

Report of the Scrutiny Committee for Policies and Place

Cabinet Member: N/A

Division and Local Member: All

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1. Summary

- 1.1.** The Scrutiny Committee for Policies and Place is required by the Constitution to make an annual report to the Council and also to provide each other meeting of the Council with a summary progress report and outcomes of scrutiny. This regular report covers the work of our meetings held on 22 May, 19 June and 16 July 2019.
- 1.2.** The Committee agreed their work programme would comprise items considered directly at meetings plus other items considered or “commissioned” using flexible arrangements outside of the formal committee structure.
- 1.3.** Members of the Council are reminded that:
 - all Members have been invited to attend meetings of the Scrutiny Committee and to contribute freely on any agenda item;
 - any Member could propose a topic for inclusion on the Committee’s Work Programme;
 - any Member could be asked by the Committee to contribute information and evidence, and to participate in specific scrutiny reviews.
- 1.4.** The Committee has 8 elected Members and we have meetings scheduled approximately for every month. Our next meeting will be held in the Council Chamber, Shire Hall at 10.00am on 18 September 2019.

2. Background

2.1. Scrutiny Work Programme

At each meeting the Committee considers and updates its work programme, having regard to the Cabinet’s forward plan of proposed key decisions. The Committee also agreed to hold themed meetings and Members are looking forward to this approach, in particular the attendance of representatives and/or stakeholders from partner agencies.

2.2. 22 May 2019

During the first item, the Committee considered a report which provided an update on the West Somerset Opportunities Area Programme.

The Programme is a key part of the Education Secretary’s priority of tackling social mobility, and improving opportunities for young people

across the country. Twelve areas with both poor social mobility and schools that face challenges, will receive a share of £72 million to boost opportunities for young people in these communities.

The areas chosen were amongst the weakest in both the 2016 Social Mobility Commission's index, and the Department for Education's data on school standards and capacity to improve. West Somerset was 324th out of 324 Council areas in the social mobility index in both 2016 and 2017.

The original plan was published in October 2017 by the DFE working across business, education and community to create and maintain more opportunity for our young people. It is important that this is a community wide initiative, supported by Early Years providers, Schools, Colleges, Businesses, The Voluntary Sector, Health, Council services, and most importantly young people and their families. The programme runs to March 2020, with a detailed delivery plan for 2018/20.

The report provided performance data for all Somerset district council against social mobility indicators for comparison. It also highlighted the key challenges for West Somerset and the work of the Partnership Board to address these challenges and develop the Opportunity Area Plan.

In a verbal update, the Committee were informed that the recent merger between West Somerset District Council and Taunton Deane Borough Council will change the ranking of West Somerset in the social mobility index. The change is expected to rank the area at around 160th. The data for the Taunton Deane area is much stronger and there is concern that this may mask some of the challenges faced by West Somerset.

The Committee discussed: the lack of commercial viability for businesses, the low performance of Somerset as a whole, challenges with internet access and the concern about legacy planning.

The Committee noted the report but requested an update in around 6 months time to provide reassurance.

Next the Committee received a presentation from the Programme Director and Vice-Chair of the Hinkley Point C (HPC) Community Fund.

The Community Fund is managed through the Somerset Community Foundation (SCF) which has been operating for 15 years as part of a national network.

SCF were contacted by EDF to manage the £12.8m HPC Community Fund agreed as part of the Section 106 agreement. The purpose of the Fund is to mitigate against the impacts of HPC and improve community development and the Trust's primary business is to administrate the award of grants.

The Fund launched in November 2017 and initially ran alongside the KIM Fund, of which the Small Grants Fund is still running.

Grants are awarded by an Award Panel and SCC, District Councils, SCF and EDF are all represented on the Panel. There is an open grant process now in place with a 1-stage process for grants under £50k and a 2-stage process for grants over £50k. Support is offered for applications to help applicants understand the language of the process and evidence their need and impact. Some grants are ring-fenced and some examples of grants awarded so far were shared with the Committee.

Members were informed that SCF offer a range of grants so if an application is unsuitable for the HPC Fund advice will be given for other grants if appropriate.

The Committee discussed: qualification criteria for direct and indirect impact; the impact on housing availability and funding for arts and cultural facilities.

Members commented that the Fund should work more closely with Parish Councils and increase its communication with local communities. The Committee noted the report.

Following this, the Committee received a report that provided an update to Members on the work being done by the County Council and EDF Energy to mitigate the transport impacts of construction of Hinkley Point C (HPC). The report also outlined EDF Energy's responsibilities and activities regarding transport and travel.

