

SWT Executive

Wednesday, 18th September, 2019,  
6.15 pm

The logo for Somerset West and Taunton, featuring the text "Somerset West and Taunton" in white on a teal background with a white swoosh at the bottom right.

Council Chamber - West Somerset  
House

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**Members:** Federica Smith-Roberts (Leader), Benet Allen (Deputy Leader), Chris Booth, Ross Henley, Marcus Kravis, Richard Lees, Peter Pilkington, Mike Rigby, Francesca Smith and Alan Wedderkopp

### Agenda

**1. Apologies**

To receive any apologies for absence.

**2. Minutes of the previous meeting of the Executive**

To approve the minutes of the previous meeting of the Committee.

**3. Declarations of Interest**

To receive and note any declarations of disclosable pecuniary or prejudicial or personal interests in respect of any matters included on the agenda for consideration at this meeting.

(The personal interests of Councillors and Clerks of Somerset County Council, Town or Parish Councils and other Local Authorities will automatically be recorded in the minutes.)

**4. Public Participation**

The Chair to advise the Committee of any items on which members of the public have requested to speak and advise those members of the public present of the details of the Council's public participation scheme.

For those members of the public who have submitted any questions or statements, please note, a three minute time limit applies to each speaker and you will be asked to speak before Councillors debate the issue.

(Pages 5 - 18)

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|---|--------------------------|
| <p><b>5. Draft Corporate Strategy 2020 - 2024</b><br/>To consider a report from the Strategy Specialist regarding the Draft Corporate Strategy 2020-2024.</p>   | <p>(Pages 19 - 60)</p>   |
| <p><b>6. Financial Strategy 2020/21 to 2022/23</b><br/>To consider a report of the Strategic Finance Advisor and S151 Officer regarding the Financial Strategy 2020/21 to 2022/23</p>   | <p>(Pages 61 - 80)</p>   |
| <p><b>7. Financial Monitoring as at 31.07.2019</b><br/>To consider a report of the Finance Business Partner on the Financial Monitoring position as at 31<sup>st</sup> July 2019.</p>   | <p>(Pages 81 - 98)</p>   |
| <p><b>8. Corporate Performance Report and Update on Development of Future Reporting</b><br/>To consider a report from the Head of Performance and Governance regarding the Corporate Performance Report and an update on the Development of Future Reporting.</p> | <p>(Pages 99 - 102)</p>  |
| <p><b>9. Complaints Policy</b><br/>To consider a report from the Governance Manager and Monitoring Officer regarding the Complaints Policy.</p>   | <p>(Pages 103 - 118)</p> |
| <p><b>10. Executive Action Plan</b><br/>To update the Executive on the progress of resolutions and recommendations from previous meetings of the Committee.</p>   |                          |
| <p><b>11. Executive Forward Plan</b><br/>To receive items and review the Forward Plan.</p>  | <p>(Pages 119 - 126)</p> |



**JAMES HASSETT**  
**CHIEF EXECUTIVE**

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Members of the public are welcome to attend the meeting and listen to the discussions. There is time set aside at the beginning of most meetings to allow the public to ask questions. Speaking under "Public Question Time" is limited to 3 minutes per person in an overall period of 15 minutes. The Committee Administrator will keep a close watch on the time and the Chair will be responsible for ensuring the time permitted does not overrun. The speaker will be allowed to address the Committee once only and will not be allowed to participate further in any debate. Except at meetings of Full Council, where public participation will be restricted to Public Question Time only, if a member of the public wishes to address the Committee on any matter appearing on the agenda, the Chair will normally permit this to occur when that item is reached and before the Councillors begin to debate the item.

If an item on the agenda is contentious, with a large number of people attending the meeting, a representative should be nominated to present the views of a group. These arrangements do not apply to exempt (confidential) items on the agenda where any members of the press or public present will be asked to leave the Committee Room. Full Council, Executive, and Committee agendas, reports and minutes are available on our website: [www.somersetwestandtaunton.gov.uk](http://www.somersetwestandtaunton.gov.uk)

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**SWT Executive - 23 July 2019**

- Present: Councillor Federica Smith-Roberts (Chair)  
 Councillors Benet Allen, Chris Booth, Ross Henley, Peter Pilkington, Mike Rigby, Francesca Smith and Alan Wedderkopp
- Officers: Marcus Prouse, Paul Browning, Paul Fitzgerald, Steve Meers, Alison North, Dan Webb, Fiona Webb, Robert Hillier, James Hassett and Amy Tregellas
- Also Present: Councillors Simon Coles, John Hunt, Libby Lisgo, Hazel Prior-Sankey, Anthony Trollope-Bellew, Ray Tully, Brenda Weston and Loretta Whetlor

(The meeting commenced at 6.15 pm)

**27. Apologies**

Apologies were received from Councillor Richard Lees.

**28. Minutes of the previous meeting of the Executive**

(Minutes of the meeting of the Executive held on 9<sup>th</sup> July 2019 circulated with the agenda)

**RESOLVED** that the minutes of the Executive held on 9<sup>th</sup> July 2019 were confirmed as a correct record.

**29. Declarations of Interest**

Members present at the meeting declared the following personal interests in their capacity as a Councillor or Clerk of a County, Town or Parish Council or any other Local Authority:-

Name	Minute No.	Description of Interest	Reason	Action Taken
Cllr C Booth	All Items	Wellington and Taunton Charter Trustee	Personal	Spoke and Voted
Cllr S Coles	All Items	SCC & Taunton Charter Trustee	Personal	Spoke
Cllr J Hunt	All Items	SCC	Personal	Spoke
Cllr M Kravis	All Items	ENPA	Personal	Spoke and Voted
Cllr L Lisgo	All Items	Taunton Charter Trustee	Personal	Spoke
Cllr P Pilkington	All Items	Timberscombe	Personal	Spoke and Voted
Cllr H Prior-Sankey	All Items	SCC & Taunton Charter Trustee	Personal	Spoke

Cllr M Rigby	All Items	SCC & Bishops Lydeard	Personal	Spoke and Voted
Cllr F Smith	All Items	Taunton Charter Trustee	Personal	Spoke and Voted
Cllr F Smith-Roberts	All Items	Taunton Charter Trustee	Personal	Spoke and Voted
Cllr R Tully	All Items	West Monkton	Personal	Spoke
Cllr A Wedderkopp	All Items	SCC & Taunton Charter Trustee	Personal	Spoke and Voted
Cllr B Weston	All Items	Taunton Charter Trustee	Personal	Spoke
Cllr L Whetlor	All Items	Watchet	Personal	Spoke

### 30. **Public Participation**

Councillor Rod Williams (Somerset County Council) made the following statement in relation to Item 6 – Garden Town Vision:-

I have many years of experience designing and delivering large scale change. First in the Army, and then in business and the NHS. I was educated, trained and practised in how to make strategic change succeed. For fifteen years for before I was elected as a Councillor, I earned my living planning and delivering strategic change. The thinking for the Garden Town started about two years ago. A number of us realised then that it was not enough to look at economic development or housebuilding. We had to look at every aspect of living in Taunton. We had to take an all-round view. A year ago, I formed a small working group to think through what the Garden Town title meant in practice. Since then, a small group led by Nick Bryant (Head of Function Strategy) including myself has taken that early thinking on and listened widely to produce the Vision Document. I ask you to recommend that Full Council makes this document SWT Council policy. To help you champion it to Full Council I will highlight the reasons why it is very good.

First, we are aiming at the right thing. It is ambitious. We are not aiming at making Taunton just better, but making it excellent. We want to raise the quality of every part of living in Taunton. It is strategic in the proper meaning of the term. It considers Taunton as a whole, is long-term and correctly identifies the essential components. It understands that this vision is just the first part in a process of delivery. The process doesn't end with the Delivery Plan or even delivery itself but with the benefits we'll get from realising the vision. It is deliverable and it is realistic if we commit to it and stick at it over some years. Last, it recognises that engagement, buy-in and partnerships will be essential. In summary, I think we need to do two things to make the Garden Town succeed. Full Council needs to endorse this vision as SWT policy. Portfolio Holders here and the Strategy team need to make a delivery plan that will realise this vision. We all need to build the public's strong support so far into sustained commitment so that we all in partnership will make Taunton's Garden Town a reality.

The Leader thanked Councillor Williams for his statement.

Councillor Rigby also thanked Councillor Williams for his statement of support and for his exemplary work over the past couple of years on this subject.

Mr Richard Lander made the following statement in relation to Item 8 – Structural Change – Senior Leadership Team

This feels rather like the latest episode of ‘Did no-one think about it?’ Firstly we were told the redundancy bill would be six million pounds not three million because 191 people chose to leave and take the money. You may be told that every job is new so everyone was entitled to leave, did no-one think of that? In any event I question the concept both in principle and in detail. Even if the inputs i.e. the work practices have changed, the outcomes, the services you provide to taxpayers, are exactly the same as they ever were.

We were then told that so many people left there were holes in the establishment. Did no-one think of that? Did no-one think to tell those who needed to know? I phoned the Customer Contact Centre to ask for the Chief Executive’s email address so that I could discuss the redundancy issue with him. I was given instead the email address of his assistant to whom I wrote two emails. I didn’t receive a reply to either, for the simple reason that the individual in question no longer worked for the Council. The Customer Contact Centre was obviously not told. Did no-one think of that?

You have six or seven Heads of Function. Now you want four new Directors costing £100k each with a net cost of £254k. This is yet another case of ‘Did no-one think of that?’ Is there really no-one in this building who can select a shortlist of candidates? Do you not know what you want? Must we the taxpayers pay an additional £75k just to recruit an agency which has the competence? You are adding a new layer of management – for what purpose?

The recent record in drafting job descriptions shows a carelessness about duplication. The role of your case manager is to ‘act as a single point of contact throughout the customer journey.’ The role of the customer champion is to have direct contact with customers and the locality champion is to provide much of the direct dealing with customers. If the customer champion and the locality champion have so much to do with the customer, what is the point of a case manager as a single point of contact? And if Members want to know what is happening, they don’t ask any of these, they ask someone called an Engagement Champion. It seems a nonsense, all the time and effort in creating new structures and you finish up with several people doing the same job, or did someone not think of that? And are you satisfied that this will not be repeated with the appointment of new directors?

Mr Simon Lord had submitted the following statement in relation to Item 8 – Structural Change – Senior Leadership Team which was read out by the Committee Clerk:-

As a resident of West Somerset I am very concerned about the value for money represented by this proposal.

Having recently seen the loss of West Somerset District Council (WSDC), in order to save relatively modest sums of money, it greatly concerns me that a bloated management team is seemingly being created by Somerset West and Taunton Council (SWT), which far exceeds that with which WSDC previously managed and other councils have in place.

I have two specific issues regarding the proposal:

Firstly, there is no indication within this report to explain how these salaries have been arrived at nor how they compare to those in similar authorities. The salary seems to have been plucked from the air.

The committee may be interested to know that in South Somerset; an authority of similar size and population who I understand operate the same business model to SWAT, they list within their statement of accounts for 2018/19 only 5 employees earning in excess of £50k per year (a Chief Exec on £111k, three directors on £77k each and a legal specialist on £59k). By contrast SWAT report they currently have 8 senior managers earning in excess of £50k, which will rise to 12 if the proposals within this report are approved. That makes SEVEN senior managers (or 60% more) than South Somerset, and director salaries more than 20% greater at SWAT than South Somerset. How is this value for money?

Secondly, in 2013 when WSDC started sharing managers with TDBC, the salaries of Directors and Assistant Directors were increased to reflect the added complexity of managing two councils. This was based on evidence gathered by South West Councils of salaries from other councils that were sharing management and was included within the report (available on your website).

Given, that since that time the number of councils and staffing have both reduced there seems little justification for director salaries rising a further 20%?

It is clear that the reported 25% reduction in staff is causing operational backlogs and difficulties at SWAT. With this in mind, is the answer to these capacity issues really to spend £400k per year on an additional layer of management? or could the money not be far better used increasing the number of planners, call handlers, groundsmen etc?

I would respectfully ask the committee to defer approval of this report in order to allow time for these proposals to be properly scrutinised and for an independent piece of work to be undertaken to review the numbers and salaries of the SWAT management team, drawing on comparisons across local government to ensure an informed decision can be made and value for money achieved.

The Leader thanked Mr Lander for his question. She stated that Mr Lord would receive a written response as he was unable to be in attendance.

She certainly understood, and her opinion had been widely reported in regards to the Transformation process and the overspend. Having taken office she had been surprised at the figures having needed to be spent, despite having



been previously an opposition Councillor. The priority now was to stabilise the Council. She apologised for the lack of response from the CEO's former Assistant who had since departed.

James Hassett stated that the Job Descriptions as highlighted were relatively generic. Ultimately they relied on a certain degree of maturity in the organisation to operate in the way that the model was described. As an organisation we were going through that growth to arrive at those periods of maturity. In the interim, we are looking at how we operate in an efficient manner across various roles and functions. People had been seeking that clarity on those job descriptions but this would crystallize over time. At the moment the focus was on delivering for customers as a priority. As to how jobs would allegedly interact in the future, that will come to what we are focusing on which is that specialists such as our planners are delivering their service in a way that anybody would expect from a Local Authority.

31. **The provision of further financial contributions to enable Taunton's Park and Ride service to continue until March 2020**

The Portfolio Holder for Planning and Transportation introduced this item which concerned the provision of further financial contributions to enable Taunton's Park and Ride service to continue until March 2020. The Chairman of the Scrutiny Committee had agreed that due to the nature of the decision and for it to be made in a timely fashion (as the next Executive meeting was not until 20<sup>th</sup> August 2019) that the Special Urgency Clause (Access to Information Procedure Rules 16) be used to waive the 28 day rule in order to continue with the Park and Ride contract.

The further funding contributions would be for a period of six months for a total of £115,000 from Somerset West and Taunton (SWT) for the Park and Ride (P&R) Passenger Transport Service for Taunton. This further funding was to enable the P&R Service to continue until March 2020 and halt the suspension of the service by Somerset County Council (SCC). The Executive were also asked to approve a budget of £20,000 for anticipated enabling and due diligence work associated with this Council's aim of taking greater ownership / control of the P&R service and sites, to work towards a totally self-sustaining service.

The original decision by Taunton Deane Borough Council (TDBC) in 2018 to make a one off financial contribution to the running of the Taunton P&R Service halted the proposal by Somerset County Council (SCC) to suspend (for an unspecified period) all Taunton P&R services from the autumn of 2018. The current arrangement was due to end on the 6th September 2019. The total budget of £135,000 would be sourced from New Homes Bonus reserves and Garden Town grant funding. Over this period, the responsibility for the day-to-day operation of the contract and service to March 2020 would continue to remain with Somerset County Council and the contracted bus operator First.

Since the TDBC decision in September 2018 to make a financial contribution, a number of measures had been implemented to put the Taunton P&R service on a more commercial and sustainable long term footing. As set out in the officer

report, further measures needed to be explored and implemented over the coming months to ensure that this continues.

The Portfolio Holder proposed the recommendations which were seconded by Councillor Booth.

During the discussion of this item, Members made comments and asked questions which included:-

- Concerns were raised around the process and why this proposal had come forward so urgently, considering it was known that the funding from last year would only be for twelve months.
- It was confirmed that this proposal in the background formed part of the Taunton Transport Strategy and there was an ambition to open two more sites alongside the provision open already.
- *As highlighted in the report there had been increased patronage for the service in the past twelve months of an extra 200 tickets per week, equating to some £20,000 extra per year and further initiatives could be undertaken on the sites e.g. Click and Collect.*
- It was commented that the provision of Park and Rides were important as SWT had declared a Climate Emergency and Taunton was a Garden Town.
- A query was raised as to whether it was felt six months was a sufficient period enough of time?
- *The Portfolio Holder confirmed that he did think this shorter period would concentrate minds and a plan to make them financially sustainable would be forthcoming, though there would still be developmental thinking in the full utilisation of those sites beyond that.*
- Concerns were raised around the current closure of the Park and Ride on Saturdays and Sundays and not being 24/7, so that Hospital visitors, staff and shift workers could hopefully take advantage of this service?
- *The Portfolio Holder supported this aim and this would be investigated as a possibility.*

**RESOLVED** to:-

- i. Approve a one-off Supplementary Budget increase for the provision of a further £115,000 funding contribution to enable the Taunton Park & Ride Service to continue until March 2020, funded from New Homes Bonus Reserves.
- ii. Approve a one-off Supplementary Budget increase of £20,000, funded by Garden Town grant funding, for anticipated enabling and due diligence work associated with exploration of further measures to attempt to secure the long term sustainability of the Park & Ride service and to develop any further proposals for consideration by the Council.

## 32. Taunton Garden Town Vision

The Portfolio Holder for Planning and Transportation introduced this item which concerned the vision for Taunton as a Garden Town and what was to be achieved. The document “Taunton – the Vision for our Garden Town” was the culmination of many months of work, public and stakeholder engagement, and concluded the important first stage – the agreement of a shared vision for the Garden Town that would guide the actions of the council and many other stakeholders, and can be championed and owned by the whole town.

Taunton was designated as a ‘Garden Town’ in early 2017 following a submission to Government. This submission reflected the Council’s commitment to transformational housing growth centred on a number of new garden communities and a regenerated town centre supported by essential infrastructure and an enhanced network of green infrastructure.

- The document included:
  - The Vision statement
  - Context – understanding Taunton’s roots and character (townscape, neighbourhoods and landscape)
  - Four themes:
    1. ‘Growing our town greener’ – transforming our open spaces and streets.
    2. ‘Branching out’ – moving cleaning, moving smarter.
    3. ‘Growing quality places to live’ – town centre, new and existing neighbourhoods.
    4. ‘New shoots and blossom’ – a dynamic and prosperous community founded on knowledge, culture and business.
- Next steps

This vision framework was just the start of work on Taunton Garden Town (TGT), but would influence all plan-making (e.g. the emerging Local Plan) and development management decisions (such as more detailed design guidance emerging through a new Urban Development Framework and Design Guide).

There were no prescriptive guidelines set out by central Government, and each place was expected to be different and determine what the Garden Town status might mean based on local circumstances and characteristics. This document therefore began to explore and articulate the types of physical change and improvements Taunton might look forward to. The particular themes extended from the vision identified tangible opportunities and challenges that needed to be grasped or overcome. Formal adoption of this vision would enable the next stage to progress – the development of a Delivery Plan that will provide detail to the individual strategies, projects and activities which will deliver the vision.

The Portfolio Holder formally proposed the recommendations which were seconded by Councillor Allen.

During the discussion of this item, Members made comments and asked questions which included:-

- The Leader fully endorsed this document and felt this would set the pace with what the Council wanted to achieve and be a learning tool that could be applied across the towns in the District.
- It was raised as to how this was going to be promoted in the community?
- *It was recognised as important that this was document was promoted and the Head of Communications would be engaged. There was also a new post being recruited to for a Garden Town Project Manager who would have a big focus on Communication Strategy and Stakeholder Engagement. A new website would be created for the Garden Town.*
- Concerns had been raised at resident's meetings/surgeries around the communications of this status and how we would engage those residents who would not be able to access the electronic portal and view the documentation?
- *Communication would play a key part and could not just be digital exclusively, residents meetings were one important part of this and the suggestion of a presentation for Councillors to be able to deliver to their localities was a good idea.*
- The focus on sustainability and green elements within the document were praised as important.

**RECOMMENDED** to Council to:-

- i. Formally adopt the Taunton Garden Town Vision document as Council policy, from which a detailed Delivery Plan can be subsequently developed.
- ii. Authorise the Head of Strategy to make any necessary editorial corrections and minor amendments to the document, and to agree the final publication style.

33. **Financial Monitoring - WSC and TDBC Outturn Position 2018/19**

The Portfolio Holder for Corporate Resources introduced this item which concerned the information related to WSC and TDBC's financial performance for the 2018/19 financial year. The outturn figures included were provisional subject to external audit review; the findings of which are to be reported to the Audit, Governance and Standards Committee on 31st July this year. Monitoring the budget was an important part of the Council's performance management framework. There had been continued frustration at the Transformation Project's costs being above what had originally been predicted when commissioned. This was now being brought to a conclusion and a structure would be delivered that would not see these costs rise.

The s151 Officer thanked his colleagues in the finance team for their hard work in a challenging period. The report clearly presented a closedown position for the legacy Councils and opening position for SWT.

The revenue outturn position for the financial year 2018/19 was as follows:

- a) The TDBC General Fund (GF) Revenue Outturn position for 2018/19 is a net underspend

- of £240k (1.7% of Net Budget), after reserve transfers and carry forwards.
- b) The WSC General Fund (GF) Revenue Outturn position for 2018/19 is a net underspend of £251k (4.6% of Net Budget), after reserve transfers and carry forwards.
  - c) The HRA is a 'Self-Financing' account for the Council's Housing Landlord function, which is budgeted to 'break even' (net of approved transfers to/from HRA Reserves). The HRA Outturn for 2018/19 is a net underspend of £296k (1.1 % of gross income).

The capital outturn position for 2018/19 was as follows:

- a) The total TDBC General Fund Capital Programme budget is £78.731m, including ongoing schemes from previous years and new schemes approved at the start of and during 2018/19. Of this, £16.611m has already been spent in previous years and a further £15.398m has been spent during 2018/19. The projected spend in 2019/20 and future years is £46.716m (not including new 2019/20 budget approvals). A net underspend of £7k is being reported against the overall approved budget for the Programme.
- b) The total WSC General Fund Capital Programme budget is £15.233m, including ongoing schemes from previous years and new schemes approved at the start of and during 2018/19. Of this, £1.367m has already been spent in previous years and a further £2.510m has been spent during 2018/19. The projected spend in 2019/20 and future 2 years is £11.556m (not including new 2019/20 budget approvals). There are no reported variances against the overall approved budgets.
- c) The HRA approved Capital Programme at the end of 2018/19 was £24.886m. This relates to schemes which will be completed over the next five years. The actual expenditure on the Capital Programme during 2018/19 was £11.379m with £13.533m for planned investment to implement approved schemes in future years. There are no reported variances against the total approved programme.

The General Reserves positions as at 31st March 2019 were:

- a) TDBC was £2.22m, which is £0.52m above the minimum level of £1.70m.
- b) WSC was £0.98m, which is £0.28m above the minimum level of £0.70m.
- c) HRA was £2.72m, which is £0.92m above the minimum level of £1.80m.

The opening balances for the General Reserves for SWT as at 1st April 2019 were:

- a) General Fund is £3.20m, which is £0.80m above the minimum level of £2.40m.
- b) HRA is £2.72m, which is £0.92m above the minimum level of £1.80m.

The Portfolio Holder proposed the recommendations which were seconded by Councillor Booth.

During the discussion of this item, Members made comments and asked questions which included:-

- It was confirmed that all of the budget provided for the Cricket World Cup had been used.

- Councillor Lisgo raised queries around the additional spend of £309k on temporary accommodation such as Bed and Breakfasts and what we as a Council had put in place to reduce that?
- *The Housing Portfolio Holder had confirmed this had been a temporary spike associated with a change in legislation from central government of which this Council had received additional funding to support.*
- *The latest figures for Q1 of this year were a lot lower (£27,029.99), but a written answer could be provided on the specifics of this.*

The following written response was provided to Councillor Lisgo on the 7<sup>th</sup> August 2019:-

Reasons for the increase in B&B Budget in 2018/19:

The homeless service has been impacted significantly in two ways in the last 12 months which has adversely affected the cost of B&B usage.

The Transformation project increased the reliance on agency staff, as experienced staff had left and not been permanently replaced. Given the demand for experienced Homeless Officers last year in England, due to the legislation changes, we experienced a relatively high turnover of temporary staff which in turn has led to cases taking longer to process. This was due to constant change of officer and therefore the time in bed and breakfast and temp accommodation was prolonged. This was a problem not just experienced in SWT but country wide.

