

COUNTY COUNCIL

Wednesday 23 February 2022

10.00 am Hollingsworth Hall, Canalside
Conference Centre, Huntworth, Somerset
TA6 6LQ



To: The members of the County Council

Cllr M Best, Cllr N Bloomfield, Cllr A Bown, Cllr M Caswell, Cllr M Chilcott, Cllr J Clarke, Cllr P Clayton (Deputy Chair), Cllr S Coles, Cllr A Dance, Cllr H Davies, Cllr M Dimery, Cllr B Filmer, Cllr D Fothergill, Cllr G Frascini, Cllr A Govier, Cllr A Groskop, Cllr D Hall, Cllr P Ham, Cllr M Healey, Cllr N Hewitt-Cooper, Cllr J Hunt, Cllr James Hunt, Cllr D Huxtable, Cllr D Johnson, Cllr M Keating, Cllr A Kendall, Cllr C Lawrence, Cllr M Lewis, Cllr L Leyshon, Cllr J Lock, Cllr T Lock, Cllr D Loveridge, Cllr T Munt, Cllr T Napper, Cllr F Nicholson, Cllr G Noel, Cllr L Oliver, Cllr J Parham, Cllr C Paul, Cllr H Prior-Sankey, Cllr M Pullin, Cllr F Purbrick, Cllr L Redman, Cllr B Revans, Cllr M Rigby, Cllr D Ruddle, Cllr N Taylor, Cllr J Thorne, Cllr G Verdon, Cllr W Wallace, Cllr J Williams, Cllr R Williams and Cllr J Woodman

All Somerset County Council Members are invited to attend.

Issued By Scott Wooldridge, Monitoring Officer- Governance and Democratic Services - 15 February 2022

For further information about the meeting, please contact Scott Wooldridge, Monitoring Officer on 01823 357628 or 07790 577336 or swouldridge@somerset.gov.uk

Guidance about procedures at the meeting follows the printed agenda.

This meeting will be open to the public and press, subject to the passing of any resolution under Local Government Act 1972.

This agenda and the attached reports and background papers are available on request prior to the meeting in large print, Braille, audio tape & disc and can be translated into different languages. They can also be accessed via the council's website on www.somerset.gov.uk/agendasandpapers

Are you considering how your conversation today and the actions you propose to take contribute towards making Somerset Carbon Neutral by 2030?



RNID typetalk

AGENDA

Item County Council - 10.00 am Wednesday 23 February 2022

Full Council Guidance notes

1 **Apologies for Absence**

2 **Declarations of Interest**

Details of all Members' interests in District, Town and Parish Councils can be viewed on the Council Website at [County Councillors membership of Town, City, Parish or District Councils](#) and this will be displayed in the meeting room (Where relevant).

The Statutory Register of Member's Interests can be inspected via request to the Democratic Service Team.

3 **Minutes from the meetings held on 24 November 2021 and 19 January 2022**
(Pages 7 - 38)

Council is asked to confirm the minutes are accurate.

4 **Chair's Announcements**

5 **Public Question Time**

(see explanatory notes attached to agenda)

This item includes the presentation of petitions. Details of any public questions / petitions submitted will be included in the Chair's Schedule which will be made available to the members and to the public at the meeting.

For Decision

6 **Report of the Joint Independent Remuneration Panel - Members Allowances 2022/23** (Pages 39 - 76)

To consider a report by the Joint Independent Remuneration Panel (JIRP). The recommendations relate to the Scheme of Members Allowances 2022 -23.

7 **Report of the Leader and Cabinet** (Pages 77 - 226)

To consider a report with recommendations from the Leader of the Council, arising from the Cabinet meeting on 14 February 2022.

The recommendations relate to:

- MTFP (Medium Term Financial Plan) 2022/23 Budget and Council Tax

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setting (Paper A)

- Treasury Management Strategy 2022/23 (Paper B)

8 **Report of the Monitoring Officer** (Pages 227 - 318)

To consider the report and recommendations for:

- Proposed scale of fee and charges for May 2022 Elections.
- Proposed Contract Procurement Procedures and Standing Orders.
- Proposed Members Code of Conduct.

9 **Report of the HR Policy Committee and Pay Policy Statement** (Pages 319 - 334)

To consider a report with a recommendation relating to the Pay Policy Statement (PPS) for the Council for 2022-23.

