of the Begging PSPO

It was felt important to target the wording of the restrictions in such a manner that it does not capture people in need such as the homeless or those with other vulnerabilities. The intention is to target the restrictions at those individuals who are begging for profit, have other known incomes and have accommodation options open to them.

The council will make enforcement decisions based on the evidence provided in line with the council enforcement policy. Generally this will mean that the minimum enforcement stance will be taken in order to achieve compliance. This initially will typically take the form of warning letters. The council should also give due regard to issues of proportionality and reasonableness.

Repeated breaches of the PSPO restrictions by the same individuals will likely result in escalated enforcement in the form of fixed penalty notices (FPNs) and where these are not paid, possible prosecution.

Direct Breach

If somebody breaches the requirements of the PSPO officers will complete a statement, supported by BWV evidence, giving the details of the offence, location, how they have breached the order, the individuals details (Name, DOB, Address) and that they will be reporting them to the council for the consideration of whether to issue a warning, FPN or prosecuting them for the Breach of the PSPO.

This statement should be sent electronically by email to a single point of contact (SPOC) at South Somerset District Council for consideration of what further enforcement action is required (Warning/FPN/prosecution).

SSDC will provide Avon and Somerset Police with feedback on what enforcement action has been take in each case, referencing the Niche number.



Public Space Protection Notice enforcement

DIRECT BREACH/WARNING

Date: Time:

All incidents must be captured on body camera.

Is it a direct breach Yes No

PSPO breached, please list the PSPO breached (*if breach is in relation to a warning or request already issued please ensure the previous warning is attached when submitting to local sergeant*)

.....
.....

Confiscate Alcohol?	Yes	No	NA
Are they obviously intoxicated	Yes	No	NA
Has the offender breached before	Yes	No	Unknown?

Offender details:

Name:
.....

Address:
.....
.....

Postcode
.....

Statement completed Yes No

Niche raised Niche number:

Body cam footage uploaded to D.E.M's and linked to niche

Yes No

Please forward completed paperwork to:

Somerset Equality Impact Assessment

Before completing this EIA please ensure you have read the EIA guidance notes – available from your Equality Officer

Organisation prepared for:	South Somerset District Council		
Version:	1.0	Date Completed:	19/07/2019
Description of what is being Equality Impact Assessed:			
Public Space Protection Orders: Yeovil: Street Drinking and Begging.			
Evidence			
<p>What data/information have you used to assess how this policy/service might impact on protected groups? Sources such as the Office of National Statistics, Somerset Intelligence Partnership, Somerset's Joint Strategic Needs Analysis (JSNA), Staff and/ or area profiles., should be detailed here</p> <p>Mental Health Foundation. Cheers Report. Available at https://www.mentalhealth.org.uk/publications/cheers-understanding-relationship-between-alcohol-and-mental-health</p> <p>Shelter Scotland Street begging Research (Edinburgh) 2019 https://scotland.shelter.org.uk/_data/assets/pdf_file/0005/1712291/Shelter_Scotland_Street_Begging_Final_Report_Jan_2019.pdf/ nocache</p>			
<p>Who have you consulted with to assess possible impact on protected groups? If you have not consulted other people, please explain why?</p> <p>Somerset Drug and Alcohol Service South Somerset District Council Housing Service Pathways</p>			

Analysis of impact on protected groups

The Public Sector Equality Duty requires us to eliminate discrimination, advance equality of opportunity and foster good relations with protected groups. Consider how this policy/service will achieve these aims. In the table below, using the evidence outlined above and your own understanding, detail what considerations and potential impacts against each of the three aims of the Public Sector Equality Duty. Based on this information, make an assessment of the likely outcome, before you have implemented any mitigation.

Protected group	Summary of impact	Negative outcome	Neutral outcome	Positive outcome
Age	<ul style="list-style-type: none"> 	☐	☒	☐
Disability	<ul style="list-style-type: none"> Individuals who are likely to breach the proposed PSPOs are more likely to be suffering from mental health issues. Alcohol problems are more common among people with more severe mental health problems. This does not necessarily mean that alcohol causes severe mental illness. Evidence shows that people who consume high amounts of alcohol are vulnerable to increased risk of developing mental health problems and alcohol consumption can be a contributing factor to some mental health problems, such as depression Recent research into the causes behind street begging shows that there was a very high incidence of mental health issues (80.6%) with the street begging population of Edinburgh. 	☒	☐	☐
Gender reassignment	<ul style="list-style-type: none"> 	☐	☒	☐
Marriage and civil partnership	<ul style="list-style-type: none"> 	☐	☒	☐

Pregnancy and maternity	•	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Race and ethnicity	•	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Religion or belief	•	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sex	•	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sexual orientation	•	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other, e.g. carers, veterans, homeless, low income, rurality/ isolation, etc.	•	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Negative outcomes action plan

Where you have ascertained that there will potentially be negative outcomes, you are required to mitigate the impact of these. Please detail below the actions that you intend to take.

Action taken/to be taken	Date	Person responsible	How will it be monitored?	Action complete
Any breaches of both the proposed PSPOs will be supported by “real” evidence. In this case body worn video footage supported by witness statements. As part of the public interest test of any case, proportionality must be considered including the capacity of the suspect. The suspect should be made aware, in clear and simple terms, what is required of them in order to avoid breaching the	05/09/2020	Paul Huntington (PDH)	PDH will be reviewing evidence submitted on a case by case basis	<input type="checkbox"/>

requirements of the PSPO. Via this process officers will ensure that any mental health issues are taken into account as part of the evidence gathering phase of any investigation. Police officers and Police Community Support Officers receive detailed training in how to interact with members of the public who may be suffering of mental health issues.				
Warning letters will signpost people to local drugs and alcohol services (SDAS), homeless services, local support charities (for example Gateway and Pathways). Should cases escalate, for example individuals repeatedly breaching the PSPOs, any possible mental health issues will be taken into account before formal enforcement action is taken.	05/09/2020	PDH	PDH will be responsible for supervising enforcement response	<input type="checkbox"/>

If negative impacts remain, please provide an explanation below.