The Introduction of The Homeless Reduction Act in April 2018 has also led to a significant increase (480 homeless approaches in 17/18 to 1130 cases in 18/19) in the demands on our service both in the number of applications and time taken to process due to legislative changes. This has had a knock-on effect on Officer time and the provision of Interim accommodation. The increase of timescales to work with families who are homeless and in B&B to 56 days before looking at a full duty decision was a major factor in lengthening the time in bed and breakfast. The lack of affordable private sector rents as well as the reluctance of private landlords (and some social) to take the more complex families was a barrier to being able to close the cases and kept families in B&B longer than they should have been. All this contributed to the increase in the b&b budget usage and in turn the overspend.

The homeless case work team now has a full complement of permanent staff who are subject to intensive training in homeless legislation as well as training to help understand working with clients with complex issues. We have a full time member of staff with a lettings agency background who is building networks with landlords so we are having access to private rented accommodation. Staff stability means they have experience and understanding of their cases from day one and are working with clients to keep them in their current homes for a longer term to enable us time to find alternative accommodation if needed. We have changed the working procedures and through having stability in the team, and core experience, we have a greater emphasis on prevention and are now showing a reduction in clients accessing B&B.

With regards to anticipating the rise in B&B, we adopted the forecast from central government of a 26% increase in approach's for homeless assistance under the new Homeless Reduction Act, with the main rise being single applicants (this was based on the information they received from Welsh authorities who had a similar change in the homeless legislation three years previously). Our increase was over 100% in numbers approaching and an increase in families so although we had anticipated a rise in approaches, we couldn't have forecasted the huge increase nor the rise in the number of families approaching.

We currently have the following numbers in B&B

Families: 2 – both one parent and one child

Couples: 1 – pregnant couple

Singles: 5

Total – 9 adults and 2 children

Total spend in quarter (Apr to June) -

Actual costs - £27k

Credit Card costs – April to June is 59k however there was an outstanding payment made at beginning of April for last year of £40k

Total spend April to June - £86k.

**RESOLVED** that Executive:-

- i. Reviewed the financial performance and end of year position for both WSC and TDBC General Fund and the Housing Revenue Account for TDBC, including pre-approved carry forwards and transfers to earmarked reserves.
- ii. Noted the reported TDBC General Fund Revenue Budget underspend of £240k in 2018/19 and the TDBC General Reserves Balance of £2.22m as at 31 March 2019.
- iii. Noted the reported WSC General Fund Revenue Budget underspend of £251k in 2018/19 and the TDBC General Reserves Balance of £0.98m as at 31 March 2019.
- iv. Noted the reported Housing Revenue Account Budget underspend of £296k in 2018/19 and the TDBC General Reserves Balance of £2.72m as at 31 March 2019.
- v. Noted that the assets for sale target for the Transformation Programme was not met in 18/19 and therefore the first £1.2m of future sale of assets is required to “payback” the NHB reserve.

#### 34. **Structural Change - Senior Leadership Team**

The Leader of the Council introduced this item which concerned the proposed structural change to the Senior Leadership Team. The newly formed Somerset West and Taunton Council had set ambitious strategic targets and clear corporate priorities. This had already become evident with the items considered earlier in this meeting such as the Garden Town Vision. The transformation

programme had already put in place some of the arrangements necessary to deliver savings and improved customer care.

However, to drive the organisation at pace towards these goals whilst continuing to work towards exceptional levels of service excellence a new senior leadership structure was required. It was vital to ensure the leadership of the Council is matched to its wider commercial, economic, community and environmental priorities. The proposed structure contained in this report more accurately aligned to our corporate ambitions whilst providing a strong position to increase the overall financial health of the authority and delivering further savings.

The Leader proposed the recommendations which were seconded by Councillor Allen.

During the discussion of this item, Members made comments and asked questions which included:-

- It was commented that some elements of the Transformation process had not worked e.g. Planning function being split between directorates.
- The extra spend was necessary to enable the organisation to be first class and focus on delivery.
- It was commented that a Housing Portfolio without a Head of Housing had been an oversight that it was pleased to see be corrected. With a stock of circa 6000 houses and an ambition to build and develop more social and affordable houses this dedicated Director role was key.
- It was queried as to the roles element of being able to pay for themselves?
- *The Housing Director would be funded through the ring-fenced HRA Budget. The External Operations Director would be funded through earned income and cost savings from the largest contracts. The Director for Development and Place would have a key role in regeneration.*
- The extra supplementary table provided was queried and would be further refined for Full Council.
- Councillor Prior-Sankey welcomed the recruitment of a Housing Director but had concerns over the costs apportioned from the HRA fund on corporate staff and how that re-charge was calculated, as the proportion of senior officers time spent on the Housing function was conceivably less than tenants were paying for. The Council could be more transparent on this.

**RECOMMENDED** to Council to;

- i. Approve the additional budget of £94k for 2019/20:
  - General Fund: £50k from the CEO Earmarked Reserve and £18k from the Business Rates Retention Funding.
  - Housing Revenue Account: £26k from general balances.
- ii. Note the full year costs of £254k (GF: £183k; HRA: £71k).



- iii. Recommend that this be built into the Councils Medium Term Financial Plan/HRA Business Plan for 2020/21 onwards.

35. **Executive Action Plan**

The Leader informed the Executive that there were no outstanding actions to report.

36. **Executive Forward Plan**

(Copy of the Executive Forward Plan, not circulated with the agenda but available on the website as a link).

Councillors were reminded that if they had an item they wanted to add to the agenda, that they should send their requests to the Governance Team.

**RESOLVED** that the Executive Forward Plan be noted.

(The Meeting ended at 7.45 pm)



*Report Number: SWT 69/19*

## **Somerset West and Taunton**

### **Executive Committee – 18 September 2019**

#### **Draft Corporate Strategy 2020-2024**

**This matter is the responsibility of the Leader of the Council, Cllr Federica Smith-Roberts**

**Report Author: Paul Harding, Strategy Specialist**

#### **1 Executive Summary / Purpose of the Report**

- 1.1 This report introduces the draft corporate strategic priorities, outcomes and objectives for the period 2020-2024, which are due to go to Full Council for approval on 8 October 2019.
- 1.2 The strategic priorities, outcomes and objectives form the Corporate Strategy which is the Council's key overarching strategic-planning document and, as such, contains high-level priority outcomes for the council over the next four years based on local needs, regional and national strategies, Government policy and alignment to the political manifesto of the controlling group of the Council
- 1.3 The Corporate Strategy does not describe the specific actions that need to take place nor who will carry them out (these will be contained within directorate plans, service plans, project plans and individual work plans).
- 1.4 The Corporate Strategy is designed to guide future decision making. Once the priorities, outcomes and objectives are agreed they will underpin all subsequent strategies and delivery plans the Council produces. Future decision making reports will set out how they accord with the Strategy.
- 1.5 Once the strategic priorities, outcomes and objectives have been approved work will commence on preparing a Business Plan for the 2020/21 financial year which will set out what the Council intends to do during the year to help achieve its strategic outcomes.
- 1.6 Progress against delivery of the strategic outcomes will be a key area of focus of council's performance management framework and will be the subject of regular public reports.

## 2 Recommendations

2.1 The Executive are asked to:

- Recommend that Full Council approves the priorities, outcomes and objectives within the attached appendix.
- Authorise the Head of Communications to agree the final design and publication style for the Strategy.

## 3 Risk Assessment (if appropriate)

3.1 Without the Council clearly articulating its priorities there is a risk that activity and resources are not targeted to where they are most needed.

## 4 Background and Full details of the Report

4.1 These draft Strategic Priorities, Outcomes and Objectives 2020-2024 will be the basis of the first Corporate Strategy for Somerset West and Taunton Council.

4.2 The purpose of this Strategy is to :-

- articulate the Council's high-level priorities over the next four years that ensure we bring about positive change for our people and place; that will make the district an even better place in which to live, work and visit;
- describe why these priorities are important;
- define the outcomes that will constitute success;
- provide a framework which will underpin all subsequent strategies and delivery plans the Council produces and decisions it makes.

4.3 The Corporate Strategy does not describe specific actions that need to take place nor who will carry them out (these will be contained within the annual Business Plan, team operational plans, project plans and individual work plans).

4.4 In constructing the Corporate Strategy we don't start with a blank sheet of paper. Via our former councils we have committed to a number of evidence-based strategic outcomes within current live strategies including the countywide Improving Lives in Somerset (Health & Wellbeing) - 2019-2028; Somerset Housing Strategy - 2019-2023; Somerset Growth Plan - 2017-2030; Taunton Deane Core Strategy- 2011-2028 and the West Somerset Local Plan to 2032. Additionally, the Strategic priorities, outcomes and objectives are aligned to the pledges within the manifesto of the controlling group of the Council.

4.5 The Strategy comprises of four strategic themes, each with a clearly articulated outcome and objectives that underpin, and give effect to, the strategic themes.

- Priority theme 1. **Our environment and economy.** Outcome; A low-carbon, clean, green and prosperous district that attracts high quality employment opportunities and encourages healthy lifestyle

- Priority theme 2. **A transparent and customer-focused Council.** Outcome; A Council which informs and engages openly with our stakeholders and which consistently delivers excellent customer service.
- Priority theme 3. **An Enterprising Council.** Outcome; A financially self-sufficient Council which has expanded its commercial activity and generated more income in order to support service provision.
- Priority theme 4. **Homes and Communities.** Outcome; A district which offers a choice of good quality homes for our residents, whatever their age and income, in communities where support is available for those who need it.

4.6 The Corporate Strategy will be supported by an Annual Business Plan that will be structured around the strategic aims in the Corporate Strategy. This will ensure that there is a clear link between the high-level outcomes we are seeking and our day-to-day activities. It will also support us to correlate more clearly, evidence of our shorter-term achievements with their impact on our longer-term outcomes.

4.7 The Annual Business Plan for 2020/21 is scheduled to be considered by the Executive in March 2020.

4.8 The draft Strategic Priorities, Outcomes and Objectives 2020-2024 are contained within **Appendix A.**

## **5 Links to Corporate Strategy**

5.1 This report introduces the corporate strategic priorities, outcomes and objectives which form the Corporate Strategy.

## **6 Finance / Resource Implications**

6.1 The Strategy contains an objective to identify and develop commercial investment opportunities for the council and deliver early projects that generate additional income that can be reinvested in service delivery in order to protect or enhance services on which our communities rely.

6.2 The Council's Medium Term Financial Strategy will need to align with the Corporate Strategy to ensure that there are sufficient budgets in place to deliver the priorities as proposed. In addition, the Business Plan will be reviewed on an annual basis to take into account our changing budgetary position.

## **7 Legal Implications (if any)**

7.1 There are no direct legal implications associated with this report.

## **8 Climate and Sustainability Implications (if any)**

- 8.1 The Corporate Strategy includes the council's commitment to reducing carbon emissions and adapting to the impacts of climate change as a key objective.
- 8.2 Our guiding principles include ensuring the council's investment decisions are compatible with our social and environmental ethos.

## **9 Safeguarding and/or Community Safety Implications (if any)**

- 9.1 The Corporate Strategy includes an objective to reduce anti-social behaviour.

## **10 Equality and Diversity Implications (if any)**

- 10.1 An Equality Impact Assessment has been undertaken in relation to this report. The assessment has not identified any adverse impacts on groups and individuals with protected characteristics arising from this strategy.
- 10.2 The priorities and objectives within this strategy are built around reducing inequality - providing suitable homes, jobs and environments for all within our district. As detailed delivery plans are developed they will continue to take account of the potential impact on any of the protected characteristics as outlined in the Equality Act 2010.

## **11 Social Value Implications (if any)**

- 11.1 Our guiding principles, within the Draft Strategy, include the council considering Social Value opportunities when purchasing goods or commissioning services.

## **12 Partnership Implications (if any)**

- 12.1 The objectives, in many cases, will not be achieved by the council alone. We will continue to work with existing partners to achieve our strategic objectives and we will seek additional opportunities to work in partnership where this will deliver a better outcome for our communities.

## **13 Health and Wellbeing Implications (if any)**

- 13.1 The Corporate Strategy sets out the council's commitment to increasing access to affordable and suitable homes and jobs as well as creating green open spaces, encouraging walking and cycling and tackling anti-social behaviour; all of which positively impact on the health and wellbeing of our residents.

**14 Asset Management Implications** (if any)

- 14.1 The Corporate Strategy contains an objective to ensure our land and property assets support the achievement of the council's objectives (including service delivery, regeneration projects and community initiatives).

**15 Data Protection Implications** (if any)

- 15.1 There is an objective to make greater use of our business intelligence and feedback to improve the delivery of services to our customers. This will clearly be within the parameters of what is permissible under GDPR.

**16 Consultation Implications** (if any)

- 16.1 Both the Council's Senior Leadership team and the Council's Executive participated in workshops to help shape the Strategic Priorities, Outcomes and Objectives. Approval will be sought from Full Council.
- 16.2 The Strategic Priorities, Outcomes and Objectives are heavily based upon the manifesto of the Council's ruling group, which formed the basis of their election campaign in May 2019 and have therefore been recently and widely promoted as part of that process. Similarly, the priorities and objectives arising from existing strategic plans (such as the Local Plan and countywide strategies such as the Health & Wellbeing Strategy) have been subject to public consultation prior to their approval.
- 16.3 The draft strategic themes, priorities, outcomes and objectives were shared at an SWT member briefing, open to all SWT members, held on 29 August 2019.

**17 Scrutiny Comments / Recommendation(s)** (if any)

- 17.1 Not applicable.

**Democratic Path:**

- **Scrutiny / Corporate Governance or Audit Committees – No**
- **Executive – Yes**
- **Full Council – Yes**

**Reporting Frequency:**  **Once only**

### Contact Officers

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Email	P.harding@somersetwestandtaunton.gov.uk



Somerset West and Taunton  
**Corporate Strategy 2020-2024**



# Introduction



## Foreword from Chief Executive Officer

[text to come]

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James Hassett  
Chief Executive of Somerset West and Taunton



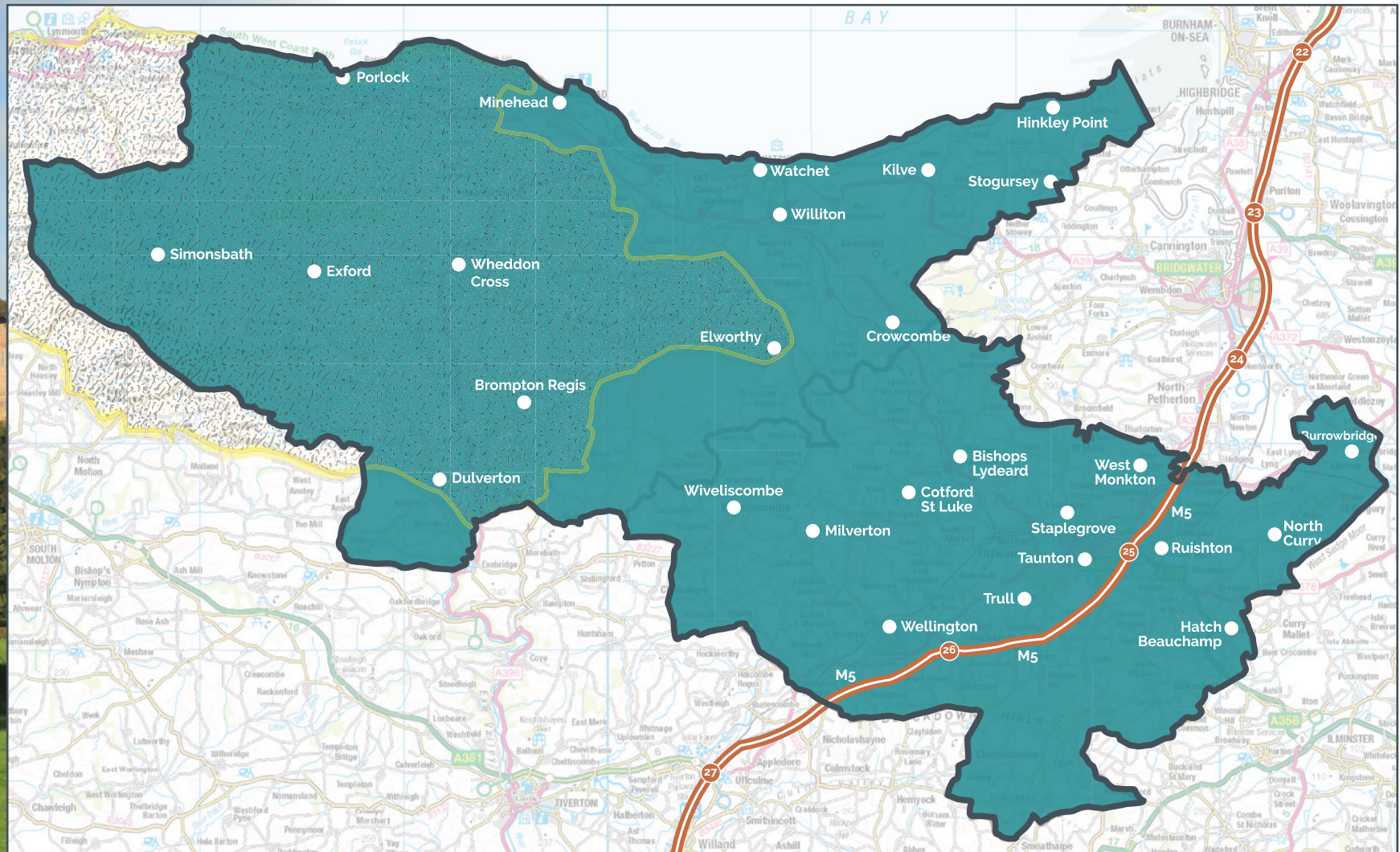
## Foreword from the Leader of the Council

[text to come]

Federica Smith-Roberts  
Leader of Somerset West and Taunton

# Map of our Area

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 Somerset West and Taunton Area

 Exmoor National Park

# The Context - Our People and Place

## Our Area:

**459.5** square miles - includes:

- 70% of Exmoor National Park
- 2 Areas of Outstanding Natural Beauty
- 50km of coastline
- 11 Sites of Special Scientific Interest
- 2913 Listed Buildings
- 235 Scheduled Ancient Monuments
- 52 Conservation Areas
- 11 Historic Parks and Gardens

## Home of Hinkley Point C

Key Deliverables, commitments and investments:

- Aim to create 1,000 apprenticeships
- 25,000 job opportunities
- 34% of employment opportunities for locals
- £15m investment into education and skills

Economic benefits for the regional economy:

- £200m per year during construction
- £40m per year during operation

**5,800** homes owned by SWT

## Employment:

**73,800** people aged 16+ in employment

**41,000** full time employee jobs

**26,000** part time employee jobs

**3,622** active applications in the SWT area on Homefinder Somerset (March 2019)

**27.4%** of Somerset's population live in Somerset West and Taunton.

Somerset West and Taunton has a

population of **152,288**

17% are aged 0-15    8.8% are aged 16-24  
28% are aged 25-49    21% are aged 50-64  
25.2% are aged 65+

**11.7%** SWT population aged 75+

**10.9%** Somerset Average aged 75+

## Key employment sectors:

• Manufacturing	7.2%
• Construction	7.4%
• Wholesale and trade	16.7%
• Accommodation and food services	6.9%
• Public administration and defence	7.7%
• Education	9.7%
• Human health and social work activities	16.5%

**6,520** business enterprises

**89.7%** employ <10 people

**3** neighbourhoods in Taunton (2 in Halcon and 1 in Lyngford) are within the top **10% of most deprived areas,**

**2** others (Wellington North and another in Lyngford) are in the top **20% of most deprived** (Index of Multiple Deprivation)

# Our Challenges

**We live in a beautiful area where residents have high expectations for good quality services and most enjoy an excellent quality of life.**

However, some within our community do not share this high quality of life due to being unable to access affordable /appropriate housing, suitable employment or through experiencing poor physical or mental health.

Many of the District's rural communities are disadvantaged by barriers to suitable housing and social exclusion through poor access to facilities and limited public transport.

Climate change is a global challenge but one which is of particular relevance locally. Most likely issues which may affect the District include an increased risk of flooding (levels and moors, surface water runoff and coastal storm inundation).

The population of the District is older than the national average which will increasingly require adaptability of homes, and a range of specialist housing. Growing population requires additional infrastructure to meet the pressures that will result from more people living in the district.

Whilst rates of employment are high, many jobs are relatively low earning, particularly in the agricultural, care, hospitality and tourism sectors. There is a need to attract higher earning jobs that will boost the District's productivity. There are large disparities between average local earnings and average house prices, making affordability a real issue for many of our residents.

Pressures on the vibrancy and viability of Town Centres, in particular through changing shopping habits.

# Priority Strategic Themes and Outcomes

Our four strategic themes are:

Our expected outcomes are:

**1. Our Environment and Economy**



**A low-carbon, clean, green and prosperous district that attracts high quality employment opportunities and encourages healthy lifestyles.**

**2. A transparent and customer-focused Council**



**A Council which informs and engages openly with our stakeholders and which consistently delivers excellent customer service.**

**3. Homes and Communities**



**A district which offers a choice of good quality homes for our residents, whatever their age and income, in communities where support is available for those who need it.**

**4. An Enterprising Council**



**A financially self-sufficient Council which has expanded its commercial activity and generated more income in order to support service provision.**

# Theme One: Our Environment and Economy

## What success will look like:-

A low-carbon, clean, green and prosperous district that attracts high quality employment opportunities and encourages healthy lifestyle.





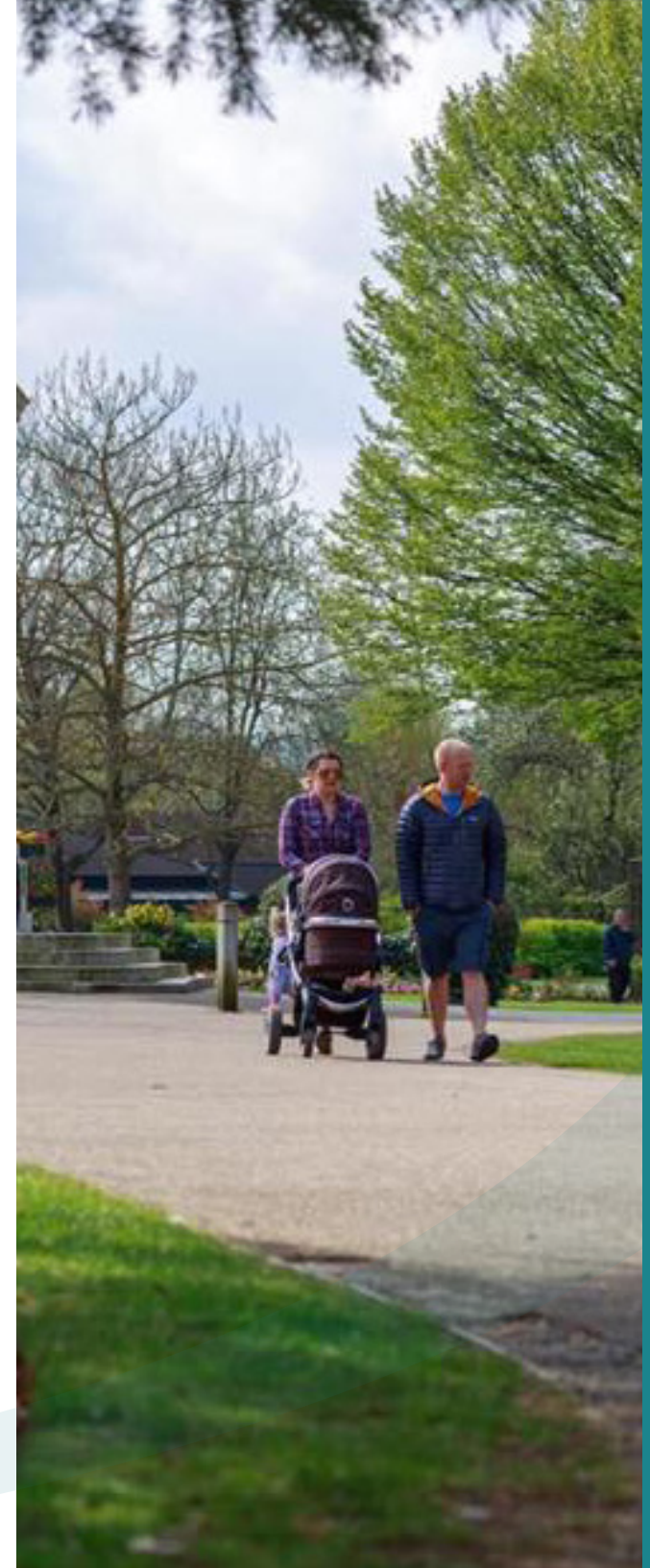


## Why this is important

Putting in place the conditions for attracting inward investment which delivers employment opportunities is key to tackling important issues in our district such as restricted social mobility, low pay and inequality.