In 2012 EDF Energy, New Nuclear Build Generation Company and the local authorities (Somerset County Council, Sedgemoor District Council, and West Somerset Council as was) signed a Section 106 (S106) Agreement in connection with the Development Consent Order to construct the new power station. This was in addition to a S106 Agreement relating to Site Preparatory Works at the site. The S106 agreements describe a range of obligations and financial contributions to mitigate impacts expected to arise from the project.

Delivery must be managed effectively and for the mitigation to be provided on a timely basis so that the impacts of the development upon communities are minimised. There are two HGV routes to the site where the most significant impacts are expected: from Junctions 23 and 24 of the M5 through specific corridors in Bridgwater and westward along the A39 and C182 to the HPC site. These corridors represent the geographical focus of the mitigation activity.

The Committee then considered a number of updates including corridor improvements, behaviour change, access to timely information, EDF activities and responsibilities including construction traffic, workforce traffic, incident management and EDF Energy-led infrastructure projects.

The Committee discussed: complaints about the impact on traffic; concern that the Quantock crossing may be deferred; whether use of the jetty will decrease road traffic; wider impacts outside of the identified geographical area; the importance of communicating with local communities and businesses; a park and ride scheme for Bridgwater and the future sustainability of the community bus.

The Committee noted the report and were invited to attend a site visit in October.

19 June 2019

Our June meeting began by the Committee considering a report which provided an update on the Rights of Way (RoW) Service, that provided a focus on applications to modify the Definitive Map & Statement.

The Committee had received a report on this topic last November and asked the RoW Service to undertake a review of this area of work and the report contained an overview of the review findings, which were summarised in Appendix 1 of the report.

It was reported that there were currently in the region of 330 undetermined applications to modify the Definitive Map and Statement of Rights of Way. In each case the applicant considered that the legal record was in error and should be corrected. Members noted that the size of the backlog raised two main areas of concern:

1) The authority is under a statutory duty (Wildlife & Countryside Act 1981) to determine applications 'as soon as reasonably practicable,' which based on current resources and determination rates, was not possible;

2) Directions issued by the Secretary of State (SoS) to determine applications within a specified time frame meant that the order in which applications were determined was affected, with determination of some of the oldest applications being delayed due to resources being redirected to focus on SoS directions.

In response to a question it was stated that 39 SoS directions had been received since July 2016, the deadlines for 24 of which had now passed. It was noted that 6 of those had been complied with on time, with 9 being determined after the deadline and a further 9 still awaiting a determination.

To improve the determination/referral rate it was explained that either additional resources would be required or there would need to be a change to the process. A streamlined process had been adopted some years ago and was largely still in place, however the levels of scrutiny from applicants and objectors meant that on most occasions a fully streamlined process was not achievable. It was noted that a typical investigation would take approximately 6 months to determine (allowing for research, consultation periods, consideration of responses).

The last 5 years has seen continuous process improvement including report structure and being able to use standard text across similar applications. Previous staff turnover and vacant posts had not helped service delivery, but recent stability in this area, coupled with the continuous improvement had begun to improve performance but ultimately would not be enough to improve the current backlog or long delays in investigating recently submitted applications.

For the purposes of the process review, consideration had been given on how further efficiencies could be achieved was broken down into 3 distinct stages of dealing with applications; i) Investigation & Report (IR), ii) Decision-making (D), and iii) Post Determination (PD). The proposed changes would see the wait for determinations being reduced from 30 years to 23 years.

Discussion included: the Committee acknowledged the hard work of officers but found the backlog to be unacceptable; the Committee acknowledged the work of the third sector and volunteers; geographical weighting; the importance of the network in a rural county but the need to balance a difficult financial position; whether neighbouring counties face a similar backlog and a suggestion to share resources with district councils to speed up applications.

The Committee agreed a recommendation to the Cabinet Member, Highways and Transport that representatives from the Bridleway Associations be invited to take part in discussion of the issues with the Rights of Way service team on a 6-monthly basis and that the service seeks to work with District Councils and volunteers.

Next the Committee considered a report that provided an update on the Council's final revenue budget outturn position. It was reported that there had been an underspend of £5.909m against a net budget of £317.882m (-1.86%). It was explained that this had been achieved through a tighter financial grip on spending, taking difficult decisions to make budget reductions and a determination to significantly rebuild resilience through reserves. This achievement was attributed to staff, managers and all Members who had contributed to a turnaround that placed the Council in an improved and more resilient position. However, it was acknowledged that it remained imperative that the tighter financial grip was maintained to enable the Council to further improve its financial foundations.

It was noted that in recognition of the need for services to continue to manage service delivery across financial years, it would be sensible to carry forward funding to 2019/20 where specific individual rationale was clearly set out (section 3 of appendix A and section 4 of appendix B of the Cabinet outturn report). It was stated that total requests for carry forwards were £0.417m and the Cabinet would be asked to approve those.