Completed by (Officer name and role):	Paul Huntington: Compliance and Enforcement Specialist
Date:	
Manager/Director Sign off (Name and position)	
Date:	
Equality Lead sign off (Name):	
Date:	
To be reviewed by: (officer name)	
Review date:	

**Date Protection Impact Assessment:
Yeovil Alcohol Public Space Protection Order**

Step 1: Identify the need for a DPIA

Explain broadly what the project aims to achieve and what type of processing it involves. You may find it helpful to refer or link to other documents, such as a project proposal. Summarise why you identified the need for a DPIA.

South Somerset District Council proposes to adopt two Public Space Protection Orders (PSPO) to restrict the consumption of alcohol and begging within the town centre of Yeovil. The enforcement of these PSPO will involve the collection and retention of evidence of any breaches. This evidence is likely to be personal and sensitive in nature and hence will be subject to data protection requirements.

Examples of the types of Special Category data includes:

- race
- ethnic origin

The default retention time of the data is 31 days.

A DPIA is therefore required.

Step 2: Describe the processing

Describe the nature of the processing: how will you collect, use, store and delete data? What is the source of the data? Will you be sharing data with anyone? You might find it useful to refer to a flow diagram or another way of describing data flows. What types of processing identified as likely high risk are involved?

The PSPO allows an authorised person, such as the Compliance and Enforcement Specialist, Locality Officer or police officer to control the consumption of alcohol within the designated public place if they believe that someone is causing or likely to cause anti-social behaviour. If someone is consuming alcohol or intends to consume alcohol they can require them to stop or they can confiscate the alcohol.

- It is only if they fail to surrender the alcohol to an authorised officer or police officer do they commit an offence, breaching the PSPO.
- All incidents of alcohol being confiscated or disposed of to be reported for evidence purposes.

Enforcement of the Alcohol PSPO

The statutory guidance states that those found to be consuming alcohol within the area, against the terms of the order (causing or likely to cause Anti-Social Behaviour), are required to surrender any alcohol (sealed or unsealed) at the request of an authorised officer, be them a Police officer, PCSO or Local Authority officer. It is only if they fail to surrender the alcohol is an offence committed, breaching the PSPO.

Warning

Where any person is requested to desist from breaching a PSPO and immediately complies, the officer will verify the details of the person; name, address, date of birth and record the details on the appropriate police system and pass the information onto SSDC. A warning letter will then be sent to the person by SSDC. This information is not deemed to be Special Category data will be recorded on the Civica APP system.

Direct Breach

If somebody breaches the PSPO in not handing over the alcohol on request the police will complete a witness statement, supported by Body Worn Video evidence, giving the details of the offence, location, how they have breached the order. This video evidence is potentially personal and Special Category data.

Storing and Viewing a Recording

- The recordings will be stored on a secure Council computer drive.
- The recordings will only be accessible by authorised personnel and all non-evidential data will be maintained for a maximum of 31 days before it is deleted. Recordings required as evidence will be kept for a maximum of 6 months or until the evidence is no longer required, whichever is longer.
- Any evidential data will be deleted once it is no longer required. A record or audit trail of this process will also be captured.
- The recording will only be viewed by authorised personnel where evidence exists to support the Councils enforcement functions.

Describe the scope of the processing: what is the nature of the data, and does it include special category or criminal offence data? How much data will you be collecting and using? How often? How long will you keep it? How many individuals are affected? What geographical area does it cover?

- The data collected will be in the form of audio/visual recordings. As such special category data is likely to be collected including:
 - race
 - ethnic origin
- Data is likely to be collected on an infrequent basis by police personal. The recordings will be stored on a secure Council computer drive.
- The recordings will only be accessible by authorised personnel, these being:
 - Compliance and Enforcement Specialist

All non-evidential data will be maintained for a maximum of 31 days before it is deleted. Recordings required as evidence will be kept for a maximum of 6 months or until the evidence is no longer required, whichever is longer.

- It is currently unknown how many individuals will be affected but the number is likely to be small.
- Recordings are likely to take place only with the area defined by the PSPO.

Describe the context of the processing: what is the nature of your relationship with the individuals? How much control will they have? Would they expect you to use their data in this way? Do they include children or other vulnerable groups? Are there prior concerns over this type of processing or security flaws? Is it novel in any way? What is the current state of technology in this area? Are there any current issues of public concern that you should factor in? Are you signed up to any approved code of conduct or certification scheme (once any have been approved)?

The Council officers will be dealing with enforcement scenarios. The purpose of passing on evidence is to provide evidence in civil and criminal enforcement cases.

The recording will be overt in all circumstances so the subject of the recording will be aware that recording is taking place. The police officer will tell the subject that recording is taking place. There will also be overt signage on the officer to indicate that recording is taking place. The subject will be in a position to choose how they respond to the recording.

Describe the purposes of the processing: what do you want to achieve? What is the intended effect on individuals? What are the benefits of the processing for you, and more broadly?

South Somerset District Council use the recording submitted by the police in order to enforce the proposed PSPOs.

The intended effect on individuals is to provide the evidence for effective enforcement.

Step 3: Consultation process

Consider how to consult with relevant stakeholders: describe when and how you will seek individuals' views – or justify why it's not appropriate to do so. Who else do you need to involve within your organisation? Do you need to ask your processors to assist? Do you plan to consult information security experts, or any other experts?

Relevant Stakeholders:

South Somerset Internal Stakeholders

- Locality Team Leader
- Specialist Team Leader
- Specialist within the People team
- Senior Management Team
- Support Service (ICT)
- Strategy & Commissioning: Data Protection

External Stakeholders

- Avon and Somerset Police (Data sharing agreement)

Step 4: Assess necessity and proportionality

Describe compliance and proportionality measures, in particular: what is your lawful basis for processing? Does the processing actually achieve your purpose? Is there another way to achieve the same outcome? How will you prevent function creep? How will you ensure data quality and data minimisation? What information will you give individuals? How will you help to support their rights? What measures do you take to ensure processors comply? How do you safeguard any international transfers?