Cleaner, greener environments help support a wide range of positive outcomes. We want everyone to enjoy high-quality natural and built environments. This is because the quality of the environment we live in is integral to our health and well-being and the quality of our lives. It can also greatly influence the Council's ability to attract investment and jobs to the district, as well as maintaining civic pride in our heritage and landmarks.

As well as looking after the district of today, it is also vital to protect the district of tomorrow by identifying issues affecting our environment and taking action to manage them; keeping our communities safe from the effects of extreme weather, such as flooding, and work with them to improve resilience and preparedness.





# Theme One: Our Environment and Economy

## Objectives

- 1** Work towards making our District carbon neutral by 2030 - deliver projects based on a Carbon Neutrality and Climate Resilience Plan that work toward this goal (for example installing electric vehicle charging points across the District) .
- 2** Shape and protect our built and natural environment, supported by a refreshed Local Plan and develop our heritage, cultural and leisure offer including a clear vision and delivery plan for the Taunton Garden Town.
- 3** Encourage wealth creation and economic growth throughout the District by attracting inward investment, enabling research and innovation, improving the skills of the local workforce and seeking to ensure the provision of adequate and affordable employment land to meet different business needs.
- 4** Improve recycling rates and reduce the amount of waste material that is not recycled through working with other Councils in the Somerset Waste Partnership.
- 5** Provide and maintain green open spaces and parks, enhanced public spaces, as well as additional opportunities to safely walk or cycle in order to encourage active and healthy lifestyles.
- 6** Support the town centres throughout the District to meet the challenge of changing shopping habits.
- 7** Facilitate the development of the commercial parts of the Firepool site in Taunton.
- 8** Support the enhancement of arts and culture provision within the District.

# Theme One: Our Environment and Economy

## How we will measure success

- % Household waste recycled.
- Energy performance of our public buildings.
- Satisfaction with the local area as a place to live.
- Major planning applications determined within time.
- Planning decisions subject to successful appeal.
- Social Value delivered via the Council's procurement activities.

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Performance around carbon neutrality & climate resilience, economic development and regeneration projects will be monitored through the relevant delivery plans.



# Theme Two: A Transparent and Customer-focused Council

## What success will look like:-

A Council which informs and engages openly with our stakeholders and which consistently delivers excellent customer service.



## Why this is important

Openness and transparency, and the perception of both, underpin effective local democracy.

Good decisions are most likely to be made when they draw on the views and experiences of a wide cross-section of our community and our councillors. It is important therefore that everyone feels confident to actively engage with our decision-making processes on matters important to them, their families and their communities and that we have methods in place to encourage participation.

Every member of the public has a right to expect excellent service from the Council. Excellence means many things to many people and is something often noticed more by its absence than its presence.

For us it means:

- Helping you get what you need from the council easily.
- Keeping our promises; doing what we say we will.
- Ensuring information from the Council is accurate and readily available whether people choose to visit in person, online or by telephone.
- If we can't do something, clearly explaining why.
- Treating customers with respect – reflecting the differing needs of the varied groups within our community.
- Delivering value for money.
- Apologising if we get things wrong and quickly putting it right.





## Theme Two: A Transparent and Customer-focused Council

### Objectives

- 1** Deliver excellence in the way the Council conducts its business.
- 2** Make more of our services available to access 24/7.
- 3** Reduce the Council's reliance on specialist agency staff by 'Growing our own' expertise through investing in our own staff.
- 4** Deliver new technologies and improvements to our processes that deliver excellent customer service.
- 5** Develop and deliver effective communications, consultation and engagement which listens to and engages with our residents and stakeholders and is central to the delivery of our services, strategies and plans.
- 6** Make greater use of our business intelligence and feedback to improve the delivery of our services.
- 7** Review the Council's decision making arrangements to enable greater participation by all Councillors and the public.

# Theme Two: A Transparent and Customer-focused Council

## How we will measure success

- Customer satisfaction (surveys).
- Customer feedback (trends).
- Independent assessment of our website.
- The number of SWT Self-service accounts created.
- The number of our services which are available to our customers online.
- Participation by members of the public in Council Meetings (in person and online).
- No. of upheld complaints to the Ombudsman
- Number of successful appeals to the Information Commissioner which require the Council to release information.
- Freedom of Information compliance rate



# Theme Three: Homes and Communities

## What success will look like:-

A district which offers a choice of good quality homes for our residents, whatever their age and income, in communities where support is available for those who need it.





## Why this is important

Decent secure, affordable housing is a basic human need and can contribute much to the overall health, well-being and quality of life for our residents. However, large disparities exist in our district between average earnings and average house price making affordability a real issue for many of our residents which is reflected in our growing housing waiting list. Local authorities have a broad role to play in supporting and regulating the housing sector, and in facilitating the delivery of new homes.

Lack of access to public transport is a crucial factor in contributing to social isolation and restricting access to opportunities such as further education, training, and employment. It also makes it more difficult for people to access health facilities, as well as shops, amenities and leisure activities.

To support and enable economic and housing growth it is essential that the infrastructure (roads, transport etc.) is in place to connect people between home and work and to build communities that are sustainable and self-sufficient.





# Theme Three: Homes and Communities

## Objectives

- 1** Increase the number of affordable and social homes in our urban towns, rural and coastal communities; including those built by the Council.
- 2** Facilitate the development of the residential blocks at Firepool, Taunton, in order to deliver new homes and public open spaces.
- 3** Reduce anti-social behaviour, through working with residents and our partners as well as tackle economic, social and health inequalities within the groups and communities that need extra support.
- 4** Work to end homelessness and rough sleeping in the District.
- 5** Engage with the voluntary sector in their mission to help support our communities.
- 6** Support the delivery of strong sustainable transport infrastructure links including greater provision of public transport across the district, as well as solutions which remove barriers to people using public transport to access work, training and leisure opportunities
- 7** Seek additional funding for new strategic infrastructure and regeneration projects from developers, investors, Government and other funders, which support or enable existing or new communities within our district.

# Theme Three: Homes and Communities

## How we will measure success

- £ secured and spent on infrastructure.
- Net number of new homes delivered in line with Government target.
- Number of Affordable homes delivered.
- Number of Social homes delivered.
- Number of long term empty homes within the District.
- Number of cases of homelessness helped or prevented.
- Major planning applications determined within time.
- Housing land supply.
- Residential planning decisions subject to successful appeal.

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**Performance around health and well-being will be monitored through the relevant action /delivery plans.**



# Theme Four: An Enterprising Council

## What success will look like:-

A financially self-sufficient Council which has expanded its commercial activity and generated more income in order to support service provision.





## Why this is important

All councils have seen significant reductions in the money they receive from Government over the last decade.

While the council has, and will continue, to find ways to reduce its operating costs it is essential that the Council find new ways to generate additional income to fill the shortfall in order to protect and enhance our services on which our communities rely.

**This priority theme supports our ability to deliver the other three.**



# Theme Four: An Enterprising Council

## Objectives

- 1** Pursue commercial investment opportunities that generate additional income that can be reinvested in service delivery in order to protect or enhance services on which our communities rely. Supported by a commercial investment strategy.
- 2** Meet the challenge of Government completely withdrawing the Council's grant funding.
- 3** Ensure our land and property assets support the achievement of the council's objectives (including service delivery, regeneration projects and community initiatives).

# Theme Four: An Enterprising Council

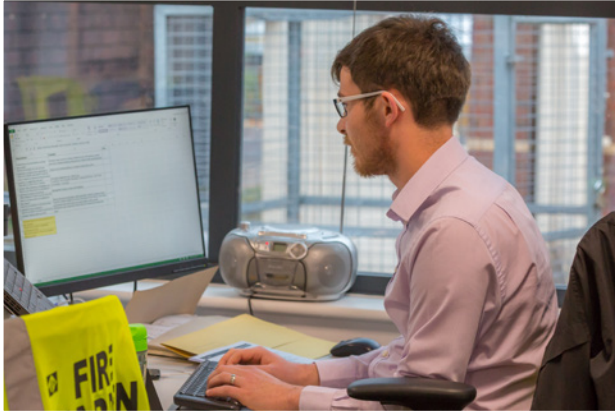
## How we will measure success

- Value of additional capital and revenue receipts raised through commercial activity, which is available to support service delivery.
- 5-year Medium Term Financial Plan.
- Number and value of redundant land and property assets.

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# Our Guiding Principles



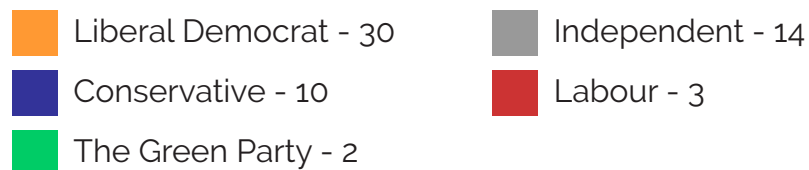
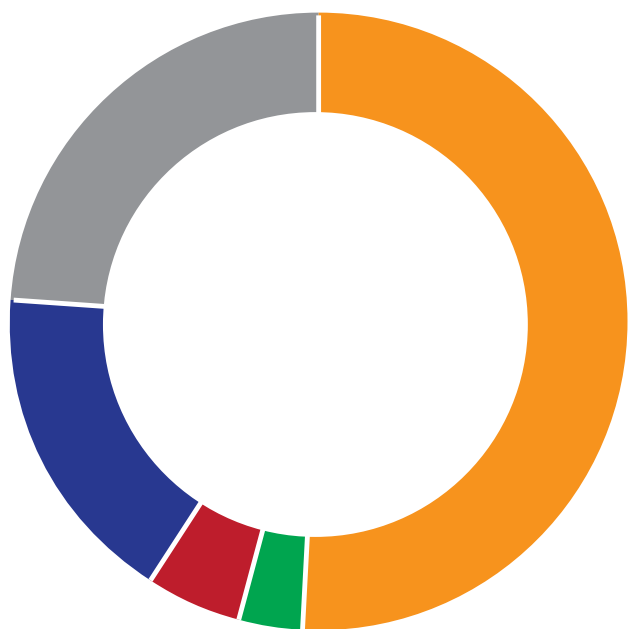
## We will:

- Put our customers first.
- Consider Social Value opportunities when purchasing goods or commissioning services.
- Help our communities address issues that are important to them.
- Be fair to people who use or would like to use our services and who work for us or who would like to work for us; respecting and celebrating the diversity of our district and our workforce.
- Use our resources well and innovatively.
- Be open to change.
- Be open and transparent.
- Work with partners wherever it can deliver a better outcome for our residents and our district.
- Ensure the council's investment decisions are compatible with our social and environmental ethos.



# Political make up and Leadership of the Council

## May 2019 election result



**Total: 59 councillors**

## Leader and Portfolio Holders

### Leader of the Council

Cllr Federica Smith-Roberts

### Portfolio

### Portfolio Holder

Communications & Culture  
(and Deputy Leader)

Cllr Benet Allen

Community

Cllr Chris Booth

Housing

Cllr Fran Smith

Corporate Resources

Cllr Ross Henley

Planning & Transport

Cllr Mike Rigby

Environmental Services

Cllr Alan Wedderkopp

Climate Change

Cllr Peter Pilkington

Asset Management &  
Economic Development

Cllr Marcus Kravis

Sports, Parks & Leisure

Cllr Richard Lees

## Contact Details:-

SWT Strategy

Email: [strategy@somersetwestandtaunton.gov.uk](mailto:strategy@somersetwestandtaunton.gov.uk)

Web: [www.somersetwestandtaunton.gov.uk](http://www.somersetwestandtaunton.gov.uk)

# Somerset Equality Impact Assessment

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

<b>Organisation prepared for</b>	<b>Somerset West and Taunton Council</b>		
<b>Version</b>	<b>0.1</b>	<b>Date Completed</b>	<b>02/09/2019</b>

## Description of what is being impact assessed

### The Corporate Strategy 2020/2024.

The Strategy is the Council's key overarching strategic planning document and as such contains high-level priority outcomes for the council over the next 4 years based on local needs, regional and national strategies, Government and local political agenda.

The Corporate Strategy does not describe specific actions that need to take place nor who will carry them out (these will be contained within team plans, project plans and individual work plans).

Where projects, action plans, or more specific strategies are developed to deliver against the corporate strategies additional Equality Impact Assessments will be completed where relevant.

The four priority themes and outcomes the council wish to focus on are:

- Priority theme 1. **Our environment and economy.** Outcome; A low-carbon, clean, green and prosperous district that attracts high quality employment opportunities and encourages healthy lifestyles.
- Priority theme 2. **A transparent and customer-focused Council.** Outcome; A Council which informs and engages openly with our stakeholders and which consistently delivers excellent customer service.

- Priority theme 3. **An Enterprising Council. Outcome:** A financially self-sufficient Council which has expanded its commercial activity and generated more income in order to support service provision.
- Priority theme 4. **Homes and Communities. Outcome:** A district which offers a choice of good quality homes for our residents, whatever their age and income, in communities where support is available for those who need it.

### Evidence

**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

Previously agreed recent and live strategies including Taunton Deane Core Strategy- 2011-2028, West Somerset Local Plan to 2032, Improving Lives in Somerset (Health & Wellbeing) 2019-2028, Somerset Housing Strategy -2019-2023, Somerset Growth Plan 2017-2030 each of which have been evidence-based using such sources as Office of National Statistics, Somerset Intelligence Partnership, Somerset's Joint Strategic Needs Analysis (JSNA). Additionally the Corporate Strategy has ensured alignment to the political manifesto of the controlling group of the Council.

**Who have you consulted with to assess possible impact on protected groups?** If you have not consulted other people, please explain why?

The Strategy team within Somerset West and Taunton are responsible for drafting the Corporate Strategy. Both the Council's Senior Leadership team and the Council's Executive participated in workshops to help shape the Strategy.







The priorities and objectives arising from existing strategic plans (such as the Local Plan and countywide strategies for example the Health & Wellbeing Strategy) were subject to extensive public consultation prior to their approval.

This Strategy requires approval from Full Council, informed by recommendations from the Council's Executive Committee. These council meetings are open to members of the public and all papers are published on our website in advance of the relevant meetings to allow for public participation and challenge.

<b>Analysis of impact on protected groups</b>				
<p>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.</p>				
<b>Protected group</b>	<b>Summary of impact</b>	<b>Negative outcome</b>	<b>Neutral outcome</b>	<b>Positive outcome</b>
<b>Age</b>	<p>No negative impacts identified at this initial high-level stage.</p> <p>All members of the community, including this protected group, should benefit from the outcomes described in the Corporate Strategy. (Provision of additional affordable homes, new employment opportunities, more vibrant town centres and better green spaces etc.). Care will of course be needed to ensure that delivery of the strategic objectives does not unwittingly introduce unintended consequences for some groups and that change is effective for all target groups.</p> <p>The objective to make more council services available on-line (whilst preserving traditional channels) should appeal to younger customers in particular who are most prone to transacting digitally.</p> <p>The objective to work with partners and service providers to encourage greater provision of public transport across the district as well as develop solutions which remove barriers to young people using public transport to access work, training and leisure</p>	□	□	☒

	opportunities should have a particularly positive impact on the younger residents who have no independent means of travel.			
<b>Disability</b>	<p>No negative impacts identified at this initial high-level stage.</p> <p>All members of the community, including this protected group, should benefit from the outcomes described in the Corporate Strategy. (Provision of additional affordable homes, new employment opportunities, more vibrant town centres and better green spaces etc). Care will of course be needed to ensure that delivery of the strategic objectives does not unwittingly introduce unintended consequences for some groups and that change is effective for all target groups.</p> <p>The objective to ensure greater focus on the particular needs of people with disabilities within our service provision should have a positive impact for this protected group.</p> <p>The objective to enable more of our services are available on-line, whilst preserving other methods of contact, should be more convenient to e-enabled customers with a disability and avoid them having to make journeys to the council's office if they don't wish to do so.</p> <p>The Corporate Strategy can be made available in other formats to assist those customers who are visually impaired.</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>Gender reassignment</b>	<p>No negative impacts identified at this initial high-level stage.</p> <p>All members of the community, including this protected group, should benefit from the outcomes described in the Corporate Strategy. (Provision of additional affordable homes, new</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

	<p>employment opportunities, more vibrant town centres and better green spaces etc). Care will of course be needed to ensure that delivery of the strategic objectives does not unwittingly introduce unintended consequences for some groups and that change is effective for all target groups.</p>			
<b>Marriage and civil partnership</b>	<p>No negative impacts identified at this initial high-level stage.</p> <p>All members of the community, including this protected group, should benefit from the outcomes described in the Corporate Strategy. (Provision of additional affordable homes, new employment opportunities, more vibrant town centres and better green spaces etc). Care will of course be needed to ensure that delivery of the strategic objectives does not unwittingly introduce unintended consequences for some groups and that change is effective for all target groups.</p>	□	□	☒
<b>Pregnancy and maternity</b>	<p>No negative impacts identified at this initial high-level stage.</p> <p>All members of the community, including this protected group, should benefit from the outcomes described in the Corporate Strategy. (Provision of additional affordable homes, new employment opportunities, more vibrant town centres and better green spaces etc). Care will of course be needed to ensure that delivery of the strategic objectives does not unwittingly introduce unintended consequences for some groups and that change is effective for all target groups.</p>	□	□	☒

<p><b>Race and ethnicity</b></p>	<p>No negative impacts identified at this initial high-level stage.</p> <p>All members of the community, including this protected group, should benefit from the outcomes described in the Corporate Strategy. (Provision of additional affordable homes, new employment opportunities, more vibrant town centres and better green spaces etc). Care will of course be needed to ensure that delivery of the strategic objectives does not unwittingly introduce unintended consequences for some groups and that change is effective for all target groups.</p> <p>Since this protected group includes Gypsies and travellers, particular attention will need to be given to their housing needs since traditional housing growth is unlikely to be of similar benefit to this group as it is to the wider population.</p> <p>The Corporate Strategy can be made available in other languages to assist those customers whose first language is not English.</p>			
<p><b>Religion or belief</b></p>	<p>No negative impacts identified at this initial high-level stage.</p> <p>All members of the community, including this protected group, should benefit from the outcomes described in the Corporate Strategy. (Provision of additional affordable homes, new employment opportunities, more vibrant town centres and better green spaces etc). Care will of course be needed to ensure that delivery of the strategic objectives does not unwittingly introduce unintended consequences for some groups and that change is effective for all target groups.</p>			



<b>Sex (Gender)</b>	<p>No negative impacts identified at this initial high-level stage.</p> <p>All members of the community, including this protected group, should benefit from the outcomes described in the Corporate Strategy. (Provision of additional affordable homes, new employment opportunities, more vibrant town centres and better green spaces etc). Care will of course be needed to ensure that delivery of the strategic objectives does not unwittingly introduce unintended consequences for some groups and that change is effective for all target groups.</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>Sexual orientation</b>	<p>No negative impacts identified at this initial high-level stage.</p> <p>All members of the community, including this protected group, should benefit from the outcomes described in the Corporate Strategy. (Provision of additional affordable homes, new employment opportunities, more vibrant town centres and better green spaces etc). Care will of course be needed to ensure that delivery of the strategic objectives does not unwittingly introduce unintended consequences for some groups and that change is effective for all target groups.</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>Other, e.g. carers, veterans, homeless, low income, rurality/isolation, etc.</b>	<p>No negative impacts identified at this initial high-level stage.</p> <p>All members of the community, including this protected group, should benefit from the outcomes described in the Corporate Strategy. (Provision of additional affordable homes, new employment opportunities, more vibrant town centres and better green spaces etc). Care will of course be needed to ensure that delivery of the strategic objectives does not unwittingly introduce unintended consequences for some groups and that change is effective for all target groups.</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

The Corporate Strategy contains a specific objective to reduce homelessness and rough sleeping which should of course have a positive impact on those in that position or in danger of becoming so.

Although not unique to the Corporate Strategy, the Council supports the Somerset Armed Forces Covenant to ensure veterans are treated fairly and not disadvantaged. This is a cross-cutting commitment.

The objective to enable more of our services to be available on-line, whilst preserving other methods of contact, should be more convenient to e-enabled customers with caring responsibilities and those located some distance from the Council's offices and avoid them having to make journeys to the council's offices.

SWT residents have the lowest number of households with access to a car or van in Somerset. The objective to work with partners and service providers to encourage greater provision of public transport across the district should have a positive impact on those experiencing rural isolation.

### 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
	Select date			<input type="checkbox"/>
	Select date			<input type="checkbox"/>

**If negative impacts remain, please provide an explanation below.**

**Completed by:** Paul Harding

**Date** 02/09/2019



*Report Number: SWT 70/19*

## **Somerset West and Taunton**

### **Executive Committee – 18 September 2019**

#### **Financial Strategy 2020/21 to 2022/23**

**This matter is the responsibility of Executive Councillor Henley**

**Report Author: Paul Fitzgerald, Strategic Finance Advisor and S151 Officer**

#### **1 Executive Summary**

- 1.1 Following the creation of Somerset West and Taunton Council (SWT) in April 2019, this reports seeks Executive support to set the first formal Financial Strategy for the new Council.
- 1.2 The Strategy outlines the Council's proposed approach to managing 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 with the Council remaining financially resilient.
- 1.3 The Council (and its predecessors) have delivered significant savings in recent years, responding to financial challenges in the sector locally and nationally. There is currently a high degree of uncertainty regarding future funding and our prudent approach to financial planning reflects this. There are continued financial pressures in future, as well as ambitious plans for delivering improved local services, therefore challenging savings targets are included in the Strategy. Having significantly reduced costs in the past, the focus moving forward is weighted towards income generation – providing essential additional resources to meet the ambitions for the Council and district.

#### **2 Recommendations**

- 2.1 The Executive approves the Financial Strategy for 2020/21 to 2022/23.

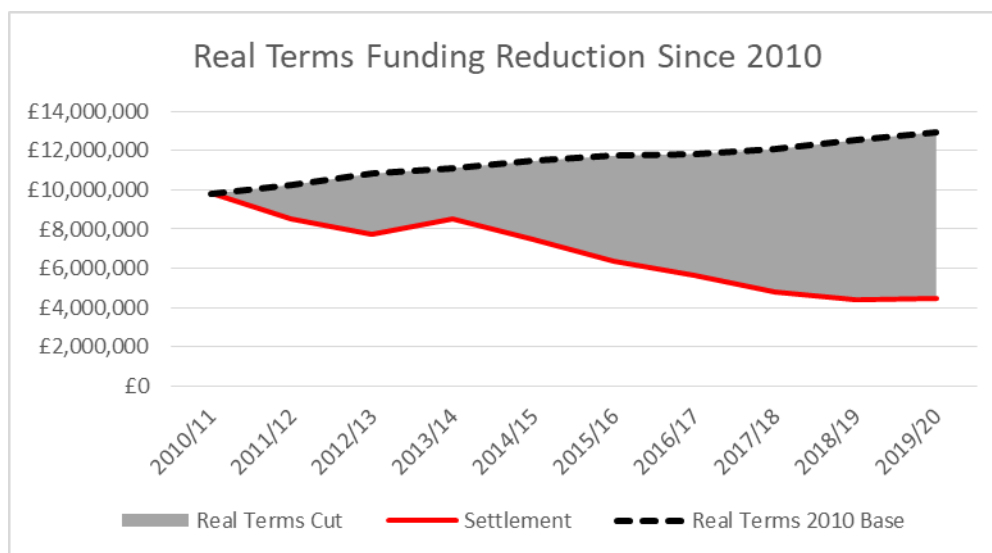
#### **3 Risk Assessment**

- 3.1 The Financial Strategy takes into account a wide range of financial risks, and these are explained within the detail of this report.