The Committee wished to pay tribute to the exceptional work of officers, and

several Members noted that each time they had asked a question or requested additional information the details requested had been provided and shared in a timely way. Members reflected that it would now be important to ensure the progress made over the last 12 months was carried forward over the next few years, and the challenge of maintaining financial sustainability could not be underestimated.

Members also noted that the progress the Council had made had been due in large part to the identified savings being realistic and deliverable and this had represented a change from previous years, as 98% of the additional savings identified in MTFP2 had been achieved. Members also welcomed the improved financial reporting during 2018/19 with more frequent and detailed reports to Cabinet, the Audit committee and Scrutiny meetings and it was confirmed that this improved approach would continue throughout 2019/20 to ensure on-going transparency in financial reporting.

It was noted that to further strengthen the Council's financial resilience, it was proposed that the services' net underspend (including the unused Corporate Contingency) would be used to:

- Carry forward requests submitted by Services (as detailed in section 4 and appendix B of the Cabinet report);
- Eliminate the deficit balance on the Repairs & Maintenance (R&M) and Buildings Maintenance Indemnity Scheme (BMIS) reserves, and;
- Create an earmarked reserve of £2.556m to enable the Council to support ongoing priorities with delegated authority to be given to the Leader, Cabinet Member for Resources, Chief Executive and Director of Finance.

There was a brief discussion of the areas where that had held a negative reserve and those areas had been remedied except for Dillington House. It was explained that negative reserve of £1.3m associated with Dillington House were being actively considered and Officers were working with the Manager to put together a robust business plan to recover that position.

The Vice Chair thanked the Officers for the report and noted that the improvement to the Council's financial position was welcome news and she reflected that all Members would be keen to ensure the change of approach and the positive results it had yielded were maintained.

The revenue outturn report for 2018/19 was accepted and it was requested that future reports contained a 'waterfall chart' to aid understanding.

Finally the Committee considered a Capital Receipts Flexibilities Update. This report reminded members that in 2016 the Government had issued statutory guidance on the Flexible Use of Capital Receipts. Members noted that the Council had used the Capital Receipts flexibilities to fund a total of £14.987m of revenue transformational activity within services across 3 years from 2016/17 to 2018/19.

The directive had given Councils the ability to use Capital Receipts received in the year to fund expenditure incurred on projects that were designed to generate ongoing revenue savings in the delivery of public services and/or transform service delivery to reduce costs and/or transform service delivery in a way that reduced costs or demand for services in the future years for any of the public sector delivery partners.

It was noted that the directive could be used by Councils up to and including the financial year 2021/22. Up to 31 March 2018 the Council made use of this flexibility totalling £6.389m to fund the transformation costs of the Learning Disabilities service and back office support services, IT and Business Change. There was a brief discussion on how Officers ensured expenditure qualified as transformational against capital receipts funding in accordance with the legislation, and it was noted a full review of business cases had been carried out in March 2018. This review consisted of consideration by a panel of officers that was chaired by a member of the Council's Senior Leadership Team followed by a final review panel made up of the Chief Finance Officer and the Chief Executive. As a result, £8.598m of expenditure had been funded under this flexibility.

There was a question about capital receipts and Members heard in response that the amount of capital receipts held at 31 March 2019 (end of financial year 2018/19) had been £6.066m, of which £3.971m was committed to fund the capital programme, the majority being economic development projects, leaving available unearmarked capital receipts of £2.095m. It was also noted that the 2018 review of business cases also included potential costs of future

transformational work, totalling £3.656m over the years 2019/20 and 2020/21. The Vice Chair noted that the process of reviewing activity had ensured that business cases were robust and this had helped improve efficiencies and utilise resources across the Council.

The Committee agreed to note the update and review process undertaken and accepted the approach set out for 2019/20 and future years.

16 July 2019

At the time of the publication of this report, the Committee were due to consider the following items at its 16 July meeting: Revenue Budget Monitoring Report – Month 2, SCC's Capital Investment Strategy and Prevention Fund Update.

3. Consultations undertaken

- 3.1.** The Committee invites all County Councillors to attend and contribute to every one of its meetings.

4. Implications

- 4.1. The Committee considers carefully, and often asks for further information about the implications as outlined in, the reports considered at its meetings.
- 4.2. For further details of the reports considered by the Committee please contact the author of this report.

5. Background papers

- 5.1. Further information about the Committee including dates of meetings in the new quadrennium, and agendas & reports from previous meetings are available via the Council's website: www.somerset.gov.uk/agendasandpapers

Note: For sight of individual background papers please contact the report author.