There is a well-established lawful basis for the retention of video evidence for the investigation and enforcement of criminal and civil offences.

The gathering of “real” evidence supports these enforcement functions, streamlines the enforcement process and improves outcomes.

In order to prevent function creep the recordings will only be accessible by authorised personnel and all non-evidential data will be maintained for a maximum of 31 days before it is deleted. Recordings required as evidence will be kept for a maximum of 6 months or until the evidence is no longer required, whichever is longer.

The recording will only be viewed by authorised personnel where evidence exists to support the Councils enforcement functions.

Individuals can request images and information about themselves through a subject access request under the GDPR. Detailed guidance on this and matters such as when to withhold images of third parties caught in images is included in the ICO CCTV code of practice. Detailed guidance on these obligations is included in the ICO CCTV code of practice.

How will you support their rights?

There must be as much transparency in the use and retention of evidence as possible, including a published contact point for access to information, privacy notice and complaints. Individuals will also have the right to complaint to the Information Commissioners Officer if they feel that their rights regarding their personal data have been violated.

How do you ensure processors comply?

Annual review of the system including any notes made when recordings are viewed for the stated purposes.

Step 5: Identify and assess risks

Describe the source of risk and nature of potential impact on individuals. Include associated compliance and corporate risks as necessary.	Likelihood of harm	Severity of harm	Overall risk
inability to exercise rights (including but not limited to privacy rights);	Reasonable Possibility	Some impact	Medium
inability to access services or opportunities;	Remote	Some impact	Low
loss of control over the use of personal data;	Reasonable Possibility	Serious harm	High
discrimination;	Reasonable Possibility	Serious harm	High
identity theft or fraud;	Remote	Some impact	Low
financial loss;	Remote	Minimal impact	Low
reputational damage;	Reasonable Possibility	Serious Harm	High
physical harm;	Remote	Some impact	Low
loss of confidentiality;	Reasonable Possibility	Serious Harm	High
re-identification of pseudonymised data;	Remote	Minimal impact	Low
any other significant economic or social disadvantage			

Severity of impact	Serious harm	Low risk	High risk	High risk
	Some impact	Low risk	Medium risk	High risk
	Minimal impact	Low risk	Low risk	Low risk
		Remote	Reasonable possibility	More likely than not
Likelihood of harm				

Step 6: Identify measures to reduce risk

Identify additional measures you could take to reduce or eliminate risks identified as medium or high risk in step 5				
Risk	Options to reduce or eliminate risk	Effect on risk	Residual risk	Measure approved
Inability to exercise rights	<p><u>Right to privacy</u></p> <ul style="list-style-type: none"> Viewing of recordings restricted to a small pool of people (1). Viewing of recordings will take place in a private location, such as a meeting room. Limit retention period to 31 days by default. Recordings required as evidence will be kept for a maximum of 6 months or until the evidence is no longer required, whichever is longer. <p><u>Right to access data</u></p> <ul style="list-style-type: none"> Published contact point for access to information on website. 	Mitigate risk to a minimum	Low	
Loss of control over the use of personal data	<p><u>Right to privacy</u></p> <ul style="list-style-type: none"> Viewing of recordings restricted to a small pool of people (1). Viewing of recordings will take place in a private location such as a meeting room. Limit retention period to 31 days by default. Recordings required as evidence will be kept for a maximum of 6 months or until the evidence is no longer required, whichever is longer. <p><u>Right to access data</u></p> <ul style="list-style-type: none"> Published contact point for access to information on website. 	Mitigate risk to a minimum	Low	
Discrimination	<p><u>Right to privacy</u></p> <ul style="list-style-type: none"> Viewing of recordings restricted to a small pool of people (1). Viewing of recordings will take place in a private location such as a meeting room. 	Mitigate risk to a minimum	Low	

	<ul style="list-style-type: none"> • Limit retention period to 31 days by default. • Recordings required as evidence will be kept for a maximum of 6 months or until the evidence is no longer required, whichever is longer. <p><u>Right to access data</u></p> <ul style="list-style-type: none"> • Published contact point for access to information on website. 			
Reputational damage	<p><u>Right to privacy</u></p> <ul style="list-style-type: none"> • Viewing of recordings restricted to a small pool of people (1). • Viewing of recordings will take place in a private location such as a meeting room. • Limit retention period to 31 days by default. • Recordings required as evidence will be kept for a maximum of 6 months or until the evidence is no longer required, whichever is longer. <p><u>Right to access data</u></p> <ul style="list-style-type: none"> • Published contact point for access to information on website. 	Mitigate risk to a minimum	Low	
Loss of confidentiality	<p><u>Right to privacy</u></p> <ul style="list-style-type: none"> • Viewing of recordings restricted to a small pool of people (1). • Viewing of recordings will take place in a private location such as a meeting room. • Limit retention period to 31 days by default. • Recordings required as evidence will be kept for a maximum of 6 months or until the evidence is no longer required, whichever is longer. <p><u>Right to access data</u></p> <ul style="list-style-type: none"> • Published contact point for access to information on website. 	Mitigate risk to a minimum	Low	

Surveillance Legislation

European Convention on Human Rights (ECHR)

The ECHR sets out the fundamental rights and freedoms that signatory governments must secure to everyone within their jurisdiction. Article 8 provides a right to respect for an individual's private and family life, home and correspondence.

Intelligence Services Act 1994 (ISA)

The ISA makes provisions for the issue of warrants and authorisations enabling certain actions to be taken by the Intelligence Services in relation to interference with property and wireless telegraphy.

Part III Police Act 1997

Part III Police Act 1997 outlines the requirements for the consideration and authorisation of interference in respect of property and wireless telegraphy.

Human Rights Act 1998 (HRA)

The HRA gives further legal effect in the UK to the fundamental rights and freedoms contained in the ECHR. Its effect is that all public bodies such as police and local governments, and other bodies carrying out public functions, have to comply with an individual's ECHR rights. Among other things it also means that individuals can take human rights cases to domestic courts rather than having to take their case in the European Court of Human Rights.