## 4 Background

- 4.1 The Shadow Executive for Somerset West and Taunton set the previous Financial Strategy in September 2018. This reflected the consolidated position resulting from the previous approaches agreed by the two predecessor Councils (Taunton Deane and West Somerset), and was largely influenced by the savings being delivered through the joint transformation programme and the creation of the single, new council. This was followed with the Shadow Council approving the new Council's 2019/20 Budget in February 2019.
- 4.2 Following the creation of the new Council, and the elections in May 2019, the new administration and leadership team are developing a new Corporate Strategy and Plans which will set the ambitions and directions for the medium term. The Financial Strategy will evolve alongside these and reflect the plans in more detail as the financial planning process progresses. However, it is appropriate to set the direction at this stage in terms of understanding the current financial estimates, allowing for future ambitions, and ensuring the Council has a clear strategy in place to remain financially resilient for the foreseeable future in the face of ongoing funding uncertainty.
- 4.3 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 (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 – the Government announced a one-year Spending Round on 4 September, with the full Spending Review deferred until 2020. We can expect only a 1-year Finance Settlement for 2020/21.
  - Funding – the Fair Funding Review and Business Rates Retention reform have been deferred with implementation now anticipated in 2021/22.
  - Funding – Business Rates Baseline Reset has also been deferred until 2021/22. However this is expected to be a “Full Reset” with funding expected to reduce to the Baseline.
  - Funding – New Homes Bonus is being reviewed by ministers, and it is anticipated any changes will significantly reduce funding. However the Government have indicated the total funding nationally for NHB will continue 2020/21.
  - 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.
- 4.4 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.
- 4.5 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 SWT and its predecessors, which emphasises the scale of the challenge. The grant funding received through the Finance Settlement in 2010/11 was £9.8m. In 2019/20, this had reduced to £4.4m – a cash reduction of £5.4m (-54%) (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 £8.5m (-66%) per year since 2010**. In response, the Council(s) has significantly reduced costs to ensure ongoing services are affordable and the Council is financially resilient.



4.6 This graph reflects changes to general funding income alone. The impact of this funding reduction is in addition to the added financial pressure arising from costs of annual inflation and demand growth.

## 5 New Financial Strategy 2020/21 to 2022/23

5.1 Building on the success of the previous strategies, it is proposed that the Council sets a new Financial Strategy for the next three years including new financial targets. The Strategy needs to reflect future priorities, opportunities and risks, focussing on delivering services efficiently, stabilising services as transformation changes bed in, improving services to our community. An important area of focus in the new strategy will be to increase essential resources through income generation to ensure priority services remain affordable and avoiding cuts, and providing resources needed to meet the ambitions for local services both in the shorter and longer term. It is also vital the Council remains financially stable and resilient for the long term.

5.2 The proposed Financial Strategy is therefore summarised as:

Develop and implement a Commercial Investment Strategy including <b>investing in property and other commercial assets to generate income</b> , that can be reinvested to maintain and improve services to our community and to support priority areas for capital and revenue investment	<b>Maximising operational efficiency and value for money</b> through optimising benefits of the new operating model, including digitalisation of services, channel shift and self-service, reduced failure demand, and exploring how new technologies can further improve efficiency
Progress <b>commercialisation of services</b> to drive financial performance and deliver increased income to fund relevant priority services	<b>Developing approaches to manage demand on services and costs</b> in partnership with other councils and organisations
Ensuring <b>clear service priorities</b> that demonstrably align with corporate strategy and plans	Optimising <b>income generation through full cost recovery charging for relevant services</b>
<b>Supporting and enabling economic and housing growth and regeneration</b> improving the place and generating income to fund investment in local infrastructure and community facilities	<b>Managing assets effectively</b> , ensuring assets clearly align with priorities and service needs, <b>and generate capital receipts through disposing of surplus assets</b>
<b>Reduce reliance on government grants</b> such as New Homes Bonus for the funding of ongoing services	Increasing the <b>income yield from treasury investments</b> as part of a prudent treasury management approach
Progress opportunities to <b>reprioritise and grow resources to enable Climate Change and other Environmental priorities to be delivered</b>	<b>Focus on long term financial resilience</b> through maintaining strong financial control, robust financial planning and maintaining prudent reserves to manage risk and meet future commitments

## 6 Medium Term Financial Plan Estimates

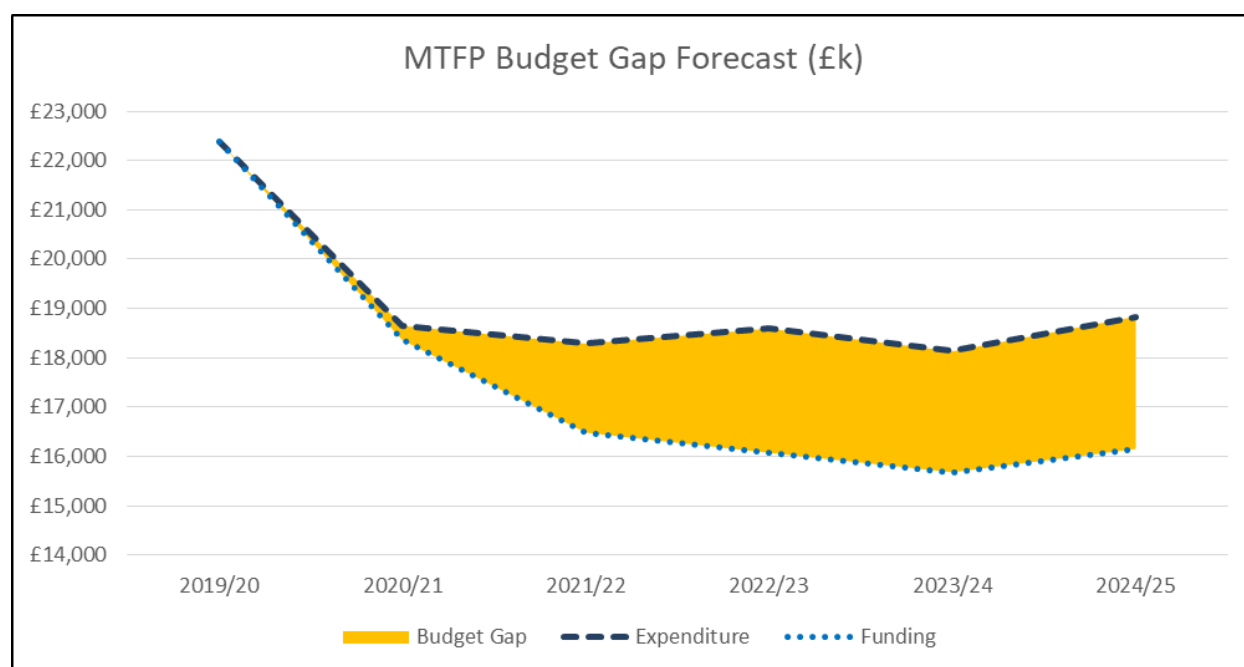
- 6.1 The (Shadow) Council approved the current Budget and Medium Term Financial Plan in February 2019. This reflects the consolidated budgets of the two predecessor councils, financial planning assumptions and savings delivered to set the balanced budget for the year.
- 6.2 In recent weeks, key estimates have been reviewed where appropriate, reflecting as much as possible what is “known”, and providing “best estimates” on areas of uncertainty, with a significant reduction in funding now expected from 2021/22 onwards.
- 6.3 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 £2.5m by



2022/23 (13% of Net Expenditure). As noted above, there is a high degree of uncertainty regarding funding estimates therefore these figures will be reviewed and updates reported to Members as further information becomes available.

Table 1 – General Fund Medium Term Financial Plan Initial Estimates

	2019/20 £k	2020/21 £k	2021/22 £k	2022/23 £k	2023/24 £k	2024/25 £k
Services Costs	14,752,279	14,656,828	15,381,146	16,161,436	16,751,866	17,443,659
Net Financing Costs	356,540	485,900	470,260	633,370	416,480	409,590
SRA Funding	99,090	100,675	102,286	103,923	105,586	107,275
Unparished Area Expenses	46,399	0	0	0	0	0
Earmarked Reserves	7,123,781	3,405,247	2,334,957	1,693,701	859,329	876,617
General Reserves	0	0	0	0	0	0
<b>Net Expenditure</b>	<b>22,378,089</b>	<b>18,648,650</b>	<b>18,288,649</b>	<b>18,592,430</b>	<b>18,133,261</b>	<b>18,837,141</b>
Business Rates Retention (BRR)	-7,787,783	-4,928,427	-4,004,880	-4,083,253	-4,161,626	-4,239,999
BRR prior year surplus/deficit	-1,331,905	0	0	0	0	0
Revenue Support Grant	-6,340	0	0	0	0	0
Rural Services Delivery Grant	-241,506	-241,506	-241,506	-241,506	-241,506	-241,506
New Homes Bonus	-3,809,150	-3,823,053	-2,534,763	-1,693,507	-859,135	-876,423
Council Tax (CT)	-9,038,695	-9,365,685	-9,704,334	-10,055,574	-10,419,196	-10,796,170
CT Special Expenses	-46,399	0	0	0	0	0
CT prior year surplus/deficit	-116,311	0	0	0	0	0
<b>Net Funding</b>	<b>-22,378,089</b>	<b>-18,358,671</b>	<b>-16,485,483</b>	<b>-16,073,840</b>	<b>-15,681,463</b>	<b>-16,154,098</b>
<b>Budget Gap</b>	0	289,979	1,803,166	2,518,590	2,451,798	2,683,043
Gap – Change on Previous Year	0	289,979	1,513,187	715,424	-66,792	231,245



6.4 The projections above reflect current estimates and prudent financial planning proposals incorporated within the Plan. The main assumptions include:

## Service Costs and Income:

- Staff pay awards are estimated at 2% annually. Unions are currently proposing much larger pay increases, which if agreed could significantly increase pay costs above current estimates.
- Inflation increases incorporated for main contractual arrangements: Somerset Waste Partnership, CCTV monitoring, Street Cleaning plus utilities and insurances.
- Demographic growth reflected in demand for waste and street cleaning services. No funding is provided in core assumptions for demand growth in other services.
- Employers pension contributions and Pension Fund deficit recovery lump sum costs based on the latest 2016 actuarial valuation. The next valuation is expected in Spring 2020.
- Transformation savings remain sustainable and temporary transitional costs cease as planned.

## Funding:

- Business Rates Retention (BRR) will be subject to a Full Reset in 2021/22 and reduce to the Baseline. This significantly reduces funding compared to previous estimates.
- No 'guess' included for the impact of future implementation of 75% Business Rates Retention.
- General Government Grant projected based on a 'Negative' Revenue Support Grant applying from 2021/22 and continuation of current Rural Services Delivery Grant level.
- New Homes Bonus grant is at risk and expected to reduce significantly, and it is proposed to phase out use of NHB for general service funding by 2022/23. The majority of the grant is earmarked to fund capital projects.
- Council tax is forecast based on officer assumption of a 1.99% increase each year, following the Core Referendum Principle announcement in the 2019 Spending Round.

6.5 Further information regarding these estimates and assumptions, and related elements of the financial strategy are covered in more detail later in this report.

## **7 Savings Targets**

7.1 Given the scale of the projected Budget Gap, and including an allowance for further potential cost pressures and new service investment not currently factored into estimates, it is proposed to set challenging savings targets for the next three years. Given the level of uncertainty in financial planning, it is not proposed to set targets beyond this timeframe at this stage – but this will be kept under review as corporate plans and greater funding certainty emerge.

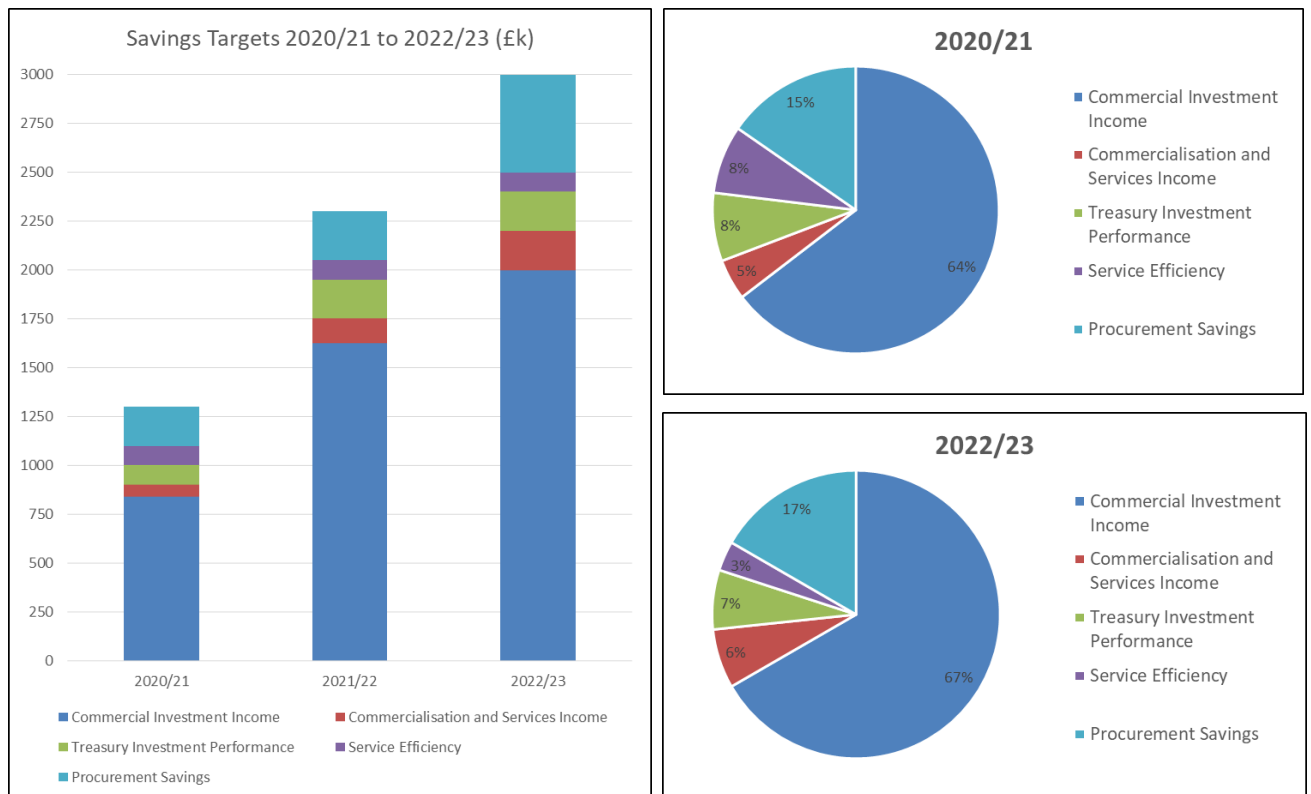
Table 2 - Assessing Need for Savings Targets

	2020/21 £k	2021/22 £k	2022/23 £k
Projected Budget Gap (Table 1 - nearest hundred)	300	1,800	2,500
Provision for New Cost Pressures and New Priorities	1,000	500	500
Proposed Savings Targets	1,300	2,300	3,000

7.2 The following table summarises how the above Targets may be segmented into categories. The figures in the columns are cumulative i.e. the savings in 2021/22 include the continuation of the savings identified in 2020/21.

Table 3 – Savings Targets

	2020/21 £k	2021/22 £k	2022/23 £k
Commercial Investment Income	840	1,625	2,000
Commercialisation and Services Income	60	125	200
Treasury Investment Performance	100	200	200
Service Efficiency	100	100	100
Procurement Savings	200	250	500
Total Savings Targets	1,300	2,300	3,000



7.3 Further info related to savings targets is explained below.

## 8 Service Prioritisation and Costs

8.1 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 Operational Plans.

8.2 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
- Cost efficiency through transformation and new Council implementation
- Revenue implications of capital investment
- Planned use of earmarked reserves and external funding

8.3 Currently no savings target is identified for services, with the assumption that overall activity will be contained within the capacity available in the core establishment, and additional and project resources covered through income, reserves and external funding. A key principle for the 'design authority' for the Council's operating model is that resources will be agile and refocussed / reprioritised in line with priorities as these evolve.

8.4 Savings of £100k are included in the Savings Targets in Table 3 on the assumption that further efficiency can be delivered in core operating costs, particularly (but not exclusively) in relation to non-staff costs as the full benefits of becoming a single new Council are realised.

## **9 Commercial Investment Strategy**

9.1 The Council through previous transformation business plans and corporate plans has reflected the long standing commitment to exploring options for income generation. The focus in recent years has been the delivery of efficiency and improvements through transformation. Despite the delivery of significant savings enabling budgets to balance to date, the MTFP clearly shows the financial challenge remains in future. This reflects in particular the expected reduction in business rates and new homes bonus funding.

9.2 Officers are currently developing a Commercial Strategy which will present proposals for large-scale investment to generate significant additional income. 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, and reduce pressure to cut services.

9.3 This Commercial Investment approach is considered essential to meet the £2m segment of the savings target set out above (Table 3), as a key component of the options to address the budget gap. Clearly this approach will present an update in the risk profile to be managed, however there is no risk-free option. This element of the Financial Strategy will be covered in depth when the Commercial Investment Strategy is presented to the Executive and Full Council for consideration.

## **10 Commercialisation of Services and Income Generation**

10.1 A key theme of the Council's corporate priorities is to operate in a business-like way,

seeking to maximise efficiency and provide value for money services. As part of the wider development of the Commercial Strategy, the Council will also explore further opportunities for the commercialisation of services with a view to increasing productivity and growing income returns.

- 10.2 Part of this strategy is to ensure that the full costs of services are identified, and discretionary fees and charges are set to fully recover costs from customers.
- 10.3 Equally, there may be opportunities to trade services and generate increased income in order to provide alternative income to mitigate the major cuts in funding received from Government. The primary purpose of this approach is to provide income that helps to ensure local services remain affordable and cuts to services can be avoided / minimised.
- 10.4 A relatively modest savings target is included in Table 3 above, seeking to grow income by £200k per year over the next three years. The Leadership Team will consider ambitious stretch targets as plans and opportunities are developed.

## **11 Treasury Management and Capital Financing**

11.1 The Council updates its Treasury Management Strategy annually, with the current TMS approved at Shadow 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 proposed 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.

11.2 This Strategy looks to manage exposure to risk and volatility at this time of significant economic uncertainty by:

- Considering security, liquidity and yield, in that order
- Considering alternative assessments of credit strength
- Spreading investments over a range of approved counterparties
- Only investing for longer periods to gain higher rates of return where there are acceptable levels of counterparty risk.

11.3 The predecessor Councils had a good record of treasury performance relative to the respective financial positions and prudent approaches to managing risk. There are opportunities to change the mix of treasury investments as a new single council with consolidated resources. The Treasury Strategy will be reviewed during 2019, seeking to

improve overall treasury investment performance whilst continuing to implement an appropriately prudent balance between security, liquidity and yield.

- 11.4 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, as reflected in the treasury performance Savings Target of £200k per year (Table 3).
- 11.5 The S151 Officer and Finance staff continue 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.

## **12 Unparished Area Costs**

- 12.1 The Council currently raises Special Expenses through Council Tax within the unparished area of Taunton, to fund an Unparished Area budget. The Council agreed in August 2019 to transfer the 2019/20 budget to the Charter Trustees.
- 12.2 It is anticipated the Charter Trustees will set their own precept for 2020/21, in line with their tax raising powers (similar to town and parish councils), and consequently SWT will cease to raise Special Expenses from next year.

## **13 Reserves**

- 13.1 The Council maintains General Reserves and Earmarked Reserves, for both the General Fund and the Housing Revenue Account. General Reserves are retained to provide a contingency to mitigate financial risks arising from unexpected events or emergencies and as a general working balance to help cushion the impact of uneven cash-flows. Earmarked Reserves are funds that have been set aside for specific purposes to be spent in future years and to provide contingencies for specific risks.
- 13.2 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.
- 13.3 The Council will aim to balance the budget each year without the need to use General Reserves, and will prioritise allocating any significant surplus balance to fund one-off costs rather than support day to day running costs of the Council's services thus minimising financial resilience risk.
- 13.4 The Council sets aside funds into Earmarked Reserves through the Budget process where there is a longer term spending plan, for example with New Homes Bonus that supports projects, and Business Rates which mitigates financial risks and smooths out accounting timing differences.

- 13.5 The following table summarises the General Reserves position and the current assessed adequate minimum balance. It is proposed within the strategy to introduce a new measure which is to provide an operational target as well as a minimum contingency balance. This recognises that reserves can provide resources during the year to address emerging costs and priorities not identified through the annual budget planning process.

Table 4 – General Reserves

	General Fund £k	HRA £k
General Reserves Transferred from Taunton Deane	2,223	2,718
General Reserves Transferred from West Somerset	981	N/A
<b>SWT Opening Balance 1 April 2019</b>	<b>3,204</b>	<b>2,718</b>
Less: 2019/20 Original Budget Planned Use of Reserves	0	1
Less: 2019/20 Supplementary Budget Allocations	-65	-26
<b>Current Balance 1 September 2019</b>	<b>3,139</b>	<b>2,693</b>
Adequate Minimum Reserves Balance (Financial Resilience Assessment)	2,400	1,800
Operational Target for Reserves (Financial Planning Assessment)	3,000	2,400

- 13.6 The next table summarises the Earmarked Reserves position.

Table 5 – Earmarked Reserves

	General Fund £k	HRA £k
Earmarked Reserves Transferred from Taunton Deane	14,194	2,719
Earmarked Reserves Transferred from West Somerset	4,048	N/A
<b>SWT Opening Balance 1 April 2019</b>	<b>18,242</b>	<b>2,719</b>
2019/20 Original Budget Reserve Transfers	5,924	0
2019/20 In Year Reserve Transfers including Carry Forwards (April to August)	-1,338	-186
<b>Current Balance 1 September 2019</b>	<b>22,828</b>	<b>2,533</b>

## 14 Business Rates Retention

- 14.1 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. The Business Rates Income Target and Baseline are due to be “Reset” in April 2021 (deferred from April 2020 in the 2019 Spending Round). This will mean the current business rates income levels will be built into the future Target/Baseline. 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.
- 14.2 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 2021/22 onwards. This results in a significant reduction in projected funding, with the financial planning assumption updated since February to assume the Reset will fully remove historic growth benefit. The Budget Gap within the MTFP has increased as a result, requiring costs to be reduced and/or alternative income sources found. Estimates for this source 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
BRR Estimates Feb 2019	*9,061	4,798	4,872	4,945	5,019	5,100
Revised estimates Sept 2019	9,061	4,928	4,005	4,083	4,162	4,240
Difference	N/A	**120	-867	-862	-857	-860

\* includes one-off 75% Pilot and Pooling gain in 2019/20

\*\* reflects continuation of negative RSG mitigation in 2020/21

- 14.3 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 as at 1 April 2019, including transfers included in the 2019/20 Original Budget, was £6.5m. The current strategy seeks to hold a significant balance in this reserve, particularly in recognising the risk of volatility in business rates income forecasts related to Hinkley Point nuclear power station. Reducing the net income estimates down to the Baseline in 2021/22 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 hold existing balances pending further information. The assessment of the prudent minimum balance to hold in this reserve will be reviewed when the future operation and risks of the BRR system are confirmed.