10 **Requisitioned Item** (Pages 335 - 336)

To consider a report setting out a requisitioned item submitted for the Councils' consideration.

For Information

11 **Report of the Leader and Cabinet** (Pages 337 - 362)

To receive reports by the Leader of Council summarising key decisions taken by him and the Cabinet, including at the Cabinet meetings.

(Note: Member Questions to the Leader and Cabinet Members will be taken under this item)

12 **Annual Report of the Cabinet Member for Children and Families** (Pages 363 - 396)

To consider the report.

13 **Annual Report of the Cabinet Member for Education and Public Health** (Pages 397 - 434)

To consider the report.

14 **Annual Report of the Cabinet Member for Transformation and Local Government Reform** (Pages 435 - 450)

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To consider the report.

15 **Quarterly Report of the Scrutiny for Adults and Health Committee** (Pages 451 - 454)

To consider the report.

16 **Report of the Scrutiny for Policies and Place Committee** (Pages 455 - 460)

To consider the report.

17 **Report of the Scrutiny for Children and Families Committee** (Pages 461 - 468)

To consider the report.

SOMERSET COUNTY COUNCIL – FULL COUNCIL MEETINGS

GUIDANCE FOR PRESS AND PUBLIC

Recording of Meetings

The Council in support of the principles of openness and transparency allows filming, recording and taking photographs at its meetings that are open to the public providing it is done in a non-disruptive manner. Members of the public may use Facebook and Twitter or other forms of social media to report on proceedings and a designated area will be provided for anyone who wishes to film part or all of the proceedings. No filming or recording will take place when the press and public are excluded for that part of the meeting. As a matter of courtesy to the public, anyone wishing to film or record proceedings is asked to provide reasonable notice to Jamie Jackson, , County Hall, Taunton, Somerset, TA1 4DY 01823 359027 Jjackson@somerset.gov.uk so that the Chairman of the meeting can inform those present.

We would ask that, as far as possible, members of the public aren't filmed unless they are playing an active role such as speaking within a meeting and there may be occasions when speaking members of the public request not to be filmed.

The Council will be undertaking audio recording of some of its meetings in Shire Hall as part of its investigation into a business case for the recording and potential webcasting of meetings in the future.

A copy of the Council's Recording of Meetings Protocol should be on display at the meeting for inspection, alternatively contact the Committee Administrator for the meeting in advance

Members' Code of Conduct Requirements

When considering the declaration of interests and their actions as a councillor, Members are reminded of the requirements of the Members' Code of Conduct and the underpinning Principles of Public Life: HONESTY; INTEGRITY; SELFLESSNESS; OBJECTIVITY; ACCOUNTABILITY; OPENNESS; LEADERSHIP. The Code of Conduct can be viewed at: <http://www.somerset.gov.uk/organisation/key-documents/the-councils-constitution/>

EXPLANATORY NOTES: QUESTIONS/STATEMENTS/PETITIONS BY THE PUBLIC

General

Members of the public may ask questions at ordinary meetings of the Council, or may make a statement or present a petition – **by giving advance notice.**

Notice of questions/statements/petitions

Prior submission of questions/statements/petitions is required in writing or by e-mail to the Monitoring Officer – Scott Wooldridge (email: swouldridge@somerset.gov.uk) by 5pm on Thursday 17 February. The Monitoring Officer may edit any question or statement in consultation with the author, before it is circulated, to bring it into an appropriate form for the Council.

In exceptional circumstances the Chairman has discretion at meetings to accept questions/statements/ petitions without any prior notice.

Scope of questions/statements/petitions

Questions/statements/petitions must:

- (a) relate to a matter for which the County Council has a responsibility, or which affects the County;
- (b) not be defamatory, frivolous or offensive;
- (c) not be substantially the same as a question/statement/petition which has been put at a meeting of the Council in the past six months; and
- (d) not require the disclosure of confidential or exempt information.

The Monitoring Officer has discretion to reject any question that is not in accord with (a) to (d) above. The Monitoring Officer may also reject a statement or petition on similar grounds.

Record of questions/statement/petitions

Copies of all representations from the public received prior to the meeting will be circulated to all members and will be made available to the public attending the meeting in the Chairman's Schedule, which will be distributed at the meeting. Full copies of representations and answers given will be set out in the minutes of the meeting.

Response to Petitions

Normally the Council will refer any petition to an appropriate decision maker for response – see the Council's Petition Scheme for more details. The organiser will also be allowed 2 minutes at the meeting to introduce the petition, and will receive a response from a relevant member (normally a Cabinet member).