Regulation of Investigatory Powers Act 2000 (RIPA)

RIPA provides the regulatory framework for determining whether a range of covert investigatory techniques by public authorities is proportionate and necessary in compliance with Article 8 of the ECHR.

Regulation of Investigatory Powers (Scotland) Act 2000 (RIPSA)

RIPSA provides the regulatory framework in Scotland for determining whether covert surveillance and the use of covert human intelligence sources by public authorities acting on devolved matters, is proportionate and necessary in compliance with Article 8 of the ECHR.

Protection of Freedoms Act 2012 (PoFA)

The PoFA introduces a code of practice for surveillance camera systems, the appointment of Surveillance Camera and Biometrics Commissioners and provides for judicial approval of certain surveillance activities by local authorities.

Data Protection Act 2018 (DPA)

The DPA regulates the processing of personal data. It provides seven principles of good information handling with which organisations must comply and provides individuals with rights with respect to the processing of their personal data.

General Data Protection Regulation (GDPR)

The GDPR is a Europe-wide law that applies to the use of 'personal information' which means any information relating to an identifiable person who can be directly or indirectly identified, in particular by reference to an identifier. The GDPR sets out requirements for how organisations need to handle personal data from 25 May 2018.

Step 7: Sign off and record outcomes

Item	Name/Date	Notes
Measures approved by:		Integrate actions back into project plan, with date and responsibility for completion
Residual risks approved by:		If accepting any residual high risk, consult the ICO before going ahead
DPO advice provided:		DPO should advise on compliance, step 6 measures and whether processing can proceed
Summary of DPO advice:		
DPO advice accepted or overruled by:		If overruled, you must explain your reasons
Comments:		
Consultation responses reviewed by:		If your decision departs from individuals' views, you must explain your reasons
Comments		
This DPIA will be kept under review by:		The DPO should also review ongoing compliance with DPIA



South Somerset District Council

The Anti-social Behaviour, Crime and Policing Act 2014

Public Spaces Protection Order

South Somerset District Council – Prohibition on Street Drinking by Direction Public Spaces Protection Order 2015

South Somerset District Council in exercise of its powers under Section 59 and 72 of the Anti-social Behaviour, Crime and Policing Act 2014 (“the Act”) hereby make the following order:-

THIS ORDER is made by South Somerset District Council (“the Council) because the Council is satisfied on reasonable grounds that;

- activities carried on or likely to be carried on in a public place have had or are likely to have a detrimental effect on the quality of life of those in the locality
- the effect or likely effect of the activities is or is likely to be, of a persistent or continuing nature,
- the effect or likely effect of the activities is or is likely to be, such as to make the activities unreasonable, and
- justifies the restrictions imposed by the notice

The Public Open Space to which this order applies is all public places (areas the public or any section of the public on payment or otherwise, have access to as of right or by virtue of express or implied permission) in the administrative area of South Somerset and is referred to as (“the restricted area”) as shown edged black on the attached plan, but does not include private Land (to which the public may have access).

This Order comes into force on (DATE TO BE CONFIRMED FOLLOWING CONSULTATION)

This Order applies to the public space outlined in black on the plan contained within Appendix 1 to this order (the Restricted Area)

The Requirement

1. No person shall fail to stop consuming alcohol when required to do so by a Police Officer, Police Community Support Officer or an authorised officer from the Council.
2. No person shall fail to surrender anything in their possession which a Police Officer, Police Community Support Officer or authorised officer from the Council reasonably believes to be alcohol or a container for alcohol when required to do so.

Duration of Order

This order shall remain in force for a period of three years unless extended under section 60 of the Act 2014

Appeal

An interested person may apply to the High Court to question the validity of this order on the ground that the local authority did not have power to make the order or that it has not complied with a requirement of the Act. An Appeal must be made within 6 weeks of the date on which the order is made.

Dated

The Common Seal of etc

.....
Solicitor to the Council

DRAFT

For Information

Offences – s63 of the Act Consumption of alcohol in breach of prohibition in order

- (1) This section applies where a constable or an authorised person reasonably believes that a person -
P
- a) is or has been consuming alcohol in breach of a prohibition in a public spaces protection order, or
 - b) intends to consume alcohol in circumstances in which doing so would be a breach of such a prohibition

In this section “authorised person” means a person authorised for the purposes of this section by the local authority that made the public spaces protection order (or authorised by virtue of section 69(1)).

(2) The constable or authorised person may require P

- a) not to consume, in breach of the order, alcohol or anything which the constable or authorised person reasonably believes to be alcohol;
- b) to surrender anything in P’s possession which is, or which the constable or authorised person reasonably believes to be, alcohol or a container for alcohol.

(3) A constable or an authorised person who imposes a requirement under subsection (2) must tell P that failing without reasonable excuse to comply with the requirement is an offence.

(4) A requirement imposed by an authorised person under subsection (2) is not valid if the person—

- a) is asked by P to show evidence of his or her authorisation, and
- b) fails to do so.