### **Business Rates Pooling**

- 14.4 A Somerset Business Rates Pool (comprising the County Council and the Districts within the County Council area) has provided a positive impact on funding since 2018/19, with increased financial benefit from being a 75% BRR Pilot anticipated in 2019/20. The predicted benefit share for SWT from Pooling/Pilot status in 2019/20 is c£1.2m.
- 14.5 Government confirmed in the 2019 Spending Round that the 75% BRR Pilot will not continue in 2020/21, with the Somerset Pool reverting to operate under 50% Retention. 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**

- 14.6 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. The reform has been deferred until 2021/22. Estimates will be reviewed when further information is issued by Government.

## 15 General Government Grants

- 15.1 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 2021/22, with the 2020/21 negative RSG being funded by Government, and this is included as a cost adjustment to the Business Rates Retention Tariff. It also assumes Rural Services Delivery Grant will continue based on 2019/20 figures.

Table 7 – General Government Grant Funding Estimates

	2019/20 £k	2020/21 £k	2021/22 £k	2022/23 £k	2023/24 £k	2024/25 £k
Revenue Support Grant	6*	0	0	0	0	0
Rural Services Delivery Grant	166*	166	166	166	166	166
<b>Total General Grant Estimate</b>	<b>172*</b>	<b>166</b>	<b>166</b>	<b>166</b>	<b>166</b>	<b>166</b>
Less: BRR Tariff Adjustment for Negative RSG	0	0	-127	-129	-131	-134
<b>Net Grant Funding after Negative RSG</b>	<b>172*</b>	<b>166</b>	<b>39</b>	<b>37</b>	<b>35</b>	<b>32</b>

\*RSG and RSDG were rolled into the BRR tariff calculations in 2019/20 under the 75% BRR Pilot arrangements.

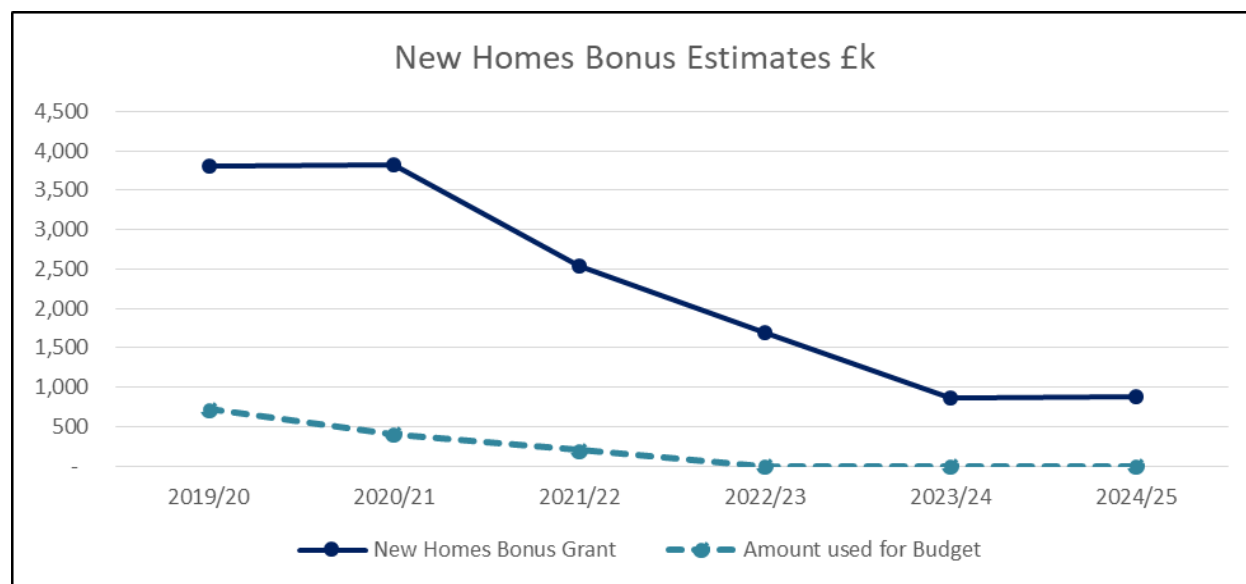
## 16 New Homes Bonus

- 16.1 New Homes Bonus (NHB) is a non-ring-fenced grant designed to incentivise housing growth. SWT receives the equivalent of 80% of the national average annual council tax (currently £1,671 for a Band D) 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.
- 16.2 Grant is only provided for annual housing growth above a minimum baseline set by Government, which in 2019/20 was 0.4% equating to approximately 270 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.
- 16.3 The Government has indicated in the 2019 Spending Round that Ministers continue to consider the future of New Homes Bonus, therefore we can expect consultation on future proposals in due course. Given the uncertainty and the risk of this grant diminishing, the S151 Officer has assumed that legacy payments for growth included in the 2019/20 Settlement will be honoured, but annual growth will only be rewarded for one year thereafter. In this context it is prudent to reduce reliance on this income to fund ongoing service costs. This is reflected in this new Financial Strategy with a phased reduction in use of NHB to fund day to day services, with no grant required for the Annual Budget by 2022/23.
- 16.4 The current MTFP estimates for New Homes Bonus are shown in the table and graph below. There is a high degree of uncertainty in these projections. 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, but this is unknown at this stage.

Table 8 – NHB Grant Income Indicative Projection

	Actual 2019/20 £k	Estimate 2020/21 £k	Estimate 2021/22 £k	Estimate 2022/23 £k	Estimate 2023/24 £k	Estimate 2024/25 £k
Annual settlement:						
2016/17	841					
2017/18	1,259	1,259				
2018/19	858	858	858			
2019/20	851	851	851	851		
2020/21		855	0	0	0	
2021/22			826	0	0	0
2022/23				842	0	0
2023/24					859	0
2024/25						876
<b>Total Annual Grant Estimates</b>	<b>3,809</b>	<b>3,823</b>	<b>2,535</b>	<b>1,694</b>	<b>859</b>	<b>876</b>
<i>Planned use for service costs per 2019/20 MTFP (as at Feb 2019)</i>	720	600	550	500	500	500
<i>Accelerated reduction – this Financial Strategy</i>		-200	-350	-500	-500	-500
Planned use for service costs per 2020/21 MTFP (new Strategy)		400	200	0	0	0
Estimate (at risk) of NHB available for Growth / Other Priority Projects	3,089	3,423	2,335	1,694	859	876



16.5 The Shadow Council previously agreed the continuation of the Taunton Deane strategy of allocating the majority of NHB funding towards Growth projects, predominantly through the approved Capital Programme. Given the uncertainty surrounding this source of funding and the development of a new Corporate Strategy, it is appropriate for the Executive to consider review of the priorities to be funded from the resources available. The range of the possible level of available resources is very wide, meaning care must be taken not to over-commit funds and only do so when the grant funding is actually

received by the Council.

- 16.6 The following table and scenarios summarise the current funding requirement for the approved Growth programme and related project staff resources included in the core establishment, and the potential range of funding available. This range presents the risk to the affordability of current plans, which will need to be carefully managed as explained above.

Table 9 – NHB Funding Allocation Estimates for Growth Programme

	Previous Years £k	2019/20 £k	2020/21 £k	2021/22 £k	2022/23 £k	2023/24 £k	Total £k
Growth Programme allocated in previous years	9,169						9,169
Allocations in line with estimated NHB resources to meet £16.6m Growth Programme		3,089	3,423	919			7,431
<b>Existing Capital Programme funding requirement</b>	<b>9,169</b>	<b>3,089</b>	<b>3,423</b>	<b>919</b>	<b>0</b>	<b>0</b>	<b>16,600</b>
Scenario: Estimated NHB available (forecast at risk)	-9,169	-3,089	-3,423	-2,335	-1,694	-859	-20,569
Less: Capital Programme commitment	9,169	3,089	3,423	919	0	0	16,600
Less: Continuation of Project Resources in establishment budget	Included above	Included above	Included above	513	513	513	1,539
<b>Potential Balance Available (at risk) (- = income)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-903</b>	<b>-1,181</b>	<b>-346</b>	<b>-2,430</b>

- 16.7 The scenario indicates the potential to cover existing commitments, however this remains at risk and the Strategy must ensure action is taken to minimise risk and only commitment funds once actually received.

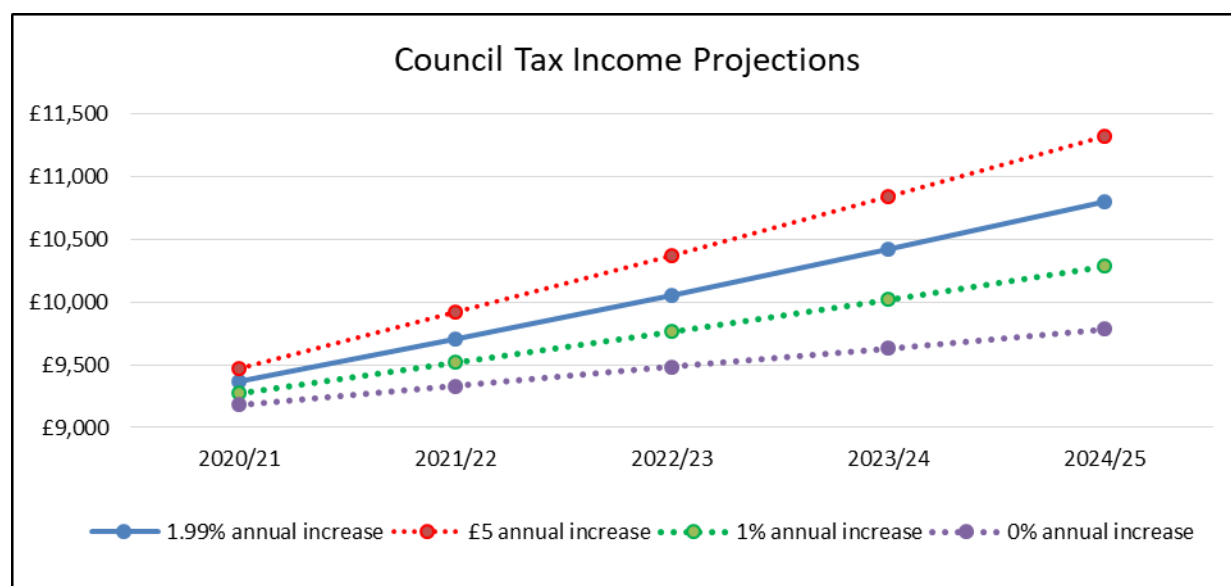
## 17 Council Tax

- 17.1 The setting of Council Tax is determined by Members each year at Full Council. For 2019/20 the Shadow Council set harmonised Council Tax rate for the whole of the new district. The basic annual Band D council tax rate for 2019/20 is £159.63 (including £1.75 which is passed on to the Somerset Rivers Authority). The Tax Base – the measurement of properties chargeable for tax expressed as ‘Band D Equivalents’ is 56,623 in 2019/20.
- 17.2 Council tax income due in 2019/20 for Somerset West and Taunton Council totals £9.04m, which represents 40% of the funding of the Council’s Net Budget.
- 17.3 Following the 2019 Spending Round the S151 Officer has revised the Financial Strategy and MTFP estimates with the financial planning assumption based on a 1.99% annual increase in council tax – a reduction on the previous assumption of 2.99% per year). This is subject to consideration by the Executive through the budget process, which will formally recommend its Council Tax proposals to Council each February as part of the Budget report. It is not known at this stage whether the Secretary of State will continue the option for the ‘threshold for excessive council tax increases’ for shire districts to increase tax by up to £5 (on a Band D charge). This is subject to confirmation annually through the Finance Settlement.

17.4 The table below provides a summary of the assumptions and estimates included the MTFP projections. The table and graph also show, for indicative purposes only, a range of scenarios based on different tax increase rates. This shows for example that a council tax freeze would result in estimated council tax income of £9.8m in 2024/25 versus an estimated £11.3m based on a 2.99% increase – a difference of £1.5m per year in 2024/25.

Table 10 – Council Tax Income Forecast

	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate
<b>Council Tax Base</b>					
Increase %	1.60%	1.60%	1.60%	1.60%	1.60%
Increase in Band D Equivalents	906	920	935	951	965
Tax Base	57,529	58,449	59,384	60,335	61,300
<b>Council Tax Rate</b>					
Increase % (MTFP assumption)	1.99%	1.99%	1.99%	1.99%	1.99%
Increase £	3.17	3.23	3.30	3.36	3.43
Band D Rate £	162.80	166.03	169.33	172.69	176.12
<b>Council Tax Income</b>					
Increase due to Tax Base £k	145	150	155	161	167
Increase due to Tax Rate £k	182	189	196	203	210
<b>MTFP: Total Council Tax Income £k</b>	<b>9,366</b>	<b>9,704</b>	<b>10,056</b>	<b>10,419</b>	<b>10,796</b>
Council Tax Income scenarios £k:					
£5 annual increase	9,471	9,915	10,370	10,838	11,318
1% annual increase	9,275	9,517	9,766	10,021	10,283
0% annual increase	9,183	9,330	9,480	9,631	9,785



17.5 Included in the above Band D tax rate is £1.75 per year, which is collected by SWT on behalf of the Somerset Rivers Authority (SRA). This equates to £100k in 2020/21, 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

17.6 The Government has previously committed to implementing the necessary legislation to allow the SRA to precept in its own right. The MTFP assumes the current arrangements remain in place, and will be updated if and when this power is set in legislation.

## **18 Housing Revenue Account**

18.1 The Housing Revenue Account (HRA) is a ring-fenced, self-financing account where income from tenants and sale of assets funds the homes and related services provided to tenants, and investment in the provision and quality of council owned housing stock.

18.2 The Council has a long term business planning approach to managing the stock and the finances within the HRA. The financial strategy for the HRA focusses on ensuring that spending and capital investment plans are affordable and contained within the projected resources available.

18.3 The Council maintains separate reserves – general and earmarked – for the HRA representing balances and contingencies to manage financial risks and timing of spending commitments.

## **19 Capital Strategy**

19.1 A full review of the Capital Strategy will be completed during the autumn 2019, in preparation for a new Strategy being presented with the Budget in February 2020.

19.2 The Strategy will follow the principles and scope contained in the statutory code of practice 'The Treasury Management Code', issued by CIPFA. It is intended to give a high level overview of how capital expenditure, capital financing and treasury management and other investment activity contribute to the provision of services along with an overview of how associated risks are managed and the implications for future financial sustainability.

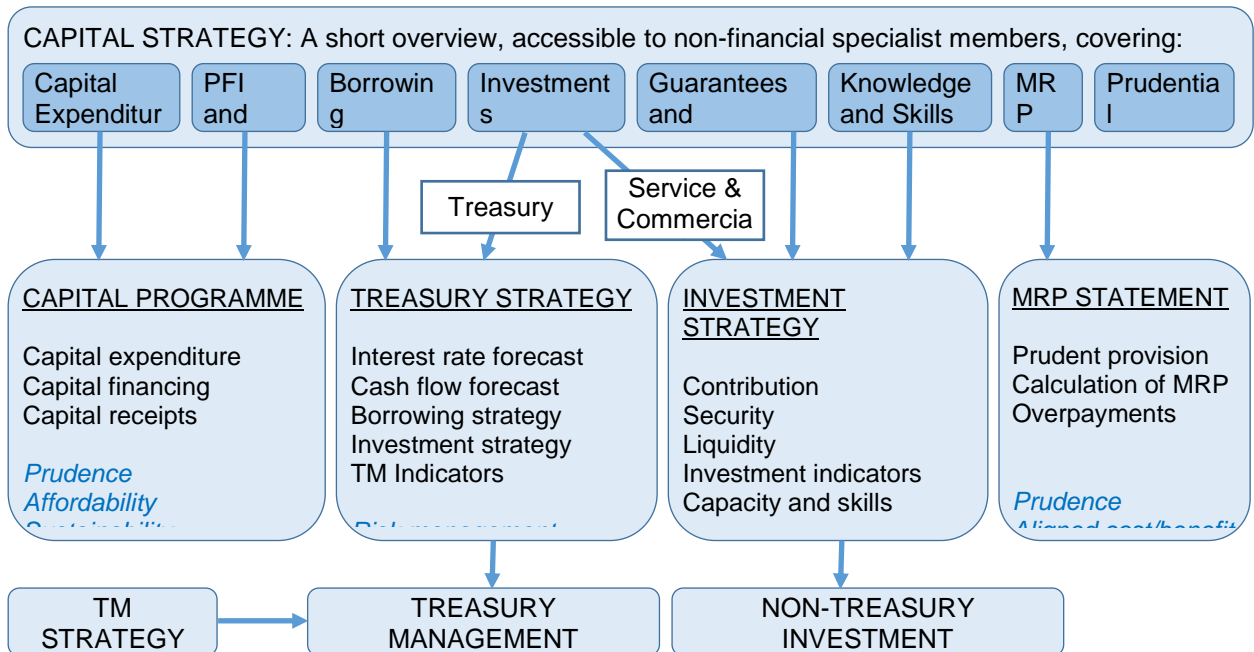
19.3 The key objective of the Capital Strategy is to deliver a capital programme that:

- Ensures the Council's capital assets are used to support the delivery of priorities within the Corporate Plan and the Council's vision
- Links with the Council's Asset Management Plan
- Is affordable, financially prudent and sustainable
- Ensures the most cost effective use is made of existing assets and new capital investment
- Supports other service specific plans and strategies

19.4 In outline, the Council has limited capital reserves within the General Fund and Housing

Revenue Account.

- 19.5 For the General Fund, the majority of direct investment is supported through use of New Homes Bonus funding and Community Infrastructure Levy; with further investment supported through planning obligations (S106/Hinkley funds), capital grants, capital receipts, and revenue contributions. For the HRA the funding is provided through the Major Repairs Reserve, capital receipts and revenue contributions. A contribution to the Social Housing Development Fund is included in the HRA Revenue Budget each year to contribute towards the cost of additions to the housing stock.
- 19.6 For both the General Fund and HRA, future capital spending is likely to require support through borrowing. The borrowing requirement will be identified as the Capital Programmes and Commercial Strategy are developed. Prudent borrowing limits will be set within the Capital and Treasury strategies, together with prudent plans to cover the cost of capital debt through Minimum Revenue Provision (MRP) and use of capital receipts. The revenue implications of capital will be measured for affordability within the overall revenue budgets for the General Fund and HRA.
- 19.7 The specific resources to deliver the capital strategy will be identified through the annual budget setting process. The Council will use a rigorous capital prioritisation process before individual capital schemes are approved including development of a full business case for large individual capital schemes.
- 19.8 The following chart provides a useful illustration of how the various strategies link together.



## 20 Financial Planning Risks and Uncertainty

- 20.1 As outlined in section 4 of this report, there are number of factors making accurate financial particularly difficult at this stage. The risk of 'error' in forecasting assumptions is high, particularly for 2021/22 onwards. The financial strategy seeks to mitigate this risk

by:

- Prudent assumptions used for future funding forecasts
- Maintenance of sufficient balances and reserves

20.2 Other main areas of risk and uncertainty within the financial plan are:

- Inflation – rising inflation could place additional pressure on pay settlements and prices for purchases of goods and services
- Demand volatility – fluctuation in costs and income as a result of changes in demand led services and usage (e.g. homelessness, planning, building control, parking, garden waste)
- Delivery of savings – the base budget relies on full realisation and ongoing delivery of the benefits of transformation and creating the new Council.
- 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.), and the system is currently under review with uncertainty of the distribution of risks and rewards of income decline and growth
- Economic slowdown – impact on business rates and NHB as well as income from fees and charges, and wider impact on the community and local services
- Local government – impact of spending reductions by the County Council on the local community with potential ‘ripple effect’ on district services
- Brexit – impact on services, investment performance, funding, etc.

20.3 The development of commercial investment activity brings an added degree of risk in terms of reliance on commercial income to fund local services (instead of government funding). This will need to be considered through the preparation of prudent budget and adequate reserves estimates.

## **21 Links to Corporate Strategy**

21.1 A robust financial strategy and medium term financial plan are essential parts of the Council’s budget and policy framework, and underpin the planning of resources needed to meet the priorities and objectives within the Corporate Strategy and related plans.

## **22 Finance / Resource Implications**

22.1 The Council’s Constitution allocates the responsibility to the Executive to approve the Financial Strategy each year. The Strategy provides an overview of the scale of the financial challenge and the approach to balancing the books in future – specific financial and resources implications will follow within subsequent budget reports as the detailed plans are developed and agreed.

## **23 Legal Implications**

23.1 The Council is required by law to set a balanced budget and failure to do so would result in serious financial and service implications and lead to Government intervention.

## **24 Equality and Diversity Implications**

24.1 No direct equality or diversity impacts arising from the recommendations. Officers and members will need to consider whether there are any impacts for detailed policy updates and proposals within the detailed budget plans as these are developed and presented for decision.

## **25 Partnership Implications**

25.1 The Strategy recognises that there may be further opportunities to work in partnership with other local authorities and other relevant organisations for the delivery of services. However, there are no specific implications within this report.

## **26 Asset Management Implications**

26.1 Effective Asset Management remains an important element of the financial strategy. Asset Management Strategies were previously prepared for both West Somerset and Taunton Deane Councils (September 2017 and November 2017). These identify and categorise the land and property holdings in each Council and establish core objectives for holding and/or investing in the existing asset base. Financial plans will be reviewed and budgets updated in line with these and future asset management plans.

27 Future asset efficiency and delivery of the plans should contribute to the Savings Targets within this Financial Strategy, however no specific asset implications are identified within this report.

## **28 Consultation Implications**

28.1 The Strategy has been prepared by the Council's Strategic Finance Advisor and S151 Officer in consultation with the Leadership Team and Executive Councillors. An informal Members Briefing was held on 9 September 2019, providing an opportunity to share and discuss the proposed Strategy with all Councillors.

### **Democratic Path:**

- **Scrutiny Committee – No**
- **Executive Committee – Yes – 18 September 2019**
- **Full Council – No**

### **Reporting Frequency: Annual**

### **Contact Officers**

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Report Number: SWT 71/19

## **Somerset West and Taunton Council**

### **SWT Executive – 18 September 2019**

#### **Financial Monitoring – 2019/20 as at 31 July 2019**

**This matter is the responsibility of Cllr Ross Henley, Portfolio Holder for Corporate Resources**

**Report Author: Emily Collacott (Finance Business Partner)**

#### **1 Executive Summary**

- 1.1 This report provides an update on the projected outturn financial position of the Council for the financial year 2019/20 (as at 31 July 2019).
- 1.2 Monitoring the budget is an important part of the Council's performance management framework.
- 1.3 The current revenue forecast outturn for the financial year 2019/20 is as follows, these are the best estimates based on information currently available:
  - a) The General Fund (GF) revenue outturn is forecasting a net underspend of £268k. However, there are some potentially significant risks identified within this report (section 7) which are currently being reviewed with a view to controlling action being implemented. Worst case, if cost pressures materialise this predicted underspend will significantly reduce and potentially result in a net overspend for the year.
  - b) The Housing Revenue Account (HRA) revenue outturn is forecasting a small net overspend of £17k at this stage. However, as with the General Fund, there is a risk of additional cost pressures that exacerbate the reported overspend position.
- 1.4 The current capital forecast position for 2019/20 is as follows:
  - (a) The GF current capital programme budget was £69.215m of which £51.441m is rolled forward from the previous year and £17.774m is new approved budget for 2019/20. Following Council's decision to remove the Firepool Hotel Scheme the capital programme budget is now £53.503m. No overspends have currently been identified.
  - (b) The HRA approved capital programme for 2019/20 is £23.093m.

The capital programmes are shown in Appendices A & B.
- 1.5 The General Fund reserves forecast balance as at 31 March 2020 is projected to be £3.407m (subject to risks identified). The balance remains above the current recommended minimum reserves level approved in the Council's Budget Strategy (£2.4m).