If a petition organiser is not satisfied with the council's response to the petition and the petition contains more than 5000 signatures (approximately 1% of Somerset's population) the petition organiser can request a debate at a meeting of the County Council itself. The Chairman will decide when that debate will take place.

COUNTY COUNCIL

Minutes of a Meeting of the County Council held in The McMillan Theatre, Bridgwater, TA6 4PZ, on Wednesday 24 November 2021 at 10.00 am

Present: Cllr M Best, Cllr A Bown, Cllr A Broom, Cllr M Caswell, Cllr M Chilcott, Cllr P Clayton, Cllr S Coles, Cllr A Dance, Cllr H Davies, Cllr M Dimery, Cllr B Filmer, Cllr D Fothergill, Cllr G Fraschini, Cllr A Govier, Cllr A Groskop, Cllr D Hall, Cllr P Ham, Cllr M Healey, Cllr N Hewitt-Cooper, Cllr J Hunt (joined at 12:15), Cllr James Hunt, Cllr D Huxtable, Cllr D Johnson, Cllr M Keating (Vice-Chair), Cllr A Kendall, Cllr C Lawrence, Cllr M Lewis, Cllr L Leyshon, Cllr J Lock, Cllr T Lock, Cllr D Loveridge, Cllr T Munt, Cllr T Napper, Cllr F Nicholson, Cllr G Noel, Cllr L Oliver, Cllr C Paul, Cllr H Prior-Sankey, Cllr M Pullin, Cllr F Purbrick, Cllr L Redman, Cllr B Revans, Cllr M Rigby, Cllr D Ruddle, Cllr J Thorne, Cllr W Wallace, Cllr J Williams, Cllr R Williams and Cllr J Woodman

Apologies for absence: Cllr N Bloomfield, Cllr J Clarke, Cllr J Parham, Cllr N Taylor, Cllr G Verdon and Cllr L Vijeh

2 **Declarations of Interest - Agenda Item 3**

The Acting Chair reminded the meeting that details of all Members' interests in District, Town and Parish Councils could be viewed on the Council's Website and there was no need for members to individually declare these personal interests in those other councils at the meeting.

3 **Minutes from the meeting held on 21 July 2021 - Agenda Item 4**

The Minutes of the meeting on 21 July 2021 were accepted as a true and accurate record and were signed by the Acting Chair.

4 **Chairs Announcements - Agenda Item 5**

In Memorium

The Acting Chair paid tributes to former County Councillor and Mendip District Councillor Alderman Ralph Clark who passed away on Friday 3 September and to Tim Carroll former Somerset County Councillor and South Somerset District Councillor who also died on 3 September.

Ralph was elected to Somerset County Council in 1985 and represented the Street Division for 16 years. Having served as the Vice Chair of Council for two years, he then completed the first of two stints as Council Chair, between 1987 and 1989. He was re-elected as Chair of Council in 1993 and remained in position until 2000, as well as serving as Chair of various committees, including Finance, Economic Development, Capital Programme Board and the Organisation, Support and Resources Review between 2000-01. In addition to his service at SCC, Ralph served on Mendip District Council for many years and

served as the Council's first ever Chair of Council between 1974-76. In November 2017 Ralph was one of four former County Councillors appointed to the new position of Honorary Aldermen of the County Council.

Of Tim Carroll it was recorded that he was a distinguished Council Leader, who commanded respect from all members and officers at South Somerset District Council. He was well respected and the epitome of what a Councillor should be. This was supported by other Councillors who knew him.

Valediction

The Acting Chair acknowledged the contribution of serving County Councillor Linda Vijeh after she recently announced that she would be stepping down in the New Year.

Welcome

The Acting Chair welcomed Dawn Johnson the newly elected representative for the Comeytrove and Trull ward for whom this was her first meeting of County Council.

Engagements

The Acting Chair then referred to the many events he had attended since the last meeting and made particular reference to the many Remembrance Services across the County and the active participation of so many other County Councilors.

5 Public Question Time - Agenda Item 6

Notice was received of Public Questions/Statements/Petitions (under 5000 signatures) and Elected Member Questions regarding:
Public Questions

What Affects Local Government Affects us all.

From: Eva Bryczkowski

Response was from Cllr Mandy Chilcot Cabinet Member for Resources

Bus Services

From David Redgewell who was not present, so a summary of the submission was read aloud by the Monitoring Officer.