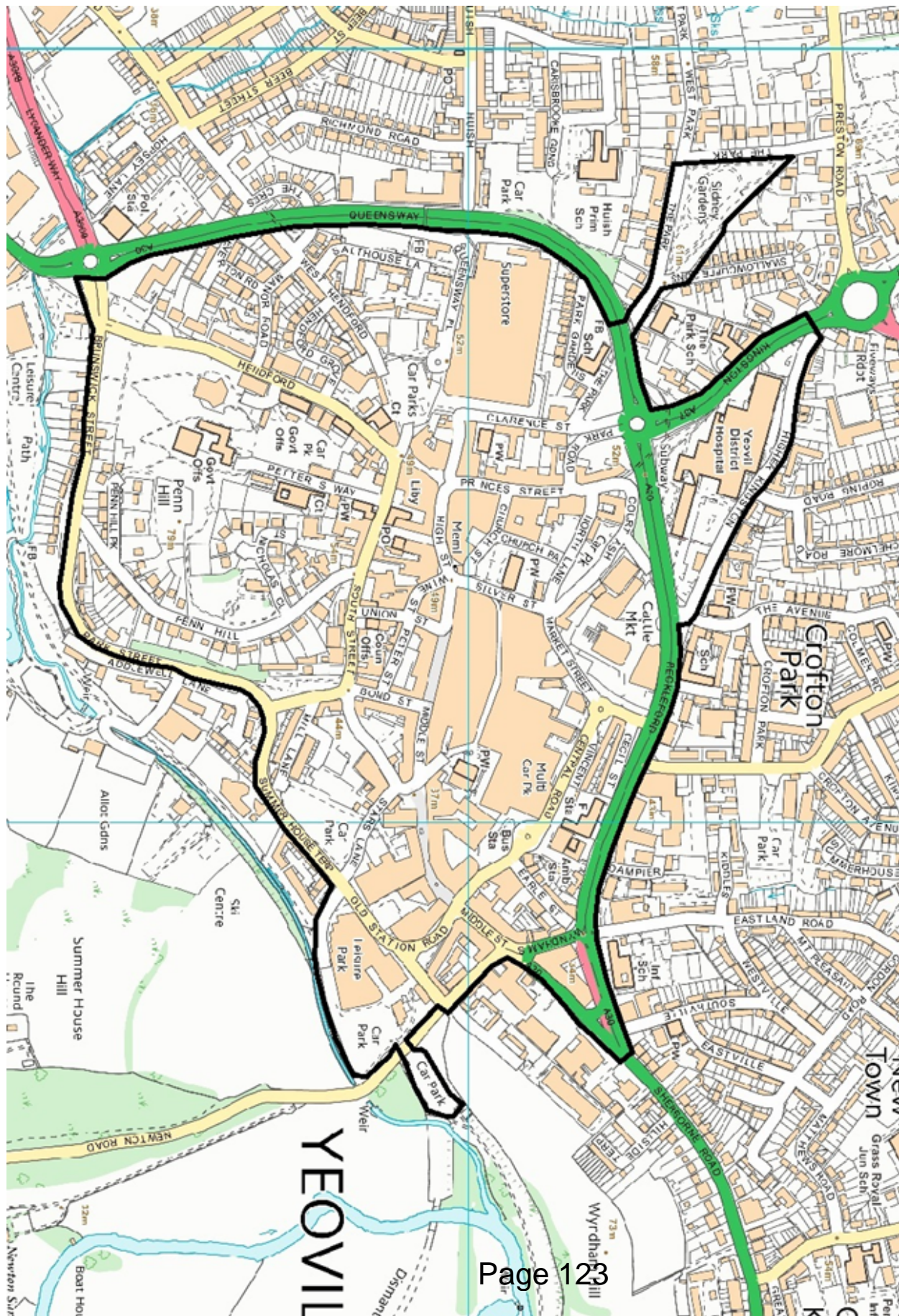
(5) A constable or an authorised person may dispose of anything surrendered under subsection (2)(b) in whatever way he or she thinks appropriate.

(6) A person who fails without reasonable excuse to comply with a requirement imposed on him or her under subsection (2) commits an offence and is liable on summary conviction to a fine not exceeding level 2 on the standard scale.

Fixed Penalty – s68 of the Act

A constable or authorised person may issue a fixed penalty notice to anyone he or she believes has committed an offence by not complying with a requirement of this order. You will have 14 days to pay the fixed penalty of £100. If you pay the fixed penalty within the 14 days you will not be prosecuted.

Appendix 1: Restricted Area



Appendix 2 – Exemptions

Section 62 Premises etc to which alcohol prohibition does not apply

- (1) A prohibition in a public spaces protection order on consuming alcohol does not apply to—
- a) premises authorised by a premises licence to be used for the supply of alcohol;
 - b) premises authorised by a club premises certificate to be used by the Club for the supply of alcohol;
 - c) a place within the curtilage of premises with paragraph (a) or (b);
 - d) Premises which by virtue of Pt 5 of the Licensing Act 2003 may at the relevant time be used for the supply of alcohol or which, by virtue of that Part, could have been so used within the 30 minutes before that time;
 - e) a place where facilities or activities relating to the sale or consumption of alcohol are at the relevant time permitted by virtue of a permission granted under s 115E of the Highways Act 1980 (highway related uses).
- (2) A prohibition in a public spaces protection order on consuming alcohol does not apply to council-operated licensed premises—
- (a) when the premises are being used for the supply of alcohol, or
 - (b) within 30 minutes after the end of a period during which the premises have been used for the supply of alcohol.
- (3) In this section—
- “club premises certificate” has the meaning given by section 60 of the Licensing Act 2003;
“premises licence” has the meaning given by section 11 of that Act;
“supply of alcohol” has the meaning given by section 14 of that Act.
- (4) For the purposes of this section, premises are “council-operated licensed premises” if they are authorised by a premises licence to be used for the supply of alcohol and—
- (a) the licence is held by a local authority in whose area the premises (or part of the premises) are situated, or
 - (b) the licence is held by another person but the premises are occupied by a local authority or are managed by or on behalf of a local authority.



South Somerset District Council

Anti-social Behaviour Crime & Policing Act 2014

Public Space Protection Order

Begging

South Somerset District Council (the Council) is satisfied that begging in a public place is being carried out within the area to which this Order applies or it is likely that this activity will be carried out and this is having or it is likely to have a detriment effect on the quality of life of those in the locality and it therefore makes this Public Spaces Protection Order ("PSPO") covering the matters as set out below.

This PSPO relates to all that public place outlined in red on the attached map and which is briefly described in the Schedule.

The activities set out in this PSPO are prohibited or required only where an authorised person requires a person to stop the activity or requires that person to do something as set out in this Order.

- An authorised person means a constable, a police community support officer or a person authorised in writing by the Council.
- A public place means any place to which the public or any section of the public has access, on payment or otherwise, as of right or by virtue of express or implied permission.