- 1.6 The General Fund earmarked reserves balance at the beginning of the year was £18.242m. The net movement in year is currently an increase of £4.721m, mainly contributions to the New Homes Bonus and Business Rates Smoothing earmarked reserves.
- 1.7 The Housing Revenue Account (HRA) general reserve forecast balance as at 31 March 2020 is £2.609m (subject to risks identified), which is above the current recommended minimum level (£1.8m) set within the Council's Budget Strategy and HRA Business Plan, providing a comfortable level of resilience in light of the significant contractual risk in relation to North Taunton.
- 1.8 The HRA earmarked reserves balance at the beginning of the year was £2.719m, with £1.379m committed to be spent within the next three years and the remaining £1.340m for the Social Housing Development Fund will be used as required to fund social housing development feasibility studies.

## 2 Recommendations

- 2.1 It is recommended that Executive notes the Council's forecast financial performance for 2019/20 financial year as at 31 July 2019.
- 2.2 It is recommended that Executive request Full Council to approve the Housing Director / Head of Function, in consultation with the Housing Portfolio Holder, to have delegated authority to approve changes to the budgeted spend for all of the HRA capital schemes, whilst remaining within the approved capital programme for 2019/20. The reason for this is help address flexible delivery of the programme in year.

## 3 Risk Assessment

**Risk Matrix**

Description	Likelihood	Impact	Overall
That the Authority overspends against the approved budget	3	4	12
<i>Mitigated by - Regular budget monitoring reports are produced and managers actively manage the budgets under their responsibility</i>	1	4	4

**Risk Scoring Matrix**

Likelihood	5	Almost Certain	Low (5)	Medium (10)	High (15)	Very High (20)	Very High (25)
	4	Likely	Low (4)	Medium (8)	Medium (12)	High (16)	Very High (20)
	3	Possible	Low (3)	Low (6)	Medium (9)	Medium (12)	High (15)
	2	Unlikely	Low (2)	Low (4)	Low (6)	Medium (8)	Medium (10)
	1	Rare	Low (1)	Low (2)	Low (3)	Low (4)	Low (5)
			1	2	3	4	5
			Negligible	Minor	Moderate	Major	Catastrophic
			<b>Impact</b>				

Likelihood of risk occurring	Indicator	Description (chance of occurrence)
1. Very Unlikely	May occur in exceptional circumstances	< 10%
2. Slight	Is unlikely to, but could occur at some time	10 – 25%
3. Feasible	Fairly likely to occur at same time	25 – 50%
4. Likely	Likely to occur within the next 1-2 years, or occurs occasionally	50 – 75%
5. Very Likely	Regular occurrence (daily / weekly / monthly)	> 75%

#### 4 Background and Full details of the Report

- 4.1 This report provides the Council's forecast end of year financial position for revenue and capital expenditure as at 31 July 2019 for the Council's General Fund (GF) and Housing Revenue Account (HRA).
- 4.2 The regular monitoring of financial information is a key element in the Council's Performance Management Framework. Crucially it enables remedial action to be taken in response to significant budget variances, some of which may be unavoidable. It also provides the opportunity to assess any consequent impact on reserves and the Council's Medium Term Financial Plan.
- 4.3 Members will be aware from previous experience that the position can change between 'in-year' projections and the final outturn position, mainly due to demand-led service costs and income levels. The budget monitoring process involves a detailed review of the more volatile budgets and a proportionate review of low risk/low volatility budget areas.
- 4.4 Budget Holders, with support and advice from their accountants, regularly review the position and update their forecasts based on currently available information and knowledge of service requirements for the remainder of the year. As with any forecast there is always a risk that some unforeseen changes could influence the position at the year-end, and a number of risks and uncertainties are highlighted within this report. However, the following forecast is considered to be reasonable based on current information.

#### 5 General Fund (GF) 2019/20 Forecast Outturn

##### General Fund Revenue Account – 2019/20 Forecast as at 31 July 2019

- 5.1 The Council is currently forecasting an overall net underspend of £268k (1.2% of net budget). This is a small variance compared to the Net Budget of £22.3m.

**Table 1 General Fund Revenue Outturn Summary 2019/20**

	Current Budget	Outturn	Variance	
	£'000	£'000	£'000	%
Performance and Governance	10,713	10,523	-190	-0.9%
Communication and Engagement	563	563	0	0.0%
Customer	931	1,012	81	0.4%
Localities	3,032	3,155	123	0.6%
Commercial Investment	2,015	2,015	0	0.0%
Strategy	662	662	0	0.0%
<b>Net Cost of Services</b>	<b>17,916</b>	<b>17,930</b>	<b>14</b>	<b>0.1%</b>

	Current Budget	Outturn	Variance	
	£'000	£'000	£'000	%
Interest and Investment Income	-969	-1,251	-282	-1.3%
Transfers from Earmarked Reserves	6,921	6,921	0	0.0%
Transfers from General Reserves	-65	-65	0	0.0%
Capital and Other Adjustments	-1,471	-1,471	0	0.0%
<b>Net Budget</b>	<b>22,332</b>	<b>22,064</b>	<b>-268</b>	<b>-1.2%</b>
Funding	-22,332	-22,332	0	0.0%
<b>Variance</b>	<b>0</b>	<b>-268</b>	<b>-268</b>	<b>-1.2%</b>

5.2 The table below provides more detail on the significant variance forecast for the year.

**Table 2 - Summary of Significant Forecast Variances for the Year**

	Staffing	Other Expenditure	Income	Total
	£'000	£'000	£'000	£'000
Bereavement Services	n/a	0	44	44
Members allowances	n/a	21	0	21
Interest Receivable	n/a	0	15	15
Interest Payable	n/a	-297	0	-297
Operational and DHL Rota	16	0	0	16
Operation Clean Sweep	n/a	50	0	50
Phase 2 Information Project	n/a	20	0	20
B&B/Homelessness	n/a	65	0	65
Performance & Governance	n/a	50	0	50
Pest Control	n/a	-17	46	29
Insurance	n/a	-281	0	-281
<b>TOTAL – over / (under) spend</b>	<b>16</b>	<b>-389</b>	<b>105</b>	<b>-268</b>

5.3 The main variances to budget are explained as follows:

- a) **Bereavement Services:** Bereavement services is a demand led service and usage decreased in the first 2 months of the year. Assuming usage stays the same as last year for the rest of the year, income will be £44k below budget. Assuming this level of usage, expenditure for medical fees and purchases of memorials etc for resale is expected to be on budget.
- b) **Members Allowances:** The allowance scheme and executive arrangements approved by Members is projected to cost £21k more than the original budget estimate set by the Shadow Council in February 2019.
- c) **Interest Receivable:** This is forecast to be £15k below budget. Due to the formation of the new council there were delays in setting up the new fund accounts and cash was hence invested in the debt management office (DMO) at a lower rate of return. In addition there has been a reduction in interest rates across the funds.

- d) **Interest Payable:** The General Fund only has one short-term loan with interest payable of £10.9k and no other external borrowings are currently forecast, giving a projected significant underspend in financing costs. It should be noted that if the Council needs to externalise debt then this could have a significant impact on the interest payable forecast.
- e) **Operational and Deane Helpline (DHL) Rota:** An increase in the standby payments has been applied to ensure that we have the necessary skills and resources available. The payment had not be altered for some time and had fallen behind what is reasonable for the commitment required when undertaking this role.
- f) **Operation Clean Sweep:** Additional costs associated with an intensive clean up, repair and refurbishment of Taunton's street scene and wider public areas, carried out during Spring 2019. The intensive cleaning equipment used as part of this work has also been deployed in other parts of the district.
- g) **Phase 2 Information Project:** This work is required for GDPR compliance and will cost an additional £20k.
- h) **B&B Homelessness:** Cost of Bed and Breakfast expenditure is forecast to exceed the budget by £65k. The council has a statutory duty to house people who find themselves homeless. The numbers of homeless increased in 2018/19 compared to 2017/18 and we expect this increase to still be the case for 2019/20. In April 2018 the Homelessness Reduction Act placed extra duties on the Council to house the homeless until accommodation can be provided whereas in 2017/18 councils only had a duty to house the homeless for 28 days.
- i) **Performance & Governance:** A budget error has been identified that will be corrected for 2020/21 base position but results in a variance this year.
- j) **Pest Control:** This discretionary chargeable service is no longer provided and therefore the net surplus of £29k will not be achieved.
- k) **Insurance:** Following an authority wide re-tender exercise for insurance premiums, the new authority has been successful at significantly reducing the annual premiums. The total savings against budget across both the HRA and the General fund is £408k. A provisional assumption has been made that the General fund will benefit from 65% of the savings against the budget. This amounts to £281k.

## 6 General Fund (GF) Reserves

### General Fund Reserves

- 6.1 Table 4 below summarises the movement on the GF Reserves Balance to 31 July 2019. The forecast balance as at 31 March 2020 is £3.407m, this would be £1.007m above the recommended minimum balance of £2.4m. The balance is only a forecast and can change which means it must be caveated at this stage.

**Table 3 - General Reserve Balance**

	£000
<b>Balance Brought Forward 1 April 2019</b>	<b>3,204</b>
Approved Transfers to date	-65
2019/20 Projected Outturn Variance – M4 Forecast	268
<b>Projected Balance 31 March 2020</b>	<b>3,407</b>
Recommended Minimum Balance	2,400
Projected Balance above recommended minimum	1,007

- 6.2 Prudent advice is to maintain reserves above the recommended minimum, to provide some resilience for emerging costs and to provide some flexibility to support measures to address ongoing financial sustainability. It should also be noted that the above forecast is indicative only at this stage with significant risks identified within this report.

### **Earmarked Reserves**

- 6.3 The Total GF Revenue Earmarked Reserves brought forward balance for 2019/20 is £18.242m. In-year movements to date amount to an additional £4.721m, which included the recent approvals for the 4 new directors and the park and ride scheme. This brings the current balance as at 31 July to £22.963m.
- 6.4 The following table details those reserves with balances greater than £500,000.

**Table 4 – GF Earmarked Reserves**

	Opening Balance	Transfers To/From	Closing Balance
	£'000	£'000	£'000
New Homes Bonus	6,168	2,974	9,142
Business Rates Smoothing	3,547	2,869	6,416
General Funds General Carry Forwards	1,135	0	1,135
Garden Town	944	-20	924
Transformation	728	0	728
Transition	648	0	648
Strategic Housing Market Assessment	576	0	576
Revenue Reserves held for Capital Projects	888	0	888
Other; with an individual balance less than £500k	3,608	-1,102	2,506
<b>TOTAL</b>	<b>18,242</b>	<b>4,721</b>	<b>22,963</b>

- 6.5 Earmarked reserves are reviewed during the year. This is in order to confirm they align to current priorities and identify any surplus balances that can be redirected to mitigate in-year financial risks.

## **7 General Fund - Risk and Uncertainty**

- 7.1 Budgets and forecasts are based on known information and the best estimates of the Council's future spending and income. Income and expenditure over the 2019/20 financial year is estimated by budget holders and then reported through the budget monitoring process. During this process risks and uncertainties are identified which could impact on the

financial projections, but for which the likelihood, and/or amount are uncertain.

7.2 The following general risks and uncertainties have been identified:

- a) **Fluctuation in demand for services:** We operate a number of demand-led services and the levels of demand do not always follow a recognisable trend. We therefore have to caveat the forecasts in these areas to account for fluctuations.
- b) **General Spend:** It is conceivable that, whilst budget holders are optimistic that they will spend all of their budget, we could see underspends of £50k-£100k by year-end caused by the cumulative effect of minor underspends in a number of service areas.
- c) **Year-end Adjustments:** Certain items are not determined or finalised until the financial year-end. For example, the final assessment of provisions required for bad debts, and final allocations of support service recharges. These can result in potentially significant differences to current forecasts.
- d) **Business Rates:** There are inherent risks and uncertainties within the Business Rates Retention system. The Council's share of business rates funding is directly linked to the total amount of business rates due and collected in the area. The figures are subject to volatility. Forecasts have to reflect this uncertainty.
- e) The Council carries protection against risk and uncertainty in a number of ways, such as insurances and maintaining reserves. This is a prudent approach and helps to mitigate unforeseen pressures.

7.3 The following specific risks have been identified for the current financial year:

- a) **Staffing:** There is a high risk that the staffing budget may be overspent in 2019/20. Based on current projections there is a possible cost pressure of £250k-£400k for the General Fund and £70k-£150k for the HRA. However the leadership team are taking action aimed at managing and reducing this cost pressure, and will update members in the next report once the costs have been reviewed in September.
- b) **Recruitment costs:** There is a risk of no savings within salary budgets to take into account these costs – these costs are normally covered by vacancy savings in-year.
- c) **Interest receivable:** This has been forecast on the basis that interest rates will remain as they are currently. However, interest rates are unpredictable and there is a risk that interest rates could decrease further.

## **8 General Fund Capital Programme**

8.1 No potential overspends have been identified. The current capital programme budget is £69.2m of which £51.4m is rolled forward from the previous year and £17.8m is new approved budget for 19/20. The Council is supporting this investment through the use of Capital Grants and Contributions, Capital Receipts, Revenue Funding, Reserves and Borrowing.

- 8.2 The major growth and regeneration projects account for £52.041m of the total capital budget. Of this, Budget Holders are projecting that £11.573m will be spent during 2019/20 with the remainder due to be spent in future years.
- 8.3 Within this, the largest projects are: Firepool Hotel (now cancelled), Coal Orchard regeneration, Great Western Railway development loan, Seaward Way, Employment Site Enabling, and Major Transport Schemes. There is also an amount of up to £7m identified in respect of planned loans to Somerset Waste Partnership.
- 8.4 Regarding the Firepool Hotel, on the 18 June the Executive (subsequently approved by Full Council) agreed to cease the previous Council investment plans and cancel the existing budget approval, and instead to seek a development partner/investor to deliver this scheme as an alternative to the previously approved Council development, and on a different part of the site. A specialist property adviser will be appointed to undertake a thorough hard marketing exercise.
- 8.5 Other large projects are Grants to RSLs and DFGs Private Sector.

**Table 5 – GF Capital Programme Summary**

	Approved Budget 19/20	TDBC Slippage	WS Slippage	Budget Return	Total
	£'000	£'000	£'000	£'000	£'000
Growth Programme	2,027	4,190	0		6,217
IT Projects	154	544	354		1,052
Major Projects	7,500	31,963	6,362	-15,713	30,112
Housing	1,695	2,703	567		4,965
Other Projects	398	486	463		1,347
S106 – GF			271		271
S106 –Hinkley Funded			3,539		3,539
CIL Funded Projects	6,000				6,000
<b>TOTAL</b>	<b>17,774</b>	<b>39,886</b>	<b>11,556</b>	<b>-15,713</b>	<b>53,503</b>

## **9 Housing Revenue Account (HRA)**

- 9.1 The HRA is a ring-fenced account used to manage the Council's housing stock of some 5,700 properties, with the Council acting as the Landlord.
- 9.2 Since April 2012, under the Localism Act 2011, the HRA has been a 'self-financing' account. This enables the Council to retain all rental income to meet the costs of managing and maintaining the housing stock, as well as meeting the interest payments and voluntary repayment of one-off debt of £85.12m incurred to become a 'self-financing' authority.
- 9.3 The HRA budget for 2019/20 is budgeted to break-even (net of approved transfers to/from HRA Reserves).
- 9.4 The current year-end forecast outturn position for the Housing Revenue Account for 2019/20



is a small net overspend of £17,000 and is summarised in **Table 7** below.

**Table 6: HRA Outturn Summary**

	Budget	Forecast	Variance	
	£'000	£'000	£'000	%
Gross Income	-26,217	-26,217	0	0.0%
Service Expenditure	13,844	13,791	-53	-0.4%
Other Operating Costs and Income	9,381	9,451	70	0.7%
Un-earmarked Reserve Transfers	-	-	-	0.0%
Capital Financing and Debt Repayment	2,992	2,992	-	0.0%
Total	-	17	17	0.1%

9.5 The variances forecasted for the year are described below.

- a) **Interest Receivable:** the actual interest receivable in 2018/19 was nil due to internal borrowings exceeding investments. The expectation is that this situation will arise again and therefore a variance of £70k is now being reported.
- b) **Right To Buy:** the original budget estimated that 46 properties would be sold to existing tenants under the RTB scheme. However the current forecast is that there will be only 36 RTB sales (34 sales in 2018-19; 53 sales in 2017-18). Therefore an under-recovery of RTB admin fee grant income is being reported of £13k.
- c) **Insurance:** following an authority wide re-tender exercise for insurance premiums the new authority has been successful at significantly reducing their annual premiums. Whilst a provisional saving against budget of £66k is being reported. Officers are working through the premiums to identify the actual savings against budget to be realised by the HRA.

## 10 HRA Risks and Uncertainty

- 10.1 Budgets and forecasts are based on known information and the best estimates of the Council's future income and expenditure activity. Income and expenditure over the financial year is estimated by budget holders and then reported through the budget monitoring process. During this process any risks and uncertainties are identified which could impact financial projections, but for which the likelihood and/or amount are uncertain.
- 10.2 There are also a number of areas where the financial impact is not known until the end of the financial year such as depreciation charges and change in provision for bad debt.
- 10.3 The service is in discovery mode and the 2019/20 budgets are still being reviewed for accuracy in relation to the new Somerset West and Taunton operating model and staffing structure. This could result in variances being identified and reported in future reporting cycles.
- 10.4 The current areas of risk and uncertainty being reported include:
  - a) **Repairs & Maintenance:** Overall this is a very demand led and reactive service based

on the needs of the tenants. There are also a number of uncontrollable variables associated with this service such as the weather (e.g. cold winters causing burst pipes), condition of properties when returned (e.g. void refurbishments), consumer demand on minor internal / external repairs (e.g. broken door or fence) and the type of repair work required.

- b) **Tenancy Management:** The current year spend to date is low against budget due to the embedding of a new team in a new operating model. There may be an underspend but this will not be known with certainty until later in the year to allow the service time to explore the demands of this service against current budget provision.
- c) **Dwelling Rental Income:** There may be a reduction in general needs dwelling rental income due to the impact of additional voids resulting from the decants in relation to the North Taunton Regeneration scheme. Officers are currently working through the time-tabling of activities to identify when and financially how much this will impact the service.
- d) **Interest Payable:** There is a risk that the HRA may need to externalise its internal borrowings from the general fund if the general fund needs to borrow internally from itself for any major schemes. The HRA may also need to take on more borrowing to finance capital schemes such as buybacks. As a consequence the interest payable may increase on any additional loans taken.
- e) **Staffing:** There is a high risk that the staffing budget may be overspent in 2019/20. Based on current projections there is a possible cost pressure of £250k-£400k for the General Fund and £70k-£150k for the HRA. However the leadership team are taking action aimed at managing and reducing this cost pressure, and will update members in the next report once the costs have been reviewed in September.

## 11 HRA Capital Programme

- 11.1 The HRA approved Capital Programme is £23.093m. This consists of £9.586m of new schemes approved for 2019/20 plus £13.507m carried forward from prior years. The Capital Programme relates to schemes which will be completed over the next five years.
- 11.2 The Council is supporting this investment through the use of the Major Repairs Reserve, Capital Receipts, Revenue Funding and Borrowing.
- 11.3 **Appendix B** provides a breakdown of the HRA Capital Programme projected outturn by scheme and the actual spend incurred within the first four months of the year.
- 11.4 **Delegated Authority:** In response to the implementation of the new Housing Director and to enable the team to address the delivery of the programme with greater flexibility in-year, it is requested that the Housing Director / Head of Function in consultation with the Housing Portfolio Holder is granted delegated authority to make changes to the profile of budgeted spend for all of the HRA capital schemes, whilst remaining within the approved Capital Programme for 2019-20. Any virements will be reported as part of Appendix B to SLT on a bi-monthly basis and to Members on a 4-monthly basis.
- 11.5 The capital programme can be split into three distinct areas:

- 11.6 **Major Works:** The original budget of £7.322m is funded by the Major Repairs Reserve and relates to spend on major works on existing dwellings such as kitchens, bathrooms, heating systems, roofs, doors and windows.
- 11.7 **Improvements:** The original budget of £2.710m is funded by the Major Repairs Reserve and relates to spend on improvements such as disabled facilities adaptations, asbestos removal and environmental improvements.
- 11.8 Due to timing of spend it is feasible that part of the approved budget will roll forward into 2020/21 for Major and Improvement Works at the end of the current financial year. This is due to the substantial disruption caused by transformation – implementing a new staffing and operational model – and also due to the number of significant contracts for works coming to the end of their contract period during 2019/20 making it is necessary to review the delivery of capital works and improvements schemes in the future as part of the HRA Business Plan review.
- 11.9 **Housing Development:** The remaining budget of £13.061m is for the provision of new housing through schemes such as North Taunton Regeneration, Weavers Arms and other buybacks to increase the Council’s housing stock.

## 12 **HRA Earmarked Reserves**

- 12.1 The HRA Earmarked Reserves (EMR) at the beginning of 2019/20 were £2.719m (see **Table 7** below). Of this, half the funds have been specifically committed to be spent within the next three financial years. The other half relates to the Social Housing Development Fund which will be used as required to fund social housing development feasibility studies and usage approved through the Housing Programme Board.

**Table 7: Balance of HRA EMR held at 1 April 2019**

Description	Balance b/f
	£'000
HRA Carry Forwards	186
HRA Electrical Testing	474
HRA Employment and Skills Dev	102
HRA One Teams	50
Leasehold Schemes HRA Advanced Payments	9
Social Housing Development Fund	1,340
HRA Contribution to Transformation	380
HRA Contribution to Transition	178
<b>HRA Total</b>	<b>2,719</b>

## 13 **HRA General Reserves**

- 13.1 The HRA reserves at the start of the year were £2.718m. This is £918k above the minimum recommended reserve level of £1.8m, providing a level of resilience in light of the significant contractual risk in relation to North Taunton and other risks identified in this report.

- 13.2 **Approved In-Year Transfers** - On the 30 July 2019 Full Council approved a Structural Change to the Senior Leadership Team and one-off additional funding of £26k from HRA general balances for 2019/20.
- 13.3 **Forecast Outturn** - The current outturn position is forecast to be an overspend of £17k. If this is the position at year-end then this will be funded from general balances.

**Table 9: HRA Reserve Balance**

	<b>£000</b>
Balance Brought Forward 1 April 2019	2,718
Approved In-Year Transfers	-26
Forecast Outturn 2019/20 (as at 31 July 2019)	-17
<b>Forecast Balance Carried Forward 31 March 2019</b>	<b>2,675</b>
Recommended Minimum Balance	1,800
Forecast Balance above recommended minimum	875

#### **14 Links to Corporate Aims / Priorities**

- 14.1 The financial performance of the Council underpins the delivery of corporate priorities and therefore all Corporate Aims.

#### **15 Finance / Resource Implications**

- 15.1 Contained within the body of the report.

#### **16 Legal Implications**

- 11.1 There are no legal implications associated with this report.

#### **17 Environmental Impact Implications**

- 17.1 None for the purpose of this report.

#### **18 Safeguarding and/or Community Safety Implications**

- 18.1 None for the purpose of this report.

#### **19 Equality and Diversity Implications**

- 19.1 None for the purpose of this report.

#### **20 Social Value Implications**

- 20.1 None for the purpose of this report.

#### **21 Partnership Implications**

- 21.1 A wide range of Council services are provided through partnership arrangements e.g. SLM for leisure services and Somerset Waste Partnership for Waste and Recycling services. The cost of these services is reflected in the Council's financial outturn position for the year.

## 22 Health and Wellbeing Implications

22.1 None for the purpose of this report.

## 23 Asset Management Implications

23.1 None for the purpose of this report.

## 24 Consultation Implications

24.1 None for the purpose of this report.

## 25 Scrutiny Comments / Recommendation(s)

25.1 During the discussion of this item Members made comments, statements and asked question on a number of areas. These will be included within the minutes of the Scrutiny Committee. The main Scrutiny comments are:

- a) An increase in the members allowances budget was considered.
- b) An increase in the Deane Helpline service was due to the increased levels of pay for those on standby.
- c) An overspend for the homelessness services was considered.
- d) Concerns were expressed over a loss of pest control provision, further clarification was requested over if this was a Councillor decision.
- e) A comparison was requested over previous quarters and years in future reports.
- f) Activity in the Capital Programme was considered, budget changes above £50k would be included for transparency.