Response from Cllr John Woodman, Cabinet Member for Highways and Transport

Somerset Bus Partnership

Peter Travis who was not present, so a summary of the submission was read aloud by the Monitoring Officer.

Response from Cllr John Woodman, Cabinet Member for Highways and Transport **Joint Scrutiny Representation, Budget and ASC, Climate Change Emergency**

Alan Debenham who was not present, so a summary of the submission was read aloud by the Monitoring Officer.

Response from Leader of the Council Cllr David Fothergill, Cllr Mandy Chilcott Cabinet Member for resources and Cllr David Hall Cabinet Member for Economic Development, Planning and Community Infrastructure.

Bus Service Improvement Plan and Climate Emergency Strategy

Nigel Behan who was not present, so a summary of the submission was read aloud by the Monitoring Officer.

Responses from Cllr John Woodman Cabinet member for Highways and Transport and Cllr David Hall Cabinet Member for Economic Development, Planning and Community Infrastructure.

6 Report of the Leader and Cabinet - - Agenda Item 7

The Council considered a report that set out the Leader's and Cabinet's recommendations to Council arising from their consideration of reports at the Cabinet meeting on 15 November 2021. The Local Government Act 2003 requires the Council to operate the overall treasury function with regard to the CIPFA Code of Practice for Treasury Management in the Public Services. The Code requires Full Council to receive as a minimum, an annual strategy and plan in advance of the year, a mid-year review, and an annual report after its close. The report provided a mid-year review for 2021-22 and set out that Treasury Management activity and outturn for the first half of the year continued to ensure the Council embraced best practice in accordance with the Chartered Institute of Public Finance and Accountancy's (CIPFA) recommendations.

The Council discussed the report and welcomed the predicted borrowing balances and good returns.

Councillor Mandy Chilcott and Seconded by Councillor Liz Leyshon moved, and the Council **RESOLVED** to:

Endorse the Treasury Management Mid-Year Report for 2021-22.

7 Report of the Monitoring Officer - Agenda Item 8

The Council considered a report from the Monitoring Officer that set out proposals for the Council to consider regarding the potential formation of a Local Government Reorganisation (LGR) Joint Scrutiny Committee comprising elected representatives from Mendip District Council, Sedgemoor District Council, Somerset County Council, Somerset West and Taunton Council and South Somerset District Council (collectively known as the Constituent Councils for the Joint Committee). Each individual Council would be considering the proposed formation of the Joint Scrutiny Committee (JSC) and delegating appropriate functions to it.

Councillor David Fothergill welcomed this Joint Scrutiny Committee as the start of a process and that it would build on the 'spirit of collaboration' which already existed with the Health and Well-being Board and the Joint Waste Board.

Councillor Bill Revans acknowledged that the proposals represented a compromise, but they should not be regarded as inadequate because of that as there was fair representation across the County which offered a realistic way forward and he encouraged all to participate and not be partisan. Councillor Martin Dimery thanked the Officers for trying to make the Joint Committee as fair as possible but wanted it recorded that there were no Green Party representatives despite some parts of the County having a very strong Green Party presence.

The Monitoring Officer reminded Council that any elected member could attend meetings of the Joint Scrutiny Committee and they would be most welcome to participate in discussions.

Councillor Leigh Redman thanks Officers for the work put into this process and acknowledged that he had made some comments on the Terms of Reference and had been pleased to see that the accompanying FAQ's (Frequently Asked Questions) had addressed many of his points. It was confirmed that any subsequent changes to the terms of reference would have to be approved by the Constitution and Standards Committee.

Councillor Anna Groskop, seconded by Councillor Hazel Prior-Sankey, moved and the Council **RESOLVED to:**

- Approve the establishment of a LGR Joint Scrutiny Committee together with the four District Councils in Somerset constituted in accordance with and having the roles and responsibilities set out in the Terms of Reference attached at Appendix 1 ("Terms of Reference").
- Agree to nominate the following eight Members from its overview and scrutiny committees to sit on the Joint Scrutiny Committee.

Councillor Ann Bown
Councillor Bob Filmer
Councillor Anna Groskop
Councillor Jane Lock
Councillor Tessa Munt
Councillor Leigh Redman
Councillor Rod Williams
Councillor William Wallace

- Nominated Councillor Bob Filmer to the Joint Scrutiny Committee as its Vice Chair.