1) The activities which are prohibited or required by this PSPO are;

- All persons are prohibited from approaching another person, either in person, verbally or through action in a misleading manner in a public place in order to solicit monies from the other person.*
- All persons are prohibited from sitting or loitering in a public place between the hours of 08:00 to 20:00 hrs, being in possession of a receptacle used to obtain monies in a misleading manner. This includes the use of signage, children or animals to solicit monies from members of the public.*

2) Offence of failing to comply with order

It is an offence for a person without reasonable excuse—

- (a) to do anything that the person is prohibited from doing by a public spaces protection order, or
- (b) to fail to comply with a requirement to which the person is subject under a public spaces protection order.

A person guilty of an offence under this section is liable on summary conviction to a fine not exceeding level 3 on the standard scale.

An authorised person may issue a Fixed Penalty Notice under Section 68 of the Act to anyone who he or she believes has committed an offence by not complying with a requirement of this Order. You will have 14 days to pay the fixed penalty of £100. If you pay the fixed penalty within the 14 days you will not be prosecuted.

- 3) This PSPO shall come into effect on **DATE**.
- 4) This PSPO shall have effect for a period of 3 years.

Council Seal

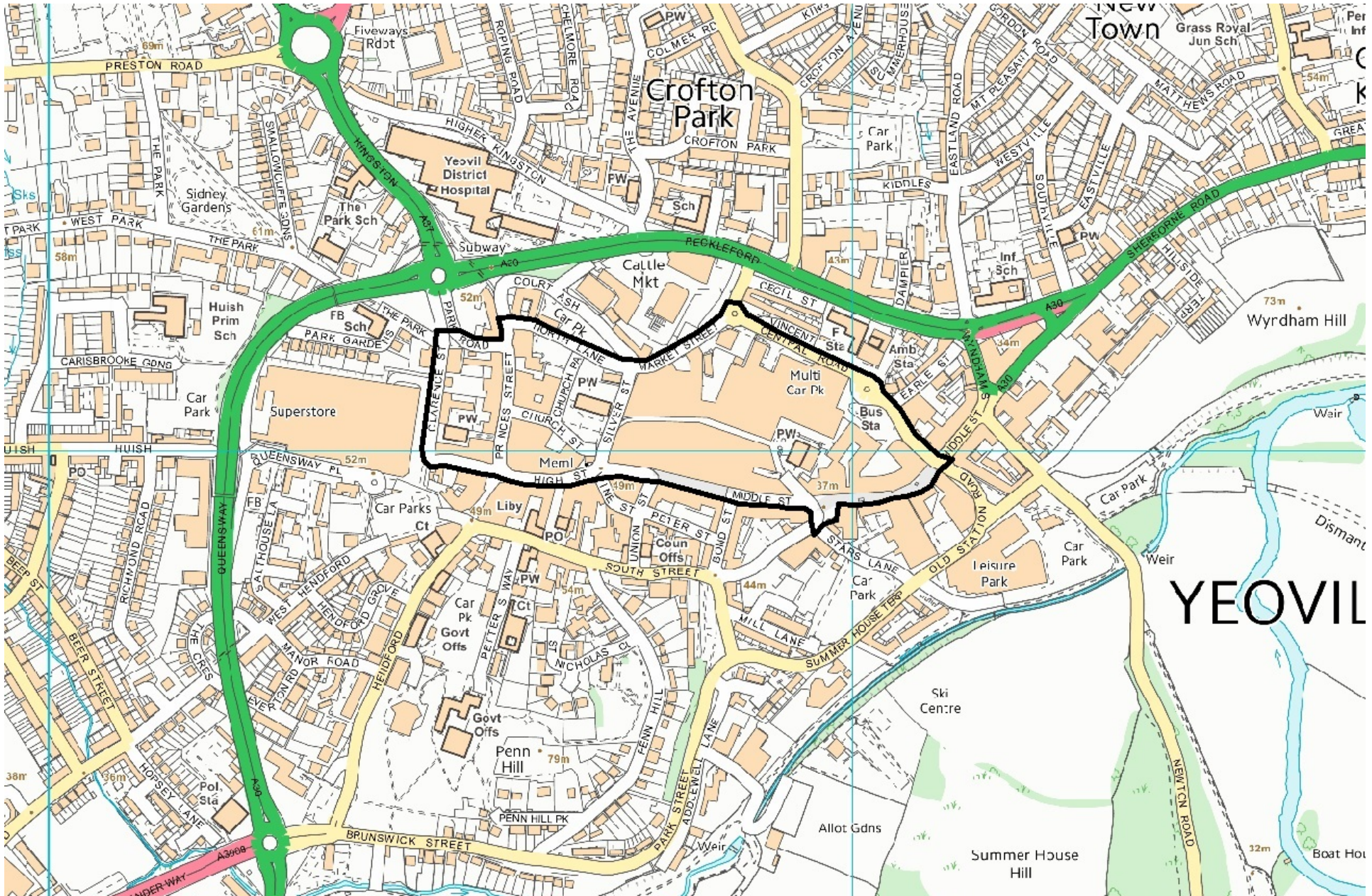
Signature
Name
Title

Schedule

The designated area is the public spaces as outlined on the map in Appendix 1

DRAFT

Appendix 1: Restricted Area



Agenda Item 11

The ‘Making’ of the Castle Cary and Ansford Neighbourhood Plan

Executive Portfolio Holder: Cllr. Val Keitch, Strategy and Housing
Ward Member(s) Cary - Henry Hobhouse; Kevin Messenger
Director: Netta Meadows; Director, Strategy and Commissioning
Service Manager: Jan Gamon; Lead Specialist – Strategic Planning
Lead Officer: Leisa Kelly, Specialist – Strategic Planning
Contact Details: Leisa.kelly@southsomerset.gov.uk or 01935 462641

Purpose of the Report

1. To note the result of the Referendum in relation to the Castle Cary and Ansford Neighbourhood Plan and to confirm that the Plan be ‘made’ (or adopted).