### Democratic Path:

- Scrutiny – 4 September 2019
- Executive – 18 September 2019
- Full Council – 8 October 2019

Reporting Frequency: 4 Monthly

### List of Appendices

Appendix A	General Fund Capital Programme
Appendix B	Housing Revenue Account Capital Programme

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**General Fund Capital Programme**

Code	Project	Approved Budget for 2019/20	TDBC Slippage from 2018/19	WSC Slippage from 2018/19	Budget Return 2019/20	Revised Approved Budget for 2019/20
	<b>Growth Programme</b>					
XX032G	GF C Town Centre Improvements		170,360			170,360
XX037G	GF C Firepool Land Assembly		2,535			2,535
XX068G	GF C Major Transport Schemes		1,693,910			1,693,910
XX069G	GF C Flooding Alleviation	500,000	482,846			982,846
XX078G	GF C Town Centre Regeneration	991,000	30,000			1,021,000
XX079G	GF C Emp Site Enabling Innova	536,000	1,355,000			1,891,000
XX081G	TD C Broadband SEP		380,000			380,000
XX091G	TD C Parking, Access & Signage		9,577			9,577
XX126G	Firepool Development		55,543			55,543
XX129G	Lisieux Way Site Masterplaning		9,750			9,750
	<b>Total Growth Programme</b>	<b>2,027,000</b>	<b>4,189,521</b>			<b>6,216,521</b>
	<b>IT Projects</b>					
XX001G	GF C Members IT Equipment	4,000	3,205			7,205
XX054G	GF C PC Refresh Project	50,000				50,000
XX056G	GF C Cemetery IT System		24,950			24,950
XX070G	GF C Transformation		440,734	313,004		753,738
XX106G	GF C IT Offsite Backup Facilit			11,861		11,861
XX107G	GF C IT Annual Hardware Replac			8,857		8,857
XX108G	GF C IT Server Refresh			20,000		20,000
XX131G	GF C Committee Rooms AV Kit		75,000			75,000
	Microsoft Migration	100,000				100,000
	<b>Total IT Projects</b>	<b>154,000</b>	<b>543,889</b>	<b>353,722</b>		<b>1,051,611</b>
	<b>Major Projects</b>					
XX035G	GF C PT Coal Orchard		10,727,650			10,727,650
XX036G	GF C Lisieux way		957,212			957,212
XX047G	GF C Blackbrook Swimming Pool		62,869			62,869
XX052G	GF C SCC Waste Vehicle Loan		3,500,000	3,500,000		7,000,000
XX060G	GF C Paul Street Car Park Maj		421,779			421,779
XX074G	GF C Creech Castle Improvement		375,000			375,000
XX094G	GF C Firepool Hotel (now cancelled		15,712,627		(15,712,627)	
XX095G	GF C Waiting Room		205,616			205,616
XX111G	GF C Seaward Way			2,862,074		2,862,074
	Watchet - East Quay Development	1,500,000				1,500,000
	Great Western Railway	5,000,000				5,000,000
	Leisure	1,000,000				1,000,000
	<b>Total Major Projects</b>	<b>7,500,000</b>	<b>31,962,753</b>	<b>6,362,074</b>	<b>(15,712,627)</b>	<b>30,112,200</b>
	<b>Housing</b>					
XX020G	GF C Grants to RSLs	495,000	1,822,988			2,317,988
XX028G	GF C DFGs Private Sector	1,200,000	880,336	566,525		2,646,861
	<b>Total Housing Projects</b>	<b>1,695,000</b>	<b>2,703,324</b>	<b>566,525</b>		<b>4,964,849</b>
	<b>Other Projects</b>					
XX002G	GF C Special Expenses grants		11,000			11,000
XX019G	GF C Youth Project Cap Grants		20,030			20,030
XX021G	GF C Gypsy Site		108,502			108,502
XX029G	GF C PT Longrun Meadow Bridge		4,200			4,200
XX040G	GF C DLO Vehicles Acquisition	152,000	138,143			290,143
XX041G	GF C Waste Containers	100,000	8,590			108,590
XX048G	GF C Grants to Halls & Sports		30,367			30,367
XX049G	GF C Grants to Parishes Play	15,000	27,830			42,830
XX050G	GF C Replacement Play Equipme	76,740	7,308			84,048
XX051G	GF C GF Community Alarms	31,000	17,982			48,982
XX057G	GF C DLO Plant	23,000				23,000

XX073G	GF C Brewhouse		37,328			37,328
XX090G	GF C Crematorium Project		6,991			6,991
XX097G	GF C Norton Fitzwarren Hillfor		17,472			17,472
XX098G	GF C West Monkton Country Park		50,726			50,726
XX099G	GF C East Wharf			66,611		66,611
XX101G	GF C Superfast Broadband			170,000		170,000
XX102G	GF C 7 The Esplanade			15,000		15,000
XX109G	GF C Steam Coast Trail			114,604		114,604
XX113G	GF C Cuckoo Meadow Play Area			1,103		1,103
XX116G	GF C CASA			78,165		78,165
XX118G	GF C Minehead Esplande			17,563		17,563
	<b>Total Other Projects</b>		<b>397,740</b>	<b>486,469</b>	<b>463,046</b>	<b>1,347,255</b>
XX% % % %	<b>GF C S106 Various</b>				<b>271,136</b>	<b>271,136</b>
	<b>S106 Funded - Hinkley Schemes</b>					
XX001K	HK C Westfield Street Caf			3,000		3,000
XX003K	HK C South B/W & North Pethert			250,500		250,500
XX004K	HK C Bridgwater Town Centre Su			54,279		54,279
XX005K	HK C Holford & Dis VH - Fit fo			76,092		76,092
XX006K	HK C Minehead TC - New Changin			382,047		382,047
	Watchet Bowling			150,000		150,000
	Williton Shooting Club			23,000		23,000
	Cheddar PC			320,000		320,000
	Bos & HB Council			350,000		350,000
	Victoria Ward Green			51,428		51,428
	North Petherton RFC Gym			300,000		300,000
	Empty Homes & LOTS			90,000		90,000
	Stogursey Leisure			1,301,125		1,301,125
	Enterprising Minehead			187,672		187,672
	<b>Total S106 Funded - Hinkley Sche</b>			<b>3,539,143</b>		<b>3,539,143</b>
	<b>Externally Funded Projects</b>					
XX083G	GF C CIL Grant					
	CIL - Cycle & Pedestrian Improveme	1,000,000				1,000,000
	CIL - Education Provision	4,000,000				4,000,000
	CIL - Public Transport Improvements	1,000,000				1,000,000
	<b>Total Externally Funded Projects</b>	<b>6,000,000</b>				<b>6,000,000</b>
	<b>GF TOTAL</b>	<b>17,773,740</b>	<b>39,885,956</b>	<b>11,555,646</b>	<b>(15,712,627)</b>	<b>53,502,715</b>



## Housing Revenue Account Capital Programme

Project	Budget Holder	Budget Administrator / Project Manager	Slippage from 2018/19	Original Approved Budget for 2019/20	Final Budget for 2019/20 (ROUNDED)	Proposed Virements for 2019/20	Revised Budget for 2019/20	Spend YTD
<b>Major Works</b>								
HRA C Major Repairs & Improvem	Lisa Redston	Ian Shoemark	68,489		68,490	772,990	841,480	880
HRA C Kitchens	Lisa Redston	Ian Shoemark	5,312		5,310	344,690	350,000	0
HRA C Bathrooms	Lisa Redston	Ian Shoemark	421	1,400,000	1,400,420	(950,420)	450,000	0
HRA C Roofing	Lisa Redston	Ian Shoemark	61,638		61,640	38,360	100,000	0
HRA C Windows	Lisa Redston	Ian Shoemark	4,678		4,680	645,320	650,000	72,774
HRA C Heating Improvements	Lisa Redston	Ian Shoemark	9,401	1,625,000	1,634,400	(354,400)	1,280,000	218,491
HRA C Doors	Lisa Redston	Ian Shoemark	160,052		160,050	(111,050)	49,000	7,603
HRA C Fire Safety Works Commun	Lisa Redston	Ian Shoemark	590,615	1,172,000	1,762,620	(1,452,620)	310,000	57,121
HRA C Cladding	Lisa Redston	Ian Shoemark	0		0	0	0	0
HRA C Fascias and Soffits	Lisa Redston	Ian Shoemark	122,603	1,200,000	1,322,600	(572,600)	750,000	186,467
HRA C Air Source Heat Pumps	Lisa Redston	Ian Shoemark	51,747		51,750	28,250	80,000	4,523
HRA C Door Entry Systems	Lisa Redston	Ian Shoemark	2,107		2,110	334,890	337,000	114,670
HRA C Community Alarms	Lisa Redston	Ian Shoemark	2,297		2,300	(2,300)	0	0
HRA C Insulation	Lisa Redston	Ian Shoemark	1,775	800,000	801,780	(251,780)	550,000	26,679
HRA C Ventilation	Lisa Redston	Ian Shoemark	39,567		39,570	60,430	100,000	34,225
HRA C Kitchen rep'd due to dam	Lisa Redston	Ian Shoemark	2,834		2,830	97,170	100,000	55,038
HRA C Bathroom rep'd due to da	Lisa Redston	Ian Shoemark	1,503		1,500	98,500	100,000	32,331
HRA C Underground Drainage*	Lisa Redston	Ian Shoemark	0		0	350,000	350,000	0
<b>Total Major Works</b>			<b>1,125,039</b>	<b>6,197,000</b>	<b>7,322,050</b>	<b>(924,570)</b>	<b>6,397,480</b>	<b>810,803</b>
<b>Improvements</b>								
HRA C Building Services Vehicl	Chris Hall	tbc	105,879	121,000	226,880	0	226,880	0
HRA C Environmental Improvemem	Lisa Redston	Ian Shoemark	100,624	321,000	421,620	78,380	500,000	282
HRA C Extensions	Rich Wiseman	tbc	38,928	502,000	540,930	0	540,930	0
HRA C Electrical Testing	Lisa Redston	Ian Shoemark	0	0	0	300,000	300,000	0
HRA C Parks	Lisa Redston	Ian Shoemark	0	0	0	150,000	150,000	0
HRA C Meeting Halls	Lisa Redston	Ian Shoemark	77,349		77,350	(27,350)	50,000	25,328
HRA C Garages	Lisa Redston	Ian Shoemark	5,054		5,050	94,950	100,000	0
HRA C Sewerage Treatment Plant	Lisa Redston	Ian Shoemark	20,000		20,000	0	20,000	0
HRA C Unadopted Areas	Lisa Redston	Ian Shoemark	30,000		30,000	0	30,000	0
HRA C Related Assets	Lisa Redston	Ian Shoemark	80,000		80,000	0	80,000	0
HRA C Scaffolding	Lisa Redston	Ian Shoemark	0		0	200,000	200,000	0
HRA C Asbestos Works	Lisa Redston	Ian Shoemark	221,406		221,400	128,600	350,000	120,187
HRA C Aids and Adaptations	Simon Lewis	tbc	28,272		28,270	311,780	340,050	4,553
HRA C DFGs	Simon Lewis	tbc	311,791	376,000	687,790	(311,790)	376,000	22,949
HRA C IT Development	Darren Stone	n/a	371,046		371,050	0	371,050	27,263
<b>Total Improvements</b>			<b>1,390,349</b>	<b>1,320,000</b>	<b>2,710,340</b>	<b>924,570</b>	<b>3,634,910</b>	<b>200,562</b>
<b>Social Housing Development Programme</b>								
HRA C Social Housing Developme	Richard Wiseman	Richard Wiseman	3,048,020	2,069,000	5,117,020	0	5,117,020	0
HRA C Creechbarrow Road	Richard Wiseman	Jo Humble	246,202		246,200	0	246,200	70,373
HRA C Buybacks	Richard Wiseman	Dominic Rosenbaum	3,920		3,920	0	3,920	869,531
HRA C Weavers Arms	Richard Wiseman	Shane Smith	493,804		493,800	0	493,800	38,410
HRA C TD North Taunton Regener	Richard Wiseman	Rosie Walsh	6,923,307		6,923,310	0	6,923,310	10,590
HRA C 12 Moorland Close	Richard Wiseman	Jo Humble	227,951		227,950	0	227,950	0
HRA C Outer Circle	Richard Wiseman	Shane Smith	45,106		45,110	0	45,110	71,429
HRA C Laxton Road	Richard Wiseman	Shane Smith	61		60	0	60	6,086
HRA C Oake	Richard Wiseman	Rosie Walsh	3,601		3,600	0	3,600	3,459
<b>Total Social Housing Development Programme</b>			<b>10,991,972</b>	<b>2,069,000</b>	<b>13,060,970</b>	<b>0</b>	<b>13,060,970</b>	<b>1,069,879</b>
<b>HRA TOTAL</b>			<b>13,507,360</b>	<b>9,586,000</b>	<b>23,093,360</b>	<b>0</b>	<b>23,093,360</b>	<b>2,081,244</b>



*Report Number: SWT 72/19*

## **Somerset West and Taunton**

### **Executive – 18<sup>th</sup> September 2019**

#### **Corporate Performance Report and Update on Development of Future Reporting**

**This matter is the responsibility of Cllr Ross Henley.**

**Report Author: Christine Fraser, Head of Performance and Governance.**

#### **1 Executive Summary / Purpose of the Report**

- 1.1 This paper is for information and provides an update on the development of a new performance report for Somerset West and Taunton Council. While the new report is developed, this paper provides a brief summary of current performance on a selection of key indicators.

#### **2 Recommendations**

- 2.1 Executive are requested to note that a new report is being developed which will bring together finance information, risk monitoring and performance reporting. The first report will be produced for the end of November (month 8).

#### **3 Risk Assessment**

- 3.1 Failure to regularly monitor performance could lead to the council not delivering on some of its corporate priorities.

#### **4 Background and Full details of the Report**

- 4.1 As part of the Councils commitment to transparency and accountability a new report is being developed, that will be presented 3 times a year; for month 4 (July), month 8 (November) and month 12 (March). The new report will bring together information for 3 key aspects of the council; Finance, Risk and Performance. The report will include performance indicators to help monitor progress of delivering the Corporate Strategy which is still being developed.

- 4.2 In the meantime, it is important to continue to monitor performance. The table in Appendix 1 includes a number of the councils Key Performance Indicators and shows

how the council has performed for the first quarter of 2019/20. This is not necessarily the format that future reports will follow, but is a one-off report until the new framework is introduced. Some of the targets are still being finalised to take account of performance across the new council.

## 5 Links to Corporate Strategy

- 5.1 The new performance report will be a key tool for helping to monitor progress with the implementation of the Corporate Strategy.

## 6 Finance / Resource Implications

- 6.1 The new report format will aid monitoring of finance, alongside performance and risk.

### Democratic Path:

- **Scrutiny / Corporate Governance or Audit Committees – Yes**
- **Cabinet/Executive – Yes**
- **Full Council – No**

Reporting Frequency:  Once only       Ad-hoc       Quarterly  
 Twice-yearly       Annually

### List of Appendices (delete if not applicable)

Appendix A	Quarter 1 2019/20 Performance Report.
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### Contact Officers

Name	Christine Fraser	Name	Malcolm Riches
Direct Dial	01823 219724	Direct Dial	01823 219459
Email	<a href="mailto:c.fraser@somersetwestandtaunton.gov.uk">c.fraser@somersetwestandtaunton.gov.uk</a>	Email	<a href="mailto:m.riches@somersetwestandtaunton.gov.uk">m.riches@somersetwestandtaunton.gov.uk</a>

Appendix 1 Quarter 1 2019/20 Performance Report.

Ref	Service Area	Indicator	Target	Performance for Quarter 1 (Apr – Jun)	RAG	Comments
1	Planning	% of major planning applications determined within 13 weeks (or within agreed extension of time)	75%	96.2%	Green	
2		% of minor planning applications determined within 8 weeks or agreed extension of time	65%	65.1%	Green	
3		% of other planning applications determined within 8 weeks or an agreed extension of time.	80%	66%	Red	Staffing shortages have had a detrimental impact on performance over recent months, but successful recruitment of new staff is starting to help improve performance.
4	Revenues and Benefits	Council Tax Collection. % collected by 31st March	97%	34.4%	Green	Although the figures for Q1 appear below target, these are cumulative totals, and projections show that the target will be met for the year end.
5		Business Rate Collection. % collected by 31st March	97.5%	30.45%	Green	
6		Average processing times of new Housing Benefit claims only	25 days	22.8 days	Green	
7		Average processing times for changes in circumstances for Housing Benefit claims only	10 days	7.6 days	Green	

8	Housing	Completion of Urgent housing repairs within 24 hours (priority one)	99%	98.9%	Green	
9		Completion of a housing repair within the timescale agreed with the tenant.	90%	93.6%	Green	
10	Environmental Health and Licensing	% of Environmental Health requests completed within stated service standard (60 days)	75%	54.9%	Red	Significant staffing shortages have had a detrimental impact on performance.
11		% of reported fly tipping incidents responded to within 5 working days	80%	80.3%	Amber	IdVerde diverted their resources to a specific project to improve Taunton town centre, which reflected in a dip in performance for June (hence the Amber status). All flytip removal is now up to date.
12		% of service requests for street cleansing actioned within 5 working days	85%	98.3%	Green	
13		Licensing applications processed within timescales	95%	97%	Green	

Report Number: SWT 73/19

# Somerset West and Taunton Council

## Executive – 18<sup>th</sup> September 2019

### Complaints Policy

This matter is the responsibility of Executive Councillor Member for Corporate Resources, Cllr Ross Henley

Report Author: Amy Tregellas, Governance Manager

#### 1 Executive Summary / Purpose of the Report

- 1.1 To present the Executive with the Complaints Policy (Appendix A) and Policy for Unreasonable Customer Behaviour and Vexatious Requests (Appendix B) for approval

#### 2 Recommendations

- 2.1 That the Executive approves the Somerset West and Taunton:
  - a) Complaints Policy (Appendix A); and
  - b) Policy for Unreasonable Customer Behaviour and Vexatious Requests (Appendix B)

#### 3 Risk Assessment (if appropriate)

- 3.1 Failure to have an appropriate Complaint Policy could impact on the Council's ability to operate in an economic, efficient and effective manner.

#### 4 Background and Full details of the Report

- 4.1 An effective Complaints Policy helps an organisation deal with complaints quickly, fairly and consistently and is an important part of a good governance framework.
- 4.2 The purpose of this report is to present the Executive with the Complaints Policy (Appendix A) and Policy for Unreasonable Customer Behaviour and Vexatious Requests (Appendix B) for approval

#### 5 Links to Corporate Strategy

- 5.1 Having effective and efficient governance arrangements for dealing with complaints and vexatious complainants is a fundamental element of being a 'well managed' council

#### 6 Finance / Resource Implications

- 6.1 None arising from this report

**7 Legal Implications** (if any)

7.1 None arising from this report

**8 Climate and Sustainability Implications** (if any)

8.1 None arising from this report

**9 Safeguarding and/or Community Safety Implications** (if any)

9.1 None arising from this report

**10 Equality and Diversity Implications** (if any)

10.1 None arising from this report

**11 Social Value Implications** (if any)

11.1 None arising from this report

**12 Partnership Implications** (if any)

12.1 None arising from this report

**13 Health and Wellbeing Implications** (if any)

13.1 None arising from this report

**14 Asset Management Implications** (if any)

14.1 None arising from this report

**15 Data Protection Implications** (if any)

15.1 None arising from this report

**16 Consultation Implications** (if any)

16.1 None arising from this report

**Democratic Path:**

- **Scrutiny / Corporate Governance or Audit Committees – No**
- **Cabinet/Executive – Yes**
- **Full Council – No**

**Reporting Frequency:** Ad-hoc as and when appropriate



**List of Appendices (delete if not applicable)**

Appendix A	Complaints Policy
Appendix B	Policy for Unreasonable Customer Behaviour and Vexatious Requests

**Contact Officers**

Name	Amy Tregellas
Direct Dial	01823 785034
Email	<a href="mailto:a.tregellas@somersetwestandtaunton.gov.uk">a.tregellas@somersetwestandtaunton.gov.uk</a>

## Somerset West and Taunton Council Complaints Policy

### 1.0 Introduction

- 1.1 We pride ourselves on delivering high quality, value for money services and are committed to providing what you need, in the way you want and to the standard you expect.
- 1.2 We believe that dealing effectively with complaints is essential to providing good services. The Council needs to address recurring problems, identify and learn from areas of good practice and ensure service delivery is continually improved.
- 1.3 The policy sets out Somerset West and Taunton Council's standard for dealing with complaints, compliments and comments for ensuring feedback is recorded and appropriate action is taken.
- 1.4 The policy details a one stage process that all staff should follow to ensure a consistent approach to dealing with complaints and feedback.

### 2.0 Purpose

- 2.1 The purpose of this policy is to:
- Define what a complaint is, and who can make a complaint
  - Explain how to make a complaint
  - Explain the process we will follow when dealing with a complaint so that everyone knows that they can expect
  - Set out how we will monitor complaints, use information to improve services and identify training needs

### 3.0 Our guiding principles

- 3.1 The Council's guiding principles are:
- We will put the customer at the heart of the process, showing empathy and understanding for the issues they raise
  - We will treat all complaints seriously with an honest and open mind and do everything we can to deal with them efficiently and effectively
  - We will say sorry if we have made a mistake, or something has gone wrong, and we will put it right as soon as possible
  - We will aim to resolve complaints at the earliest opportunity
  - Where we can't resolve your complaint immediately we will keep you informed during the process
  - Our responses will be open and honest, based on the evidence available, address all elements of the complaint, and provide clear explanations for decisions made
  - We will ensure our procedure is equally accessible irrespective of age, disability, gender, sexual orientation, race, religion or belief

- We will treat complainants with respect, dignity and fairness and aim to be sensitive to the diverse needs of individuals and will endeavour to meet those needs wherever possible
- We will use complaints information in a positive way to identify training requirements, improve processes, and share learning to prevent similar occurrences in the future

#### **4.0 What is a Complaint?**

4.1 We define a complaint as ‘an expression of dissatisfaction with our service (whether justified or not) which requires a response’.

4.2 A complaint could be in relation to any of the following examples:

- we have made a mistake in the way we have provided a service
- there has been a delay in providing a service
- we have failed to deliver a service – this could relate to quality, standard or service level
- our processes or policy have not been followed
- our legal or regulatory requirements have not been met
- we have not delivered to a commitment or promise
- our staff have been rude and unhelpful or not conducted themselves correctly

#### **5.0 What is not a complaint?**

5.1 An initial service request will not be classed as a complaint. We encourage all our staff to work with customers and to try to find a resolution to any expressions of dissatisfaction without the need to use the formal complaints process.

5.2 In many cases we can resolve an issue very quickly – by putting the problem right straight away. We consider these types of cases as initial service requests. For example, where a refuse team has not picked up a customer’s bin, but once the team is made aware of this the bin is picked up on the same day.

5.3 However, when a customer is unhappy about the way that a service request was handled, this should be dealt with under the council's complaints procedure.

5.4 Details of who to signpost complaints to if it doesn’t relate to a Council Service can be found in Annex 1.

#### **6.0 Who can make a complaint?**

6.1 Anyone who uses or is affected by our services can make a complaint:

- our residents
- people who work in or visit the district
- local businesses
- community groups

- 6.2 A complaint can also be made by:
- a representative acting on behalf of someone who is unable to make the complaint themselves because of physical or mental incapacity
  - a representative where they have been asked to act on behalf of a customer
  - a representative acting on behalf of someone who has died
- 6.3 For complaints made by a representative we have to comply with the following legal requirements:
1. We must have written authority from the customer (or from their executor or administrator of their estate) to deal with the representative acting on their behalf (Data Protection requirements).
  2. We will only deal with a complaint made by a representative of someone because of physical or mental incapacity if we are satisfied that it is being pursued in the best interest of the customer.
  3. We will use the term mental incapacity as defined by the Mental Capacity Act 2005.