8 **Report of the Leader and Cabinet - Agenda Item 9**

The Council received a report by the Leader and Cabinet summarising the key decisions taken by the Leader, Cabinet Members and officers between 13 July 2021 and 12 November 2021, together with the items of business discussed at the Cabinet meetings on 15 September 2021, 20 October 2021 and 15 November 2021.

Councillor David Fothergill and Cabinet Members responded to questions from members.

Councillor Leigh Redman asked about trauma informed somerset and a response was provided by Cllr Frances Nicholson Cabinet member for Children and Families.

Councillor Bill Revans asked about Adult Social Care (ASC) and the impact on Somerset. It was noted that ASC is 'hot' at the moment with Legislation currently going through the Parliamentary process. The Leader assured the Council that he was keeping the pressure on and had already had a number of meetings with the Minister responsible.

The Council noted this report.

9 **Annual Report of the Cabinet Member for Highways and Transport - Agenda Item 10**

Councillor John Woodman introduced the report which highlighted the key activities and achievements of the past year. In addition, his report also highlighted the work services had undertaken to support the Council's ongoing response to Covid-19 pandemic. The Council considered the report, and Councillor Mike Rigby asked for reassurance that coordination of street works be undertaken as he had noticed that in Bridge Street in Taunton once one set of works had been completed another had started after the road had been resurfaced. He also asked for information on the following: the value of fixed penalty notices; the removal of temporary road signs when no work was being

undertaken; and children excluded from school transport. Councillor John Woodman undertook to issue a written reply to those questions.

Councillor John Woodman highlighted the considerable number of major improvements currently underway or completed in addition to 265 minor schemes. There was a discussion and clarification was provided on the budget for Small Improvement Schemes. Cllr Dance apologised for remarks he made in his statement about the Leader of Council.

Councillor James Hunt joined the meeting at this point (12:15)

Councillor Hazel Prior-Sankey noted, and Councillor Frascini agreed that as Taunton was an unparished area it was not able to commission surveys to support SIS applications. Councillor agreed to issue a Members Information Sheet with further details about Officer Lead Improvement Schemes. Councillor Dawn Johnson noted that Highways is an issue in her area and was concerned that schemes that had been promised were not delivered and some work was needed to improve communication.

Councillor Tessa Munt requested, and Councillor Woodman agreed to hold a meeting to discuss road improvements in Wells.

Councillors David Huxtable and Mark Healey both raised Points of Order in relation to asking questions of Cabinet Members in this forum without indication the nature of the questions beforehand as doing so would give Cabinet Members the opportunity to provide fulsome replies.

The Council noted the report.

10 **Annual Report of the Cabinet Member for Economic Development, Planning and Community Infrastructure** - Agenda Item 11

Councillor David Hall introduced his report setting out the progress and achievements from the last year including in Economic Development, Planning and Community Infrastructure, as well as looking forward to the next year. The report focused on the key highlights from those service areas from the past year and he recognised the importance of on-going service activity and the tremendous contributions made by Council to businesses and communities across the County.

The Council discussed the report, and Councillor Dean Ruddle observed that he felt Capital costs were still too high and Councillor Hall offered to have a discussion with him about his points.

The Council acknowledged the fantastic work of those in Public Health.

The Council noted the report.

11 Report of the Scrutiny for Policies, Adults and Health Committee - Agenda Item 12

The Council received and noted a report by Scrutiny for Adults and Health Committee, which was presented by Cllr Hazel Prior-Sankey, Chair of the Committee. The report covered the work of the Committee since July and Cllr Prior-Sankey thanked her Vice Chair, Cllr Healey, and other members of the Committee and all those who continued to work across the care sector and NHS on behalf of Somerset residents. Cllr Huxtable, Cabinet Member for Adult Social Care, stated his appreciation to Cllr Prior-Sankey and her Committee for all their work

Councillor Jane Lock noted the disappointing performance in relation to discharge from Hospital to either domiciliary care or residential Care. It was recorded that these are very challenging times and Somerset was in line with other similar Authorities this did not make it acceptable. Councillor David Huxtable made the point that with Hospital at Opal 4 (the highest alert) there are still more challenges to manage this winter.

The Council noted the report.