Forward Plan

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

Public Interest

3. The Neighbourhood Plan represents the views of Castle Cary Town Council, Ansford Parish Council and other stakeholders on the preferred approach to future development in the parishes. This has been the subject of Independent Examination by a qualified person and proceeded to a Referendum by the local electorate, with the result being in favour of the Plan. Once the making of the Plan is confirmed by the District Council, it will become part of the Statutory Development Plan with equal status to the Local Plan and will be used in the determination of planning applications.
4. The Neighbourhood Plan has been the subject of various events and meetings which have been used to engage with interested parties and public consultations. The Town and Parish Councils also have a dedicated website for the Neighbourhood Plan: [Castle Cary and Ansford Neighbourhood Plan](#)

Recommendation

5. That the District Executive agrees to the making of the Castle Cary and Ansford Neighbourhood Plan.

Background

6. Neighbourhood planning helps local communities play a direct role in planning for the areas in which they live and work. The plan can show how the community wants land in its area to be used and developed. If a plan is ‘made’ following a successful referendum, it becomes part of the development plan for that area. Planning applications are determined by local planning authorities in accordance with the adopted development plan, unless material considerations indicate otherwise.
7. The Castle Cary and Ansford Neighbourhood Area designation was approved by the District Council in June 2015. Since then, the Neighbourhood Plan for the area was prepared and a ‘Pre-Submission’ Plan was consulted upon by the local Steering Group in February 2018 (Regulation 14). This initial consultation was followed by formal submission of the Plan in November 2018 and the District Council carried out formal consultation in line with procedures set out in the relevant Regulations (Regulation 16). The Plan was then subject to an independent examination and the

District Council agreed the Examiner's recommendations and the next step of a local referendum on 6th June 2019.

The Castle Cary and Ansford Neighbourhood Plan

8. The Castle Cary and Ansford Neighbourhood Plan sets out a vision for the Town & Parish and the Stakeholders main objectives. The Plan summarises the consultation process and evidence base which informed its preparation. It also includes policies seeking to guide future development in the Town & Parish relating to Housing, Employment and Business, Traffic Transport and Infrastructure, Community Services and facilities; and Built and Natural Environment.
9. The Examiner's Report concluded that the correct procedure for the preparation and submission of the Castle Cary and Ansford Plan was followed and that it met the 'Basic Conditions', subject to the policy modifications being made. The Plan and supporting documents are all available on the District Council's website <https://www.southsomerset.gov.uk/your-council/your-council-plan-and-strategies/planning-policy/neighbourhood-planning/>
10. The District Council held a local Referendum on 30th July 2019. The prescribed question asked was:

"Do you want South Somerset District Council to use the Neighbourhood Plan for Castle Cary and Ansford to help it decide planning applications in the neighbourhood area?"

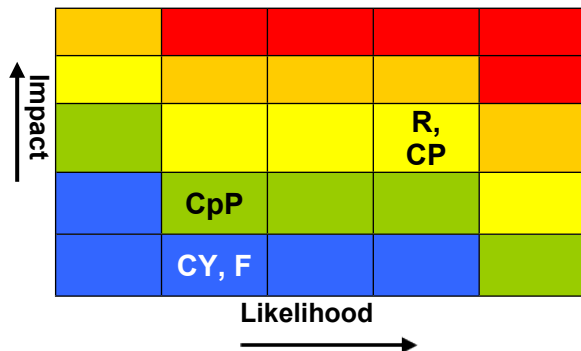
The Referendum results were as follows: 726 votes were cast; 682 voted in favour (Yes) of the Plan, with 43 voting against (No). As more than 50% of those who voted said 'Yes', the Neighbourhood Plan can now be 'made' (or adopted). Once this has been confirmed, it will have equal status to the Local Plan and be part of the Statutory Development Plan. Planning applications are determined by local planning authorities in accordance with the adopted development plan, unless material considerations indicate otherwise. A development plan sets out the planning policies for the development and use of land.

Financial Implications

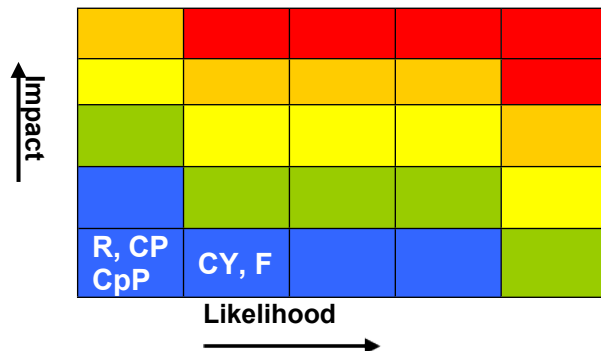
11. Under the Community Infrastructure Levy Regulations, 15% of Community Infrastructure Levy receipts are generally passed directly to those parish and town councils (in England) where development has taken place. In England, communities that draw up a Neighbourhood Plan and secure the consent of local people in a Referendum, will benefit from 25% of the levy revenues arising from the development that takes place in their area.
12. The Council is able to claim a grant of up to £20,000 from the Ministry for Housing Communities and Local Government towards the costs of progressing the Neighbourhood Plan once the date of the Referendum had been set. A claim will be made in relation to that at Castle Cary and Ansford once the next submission is open.
13. There is no SSDC funding involved in the recommendation specifically referred to in this report.

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

14. The Castle Cary and Ansford Neighbourhood Plan accords with the Council's aims to increase the focus on jobs and economic development, protect and enhance the quality of our environment; and to enable housing to meet all needs. The District Council's values include supporting people and communities, enabling them to help themselves; and the Neighbourhood Plan has been prepared by the local community who wish to have an influence on future development in the town. The Council Plan states that it will focus on supporting communities to develop and implement Neighbourhood Plans.

Carbon Emissions and Climate Change Implications

15. The Castle Cary and Ansford Neighbourhood Plan does not directly address carbon emissions or climate change and no such issues arise.