## **7.0 How to make a complaint**

- 7.1 Customers can make a complaint by visiting the Council website [www.somersetwestandtaunton.gov.uk](http://www.somersetwestandtaunton.gov.uk) and completing the online form.
- 7.2 If you are unable to access the form please telephone our customer services team on 0300 304 8000
- 7.3 Details on how complaints will be dealt with can be found in Annex 2 of this policy.

## **8.0 What about when we get it wrong**

- 8.1 When a complaint is found to be justified the council will:
- apologise to the complainant(s)
  - explain what has been/will be done to put the mistake right
  - explain how the error occurred and what has been done to prevent it happening again

## **9.0 Redress**

- 9.1 In some cases an apology is all that is necessary and appropriate by way of a remedy.
- 9.2 We will offer redress where we believe that this will best serve the interests of the customer and customer service. For example, practical action will be considered as part or all of a remedy where a complaint is about failure to take some specific action such as carrying out repairs to a tenant's house.
- 9.3 Consideration will also be given to any practical action suggested by the complainant(s).

- 9.4 There will be circumstances where we are unable to put the customer back into the position they would have been in because of the amount of time lapsed or due to other events which may since have occurred.
- 9.5 In such circumstances, we may consider restorative or financial compensation. When considering any redress we will be fair, consistent and mindful of public money. Decisions about making compensation payments as a result of a formal complaint will be made by the council's Chief Executive.

## **10.0 Local Government Ombudsman**

- 10.1 If a customer is not happy with the way in which we handled their complaint or with our response, they may ask the Local Government Ombudsman to look into their complaint. The ombudsman will not normally look into a complaint if we have not had an opportunity to resolve it through our own complaints process first.
- 10.2 Enquiries from the Local Government Ombudsman will in most cases be co-ordinated by the Governance Manager.
- 10.3 In cases where the ombudsman has recommended redress, we are committed to following the advice and timescales of the ombudsman to the best of our ability.

## **11.0 Contacting the Local Government Ombudsman**

- 11.1 The contact details for the Local Government Ombudsman are:

[Local Government Ombudsman website](#)

Tel: 0300 90610614

## **12.0 Confidentiality**

- 12.1 All complaints will be dealt with in the strictest of confidence
- 12.2 All responses to complaints at all stages will be sent in writing to the customer's email address unless specifically requested otherwise.
- 12.3 We will maintain the confidentiality of all personal customer information, and not disclose it outside of the council without the prior permission of the customer, unless legally obliged to do so.

## **13.0 Reporting and learning from complaints**

- 13.1 We are committed to learning from complaints and using complaints information to drive service improvements.
- 13.2 We will keep records on each complaint received including:
- type of complaint

- complaint outcome
- timescales agreed
- whether timescales were met
- equality information about complainants

13.3 Our complaints page on our website we will give details of any changes that have been made as a result of complaints – You said, we did.

13.4 We will also publish our annual report from the Local Government Ombudsman on our website.

13.5 We will report on complaints and lessons learnt on a quarterly basis to Council's Senior Leadership Team. We will also report annually to the Executive on the numbers and types of complaints received, together with information on the complaint outcomes.

13.6 These reports will not include any personal information.

#### **14.0 Unreasonable customer behaviour and vexatious complaints**

14.1 We recognise that the Council may receive complaints from persons with widely varying ways of expressing themselves and who may possibly feel angry, impatient, frustrated or extremely worried depending on their circumstances. We will therefore only very exceptionally wish to categorise a complaint as unreasonable or vexatious.

14.2 Unreasonable customer behaviour and vexatious complaints can be a problem for staff and Councillors. The difficulty in handling such complaints is that they are time consuming and repetitive and can take up excessive Officer and Councillor time, that could be used on other Council priorities.

14.3 For further guidance please refer to the Policy for Unreasonable Customer Behaviour and Vexatious Requests.

## Annex 1

### Complaints about policies

Some complaints are expressions of dissatisfaction with government or local policies, as opposed to our failure to meet service standards.

We will do our best to explain the policy and the reasons for it. However, if the customer remains dissatisfied with the policy they may be directed to their MP or their local councillor for further discussions depending on whether this is national or local policy.

### Complaints about staff

We will ensure that staff who are the subject of a complaint in respect of their personal conduct, or those who may have a clear conflict of interest in dealing with such a complaint, will not handle or respond to the complaint.

### Complaints about councillors

The council is very keen to make sure elected members uphold good standards of behaviour and conduct. If you believe that a town, parish or district councillor has done something they shouldn't and failed to comply with the code of conduct for councillors, please contact the monitoring officer on [monitoringofficer@somersetwestandtaunton.gov.uk](mailto:monitoringofficer@somersetwestandtaunton.gov.uk)

We will discuss your concerns and agree with you the best way forward.

### Complaints from councillors or MPs

Where councillors or MPs make a complaint on behalf of a constituent, we will deal with the complaint following our normal processes and keep the councillor or MP informed of progress.

### Complaints about non Somerset West and Taunton services

Where a complaint relates to a service or function provided by Somerset County Council we will signpost the customer to the Somerset County Council website

<https://www.somerset.gov.uk/our-information/complaints-comments-compliments/>

In all other instances we will endeavour to signpost the customer to the correct organisation.

### Complaints not covered by this policy

Certain types of issues and complaints fall outside of the council's complaints procedure because:

- there are other processes more suitable for dealing with them such as statutory appeal or tribunal process
- they are outside of our control
- they are separate legal or regulatory requirements covering these services

Examples are:

- a complaint that has been previously investigated and responded to
- a complaint that is being or has been, investigated by the Local Government Ombudsman
- matters of law or central government policy
- harassment by neighbours
- complaints from staff about human resource issues such as recruitment, dismissals, pay, pensions and discipline (these are dealt with separately under our human resources policies)
- freedom of information requests, or complaints about the decision, the information provided or how a request was handled (these are dealt with under the Freedom of Information Policy)

- commercial or contractual matters, for example contracts for the supply of goods and services to the council (complaints about the negotiation of council leases, or the disposal of council land should be dealt with through this policy and procedure, as such complaints are within the jurisdiction of the Local Government Ombudsman)
- complaints that have already been decided by a court or independent tribunal are not covered by our procedure, but complaints about the implementation of a court or tribunal's decision may be investigated, for example the recovery of council tax after a liability order has been obtained
- Services for which there are alternative statutory appeal or tribunal processes, including: appeals against the refusal of planning permission or planning enforcement, parking appeals, complaints about registered housing providers, housing benefit appeals, homelessness decisions, acceptance on housing waiting list, council tax and housing benefit calculations, a complaint that has been previously investigated and responded to and complaints about councillors

Where the subject of a complaint is covered by specific regulatory procedures, it must be dealt with through those procedures. However, when a customer is unhappy about the way that an appeal or tribunal matter was handled, for example a delay in preparing the council's submission to a tribunal or appeals panel, this should be dealt with under this complaints procedure. If the complaint is about the attitude of staff when handling an appeal or tribunal matter this falls under the council's complaints procedure.

### **Housing Ombudsman**

Complaints about social housing (landlord/tenant issues) may be referred to the Housing Ombudsman if a complainant remains dissatisfied with the council's response. A period of eight weeks must pass between the council's final response and the complainant referring the matter to the Ombudsman.

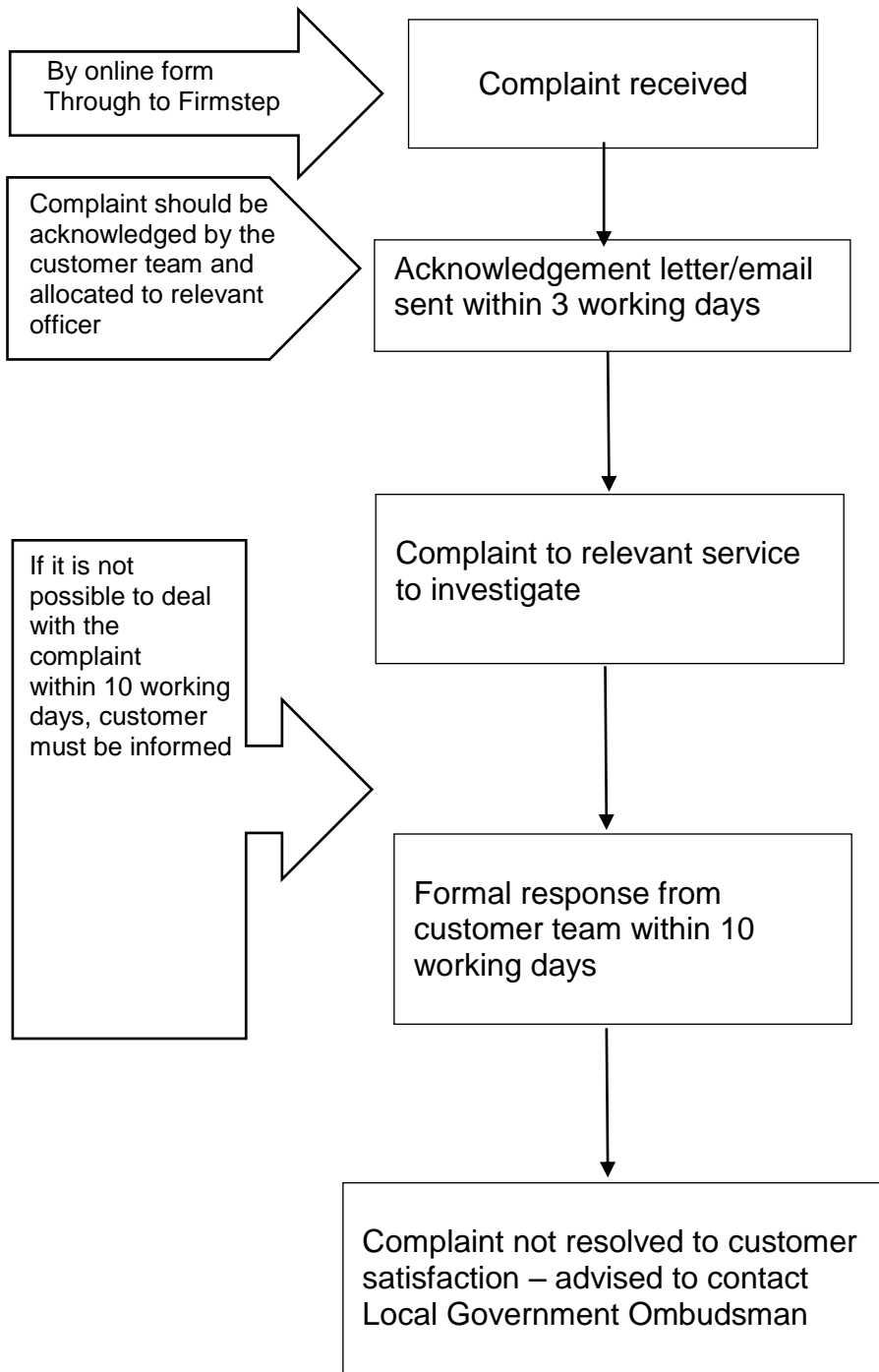
### **Contacting the Housing Ombudsman**

[Housing Ombudsman Service](#)

Tel: 0300 111 3000



## Annex 2 – Complaint process map



## **Somerset West and Taunton Council**

### **Policy for unreasonable customer behaviour and vexatious requests**

#### **1.0 Introduction**

- 1.1 We are committed to providing what you need, in the way you want and to the standard you expect. We believe that dealing effectively with complaints and customer requests for information is essential to providing good services.
- 1.2 We will process complaints either in line with our Complaints Policy. The term complaint in this guidance also covers requests made under the Freedom of Information Act and the Data Protection Act.
- 1.3 We will make every effort to achieve a satisfactory outcome for each customer.
- 1.4 Unfortunately, in a minority of cases people pursue their complaints or requests for information in a way that is unreasonable. In some instances, this can have a negative impact on the handling of their complaint or request. It can also have a significant impact on our resources and on our ability to provide services to our other customers.
- 1.5 This procedure covers complaints and Freedom of Information requests.

#### **2.0 Purpose**

- 2.1 The purpose of this document is to:
- define unreasonable customer behaviour
  - explain what we consider to be unreasonable customer behaviour
  - define persistent complaints
  - define vexatious requests
  - explain what we consider to be vexatious requests
  - explain what action we will take on unreasonable, persistent and vexatious complaints

#### **3.0 What is unreasonable customer behaviour?**

- 3.1 We define unreasonable behaviour as:  
‘Unreasonable complainants are those who, because of the nature or frequency of their contacts with the council, negatively impact our ability to deal effectively with their or other people’s complaints’.
- 3.2 Unreasonable behaviour may include one or two isolated incidents, as well as unreasonably persistent behaviour, which is usually an accumulation of incidents or behaviour over a longer period.
- 3.3 We differentiate between ‘persistent’ customers and ‘unreasonably persistent’ customers.
- 3.4 Customers making a complaint can be ‘persistent’ where they feel we have not dealt with their complaint properly and are not prepared to leave the matter there. For

example, it is not unreasonable for a customer to criticise how their complaint is being handled when our published procedures are not followed.

- 3.5 However, some customers may have justified complaints or requests but may pursue them in 'unreasonable' or inappropriate ways such as lengthy phone calls, emails expecting immediate responses, detailed letters or emails every few days. Others may continue to pursue complaints or requests which have no substance or which have already been considered and dealt with. Their contacts with us may be amicable but still place very heavy demands on staff.
- 3.6 Situations can escalate, and in a few cases customers can become abusive, offensive, threatening or behave in a way that we may consider to be unacceptable.
- 3.7 In these circumstances, we may have to restrict access to our premises or staff.

#### **4.0 Examples of unreasonable behaviour**

- 4.1 Examples of what we might consider to be unreasonable behaviour includes:
- refusing to specify the grounds of a complaint, despite offers of assistance
  - changing the basis of the complaint/request as the matter proceeds
  - denying or changing statements made at an earlier stage
  - covertly recording meetings and conversations
  - submitting falsified documents from themselves or others
  - making excessive demands on the time and resources of staff with lengthy phone calls, emails to numerous council staff, or detailed letters every few days, and expecting immediate responses
  - refusing to accept the decision or repeatedly arguing points with no new evidence
  - persistently approaching the council through different routes about the same issue
  - causing distress to staff - including use of hostile, abusive or offensive language, or an unreasonable fixation on an individual member of staff
  - making unjustified complaints about staff who are trying to deal with the issues, and seeking to have them replaced

#### **5.0 What is a vexatious request?**

- 5.1 We define a vexatious request as:  
'A request that is likely to cause distress, disruption, irritation, without any proper or justified cause or grounds for action'.
- 5.2 A vexatious request may include one or two individual requests for information, or may form part of a wider pattern of vexatious behaviour. For example, if there is a wider dispute or it is the latest in a lengthy series of overlapping requests.
- 5.3 However, we will not automatically refuse a request simply because it is made in the context of a dispute or if it forms part of a series of requests.
- 5.4 We will consider each request for information on its own merits and we will not automatically refuse a request because the individual may have caused problems in the past. We will ensure that we consider whether the request (and not the requester) is vexatious with our focus being on the request itself.

5.5 Where a request is considered to be vexatious we may make the decision not to provide the information.

## **6.0 Examples of vexatious requests**

6.1 Examples of what we might consider to be vexatious requests are shown below. The list is not exhaustive and for a request to be considered as vexatious it is likely that more than one of the examples is relevant:

- Submission of obsessive requests with very high volume and frequency of correspondence.
- Requests for information the requester has already seen or a clear intention to reopen issues that have already been considered.
- Where complying with the request would impose significant or disproportionate burden on the council in terms of expense, and negatively impact our ability to provide service to others. In this situation, we will also consider section 12 (exemption where cost exceeds the appropriate limit) of the Freedom of Information Act.
- Where the requester states that the request is actually meant to cause maximum inconvenience, disruption or annoyance.
- Where the request lacks any serious purpose or value. An apparent lack of value would not usually be enough on its own to make a request vexatious, but may do when considered with other examples.
- Harassing the council - this could include very high volume and frequency of correspondence, or mingling requests with accusations and complaints.

## **7.0 Action to be taken on unreasonable customer behaviour and vexatious complaints**

7.1 As set out in earlier sections of this policy, and based on a case by case basis, action may be taken to restrict access to our premises or staff or to make the decision not to provide the information to the complainant.

7.2 However, if there is further repeated and/or obsessive pursuit of:

- Unreasonable complaints
- Complaints where there is an expectation of unrealistic outcomes
- Reasonable complaints made in an unreasonable manner
- Repeated complaints that have already been responded to in full

7.3 There is the option of referring the case to the Council's legal department to determine if the complaint is to be categorised as unreasonable, persistent or vexatious.

7.4 The Legal department will investigate the issues and provide a response within 10 working days, wherever possible. In complex cases this time may be extended to a maximum of 12 weeks. The complainant should be notified that the complaint is being investigated to determine if it is unreasonable, persistent or vexatious.

7.5 It is essential that any new contacts are checked and only sent to the Legal department if they relate to the current complaint under investigation. Any new service requests or complaints should be logged separately and dealt with using the complaints policy.

7.6 Once the review has been completed the Legal department will determine if the complaint should be classified as a vexatious complaint and will inform the Senior Leadership Team of the outcome. The Senior Leadership Team can then make all

services aware of this decision and determine what actions are to be taken. Any appeal against the decision will be determined by the Chief Executive.

- 7.7 It is important that all staff, particularly front line staff, are made aware of any restriction to access of our services or officers.
- 7.8 The Council's Legal department will notify the complainant in writing of the reason why the complaint has been classed as unreasonable, persistent or vexatious and of the actions to be taken. They will also inform the Ward Member(s).
- 7.9 Once a complaint has been determined as unreasonable, persistent or vexatious, its status will be kept under review and if the complainant demonstrates a more reasonable approach, their status or any restrictions applied to access our premises or staff will be reviewed.



## SWT EXECUTIVE FORWARD PLAN - May 2019 to September 2020

### FOR THE PERIOD 6 MAY 2019 TO 30 SEPTEMBER 2019

Subject / Decision	Decision Maker	Decision Due Date	Consultation	Likely Exemption	Background documents	Member / Officer Contact
Hinkley Tourism Action Partnership Allocations	SWT Executive	18 Jun 2019				
Regeneration of Firepool	SWT Executive	18 Jun 2019				Asset Management and Economic Development Portfolio Holder <i>James Barrah</i> <i>j.barrah@somersetwestandtaunton.gov.uk</i>
Commercial Asset Management - Confidential Item	SWT Executive	18 Jun 2019				Asset Management and Economic Development Portfolio Holder <i>James Barrah</i> <i>j.barrah@somersetwestandtaunton.gov.uk</i>
Statement of Community Involvement - Draft For Consultation	SWT Executive	9 Jul 2019				Planning and Transportation Portfolio Holder
District Wide Local Plan: New Member Steering Group - Nominations	SWT Executive	9 Jul 2019				
District Wide Local Plan: Local Development Scheme	SWT Executive	9 Jul 2019				

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Agenda Item 11

<b>Subject / Decision</b>	<b>Decision Maker</b>	<b>Decision Due Date</b>	<b>Consultation</b>	<b>Likely Exemption</b>	<b>Background documents</b>	<b>Member / Officer Contact</b>
Coal Orchard Development	SWT Executive	9 Jul 2019				Asset Management and Economic Development Portfolio Holder
Structural Change - Senior Leadership Team	SWT Executive	23 Jul 2019				
2018/19 Financial Performance Report	SWT Executive	23 Jul 2019				Corporate Resources Portfolio Holder
Daunton Garden Town Vision	SWT Executive	23 Jul 2019				
Daunton Park and Ride	SWT Executive	23 Jul 2019				
Corporate Strategy 2019-2023	SWT Executive	18 Sep 2019				
Financial Strategy	SWT Executive	18 Sep 2019				
Performance Report	SWT Executive	18 Sep 2019				
Budget Monitoring Report	SWT Executive	18 Sep 2019				



<b>Subject / Decision</b>	<b>Decision Maker</b>	<b>Decision Due Date</b>	<b>Consultation</b>	<b>Likely Exemption</b>	<b>Background documents</b>	<b>Member / Officer Contact</b>
Complaints Policy	SWT Executive	18 Sep 2019				



## SWT Executive Forward Plan FOR THE PERIOD 1 OCTOBER 2019 TO 5 MAY 2020

Subject / Decision	Decision Maker	Decision Due Date	Consultation	Likely Exemption	Background documents	Member / Officer Contact
Otterford Traveller's Site	SWT Executive	23 Oct 2019				
Design Guide for SWT	SWT Executive	23 Oct 2019				
Garden Town Charter and Checklist	SWT Executive	23 Oct 2019				
Monkton Heathfield Phase 2 Master Plan	SWT Executive	23 Oct 2019				
SWT Commercial Investment Strategy	SWT Executive	23 Oct 2019				
Development Company Structures	SWT Executive	23 Oct 2019				
Commercial Acquisition Investment	SWT Executive	23 Oct 2019				
Hinkley Phase 3 - Housing Funding Strategy	SWT Executive	23 Oct 2019				
Corporate Equalities Action Plan	SWT Executive	23 Oct 2019				

<b>Subject / Decision</b>	<b>Decision Maker</b>	<b>Decision Due Date</b>	<b>Consultation</b>	<b>Likely Exemption</b>	<b>Background documents</b>	<b>Member / Officer Contact</b>
Climate Change Strategy	SWT Executive	23 Oct 2019				
Small Scale Industrial Space Local Development Order - approval for consultation	SWT Executive	23 Oct 2019				
East Quay Wall Repairs	SWT Executive	23 Oct 2019				
Medium Term Financial Plan	SWT Executive	23 Oct 2019				
Local Plan Issues and Options Document	SWT Executive	20 Nov 2019				
Social Value Strategy and Priorities	SWT Executive	20 Nov 2019				
Commercial Acquisition Investment	SWT Executive	20 Nov 2019				
Lisieux Way Master Planning	SWT Executive	20 Nov 2019				
Taunton Strategic Flood Alleviation Improvements (TSFAI) Phase 2	SWT Executive	20 Nov 2019				

<b>Subject / Decision</b>	<b>Decision Maker</b>	<b>Decision Due Date</b>	<b>Consultation</b>	<b>Likely Exemption</b>	<b>Background documents</b>	<b>Member / Officer Contact</b>
SWP Business Plan - Partner Approval	SWT Executive	20 Nov 2019				
Citizens Advice Financial Sustainability	SWT Executive	20 Nov 2019				
Statement of Community Involvement	SWT Executive	20 Nov 2019				
Fees and Charges 2020/2021	SWT Executive	20 Nov 2019				
Homelessness and Rough Sleeper Strategy and Action Plan	SWT Executive	18 Dec 2019				
Commercial Acquisition Investment	SWT Executive	18 Dec 2019				
Waterways Strategy and Action Plan	SWT Executive	18 Dec 2019				
Urban Design Framework and Design Guide	SWT Executive	18 Dec 2019				
SWT Prosperity Strategy	SWT Executive	18 Dec 2019				
Cultural Strategy	SWT Executive	18 Dec 2019				

<b>Subject / Decision</b>	<b>Decision Maker</b>	<b>Decision Due Date</b>	<b>Consultation</b>	<b>Likely Exemption</b>	<b>Background documents</b>	<b>Member / Officer Contact</b>
Commercial Acquisition Investment	SWT Executive	22 Jan 2020				
Small Scale Industrial Space Local Development Order	SWT Executive	22 Jan 2020				
Somerset Waste Partnership Annual Business Case	SWT Executive	22 Jan 2020				
HRA Budget 2020/21	SWT Executive	12 Feb 2020				
General Fund Revenue Budget and Capital Estimates 2020/21	SWT Executive	12 Feb 2020				
Capital Strategy 2020/21	SWT Executive	12 Feb 2020				
Treasury Management Strategy Statement 2020/21	SWT Executive	12 Feb 2020				
Investment Strategy 2020/21	SWT Executive	12 Feb 2020				