Equality and Diversity Implications

16. No significant changes to a service, policy or strategy are proposed, directly and, therefore, it is not necessary to undertake an Equality Impact Assessment.

Privacy Impact Assessment

17. It is not necessary to process personal data so, therefore, a Data Protection Impact Assessment (DPIA) is not needed.

Background Papers

None

Agenda Item 12

District Executive Forward Plan

Executive Portfolio Holder: Val Keitch, Leader, Housing and Strategy
Director: Netta Meadows, Strategy and Support Services
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:-

- a) approve the updated Executive Forward Plan for publication as attached at Appendix A
- b) 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)
October 2019 October 2019	Environment Strategy	Portfolio Holder - Environment	Director Commercial Services & Income Generation	Clare Pestell, Director (Commercial Services & Income Generation)	District Executive South Somerset District Council
October 2019	The Future Management of the Council's Leisure Facilities	Portfolio Holder - Health & Well-Being	Director Strategy and Support Services	Lynda Pincombe, Specialist (Strategic Planning)	District Executive
October 2019 October 2019	Adoption of the International Holocaust Remembrance Alliance (IHRA) definition of Antisemitism	Portfolio Holder - Strategy & Housing	Director Strategy and Support Services	David Crisfield, Third Sector and Equalities Co-ordinator	District Executive South Somerset District Council
November 2019	Capital & Revenue Budget monitoring reports for Quarter 2	Portfolio Holder - Finance, Legal & Democratic Services	Director Strategy and Support Services	Nicola Hix, Lead Specialist (Finance)	District Executive
November 2019	Quarterly Performance Report	Portfolio Holder - Strategy & Housing	Director Strategy and Support Services	Cath Temple, Specialist (Performance)	District Executive
December 2019	Commercial Asset Update Report	Portfolio Holder - Economic Development including Commercial Strategy	Director Commercial Services & Income Generation	Robert Orrett, Commercial Property Manager	District Executive

Date of Decision	Decision	Portfolio	Service Director	Contact	Committee(s)
December 2019	Homelessness and Rough Sleepers Strategy	Portfolio Holder - Strategy & Housing	Director Strategy and Support Services	Leisa Kelly, Specialist (Strategic Planning)	District Executive
December 2019	Future funding of CASS, SPARK and Access for All	Portfolio Holder - Health & Well-Being	Director Strategy and Support Services	David Crisfield, Third Sector and Equalities Co-ordinator	District Executive
December 2019	Draft 2020/21 Budget Update	Portfolio Holder - Finance, Legal & Democratic Services	Director Strategy and Support Services	Paul Fitzgerald, Section 151 Officer	District Executive
January 2020	Somerset Waste Partnership Annual Report and Draft Business Plan 2020 - 2024	Portfolio Holder - Environment	Director Commercial Services & Income Generation	Chris Cooper, Environment Services Manager	District Executive
February 2020	Capital & Revenue Budget monitoring reports for Quarter 3	Portfolio Holder - Finance, Legal & Democratic Services	Director Strategy and Support Services	Nicola Hix, Lead Specialist (Finance)	District Executive
February 2020	Quarterly Performance Report	Portfolio Holder - Strategy & Housing	Director Strategy and Support Services	Cath Temple, Specialist (Performance)	District Executive
February 2020	2020/21 Revenue and Capital Budget	Portfolio Holder - Finance, Legal & Democratic Services	Director Strategy and Support Services	Paul Fitzgerald, Section 151 Officer	District Executive
February 2020					South Somerset District Council

Date of Decision	Decision	Portfolio	Service Director	Contact	Committee(s)
February 2020	2020/21 Capital Strategy	Portfolio Holder - Finance, Legal & Democratic Services	Director Strategy and Support Services	Paul Fitzgerald, Section 151 Officer	District Executive
February 2020					South Somerset District Council
February 2020	2020/21 Investment Strategy	Portfolio Holder - Finance, Legal & Democratic Services	Director Strategy and Support Services	Paul Fitzgerald, Section 151 Officer	District Executive
February 2020					South Somerset District Council
February 2020	Council Plan 2020/21	Portfolio Holder - Strategy & Housing	Director Strategy and Support Services	Jan Gamon, Lead Specialist (Strategic Planning)	District Executive
February 2020					South Somerset District Council
TBC	Leisure Contracts	Portfolio Holder - Health & Well-Being	Director Service Delivery	Lynda Pincombe, Specialist (Strategic Planning)	District Executive
TBC	Dualling of A303 from Sparkford to Ilchester	Portfolio Holder - Protecting Core Services	Director Strategy and Support Services	Specialist (Strategic Planning)	District Executive

APPENDIX B - Current Consultations – September 2019

Purpose of Document	Portfolio	Director	Response to be agreed by	Contact	Deadline for response
<p>Devon & Somerset Fire & Rescue Service</p> <p>Safer Together - Service Delivery Operating Model Consultation Document for Devon and Somerset Fire and Rescue Service</p> <p>We are proud of the service we provide to our communities but we face a challenging future. The world we live in is changing faster than we are as a fire and rescue service and we find ourselves with a Service designed as an old solution to an old problem. This consultation is all about you and the ways in which we can keep you safe. That's why we are encouraging you to get involved and have your say. The purpose of Devon and Somerset Fire and Rescue Service is to 'Protect and Save'. Everything we do is working towards ending preventable fire and rescue emergencies, creating a safer world for you and your family.</p> <p>https://www.dsfire.gov.uk/SaferTogether/ServiceDeliveryConsultation/TakePartInTheConsultation.cfm?siteCategoryId=18&T1ID=211&T2ID=460</p>	<p>Protecting Core Services</p>	<p>Director – Strategy and Support Services</p>	<p>Officers in consultation with Portfolio Holder</p>	<p>Directors</p>	<p>22 September 2019</p>

Agenda Item 13

Date of Next Meeting

Members are asked to note that the next scheduled meeting of the District Executive will take place on **Thursday, 3rd October 2019** in the Council Chamber, Council Offices, Brympton Way, Yeovil commencing at 9.30 a.m.