12 Report of the Scrutiny for Policies, Children and Families Committee - Agenda Item 13

The Council received and noted a report by Scrutiny for Policies, Children and Families Committee, which was presented by Cllr Leigh Redman, Chair of the Committee. The report covered the work of the Committee since May, and he thanked his fellow Committee members and Officers for their support. He noted that the Committee was carrying some vacancies for co-opted Members and encouraged people to join the Committee. Cllr Nicholson, Cabinet Member for Children and Families, stated her thanks to all Officers that supported the Committee, the Vice-Chair and members of the Committee and noted the dedication of the Chair of the Committee.

The Council noted the report.

13 Report of the Scrutiny for Policies and Place Committee - Agenda Item 14

The Council received and noted a report by the Scrutiny for Policies and Place Committee, which was presented by Cllr Anna Groskop, Chair of the Committee. The report covered the work of the Committee since September 2021 she encouraged greater interest and input from elected members into the Scrutiny function as this would be important in the coming years and she

thanked everyone that had helped with the work of the Committee. By leave Councillor Tessa Munt asked about the disposal of land at Ash as she stated that the report did not adequately reflect the discussion of the Committee when this matter had been subject to a 'call-in'. Councillor Mike Rigby asked about some Freedom of Information questions the answers to which had not yet been published and he was assured by the Chief Executive that this matter would be resolved shortly.

Cllr Chilcott, Cabinet Member for Resources, stated her thanks to Cllr Groskop and her Committee for their scrutiny, particularly of the Council's financial reports, as their work was much valued.

The Council noted the report.

14 **Annual Report of the Somerset Armed Forces Covenant Partnership - Agenda Item 15**

Councillor Rod Williams introduced the Annual report of the Armed Forces Covenant Partnership. The Report updated the Council on the Somerset Armed Forces Covenant (SAFC) Partnership since the last Annual Report to Full Council in November 2020. The purpose of the SAFC Partnership was to deliver the Armed Forces Covenant in Somerset and Somerset County Council (SCC) had led the Partnership. The definition of the Armed Forces Covenant is : -

'The Covenant is a promise from the nation to those who serve. It says we will do all we can to ensure they are treated fairly and not disadvantaged in their day-to-day lives. This includes offering injured servicemen and women, and bereaved families, extra support where appropriate.'

The Covenant, a Government initiative, had been designed to ensure that members of the Armed Forces community were not disadvantaged compared to members of the civilian community. Delivery of the Covenant is aimed at four groups of beneficiaries: regulars, reservists, veterans, and their immediate families.

Councillor Leigh Redman thanked Councillor Rod Williams for the report and recorded how pleased he was to see so many Councillors participating in Remembrance Day events across the County.

Councillor David Fothergill, Leader of the Council, thanked Councillor Rod Williams for all the work he had undertaken on behalf of the Armed Forces community in Somerset. Councillor Mark Healey agreed and said he too appreciated the dedication shown by Councillor Rod Williams.

The Council noted the report and commended the Armed Forces Covenant Partnership on the positive contribution and difference they have made to Somerset and the Armed Forces.

(The meeting ended at 1.25 pm)

CHAIR

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Appendix A

Public Questions

PQ1 from David Redgewell

Somerset catch the bus campaign Railfuture Severnside south west transport network and Dorset catch the bus campaign. Passengers would like to know in view

Of the poor waiting facilities in Taunton the county town of Somerset and a principal Town in the south west Regional what progress is being made

With Somerset west and Taunton council First group plc South west buses National Express Coaches and other bus operators on plans to reopen and regenerate Taunton bus and coach station.

With waiting room information point public toilets and cafe

When will public consultation be carried out with passengers and stakeholders?

Taunton is losing bus passengers to the private car journeys because of poor waiting facilities.

When we need to encourage people to use public transport services in to Taunton and remove through traffic for the Town centre.

None of the present waiting shelter are designed for long distance Coaches or regional bus services

We also need inter city coach facilities.

In Gateway park and ride for megabus and Falcon Express Coaches services

To Bristol, Exeter and Plymouth.

Is the country council looking at all bidding opportunities for a new bus and coach station in Taunton?

The passengers and voters see this issue as just as important as Wellington railway station reopening.

Response from Cllr John Woodman – Cabinet Member for Highways and Transport

As part of the Bus Service Improvement Plan (BSIP) work, the issue of the bus station closure was raised by a number of stakeholders. Therefore, Somerset County Council commissioned a feasibility study to understand whether or not there was a need for either a bus station facility or mobility hub/interchange within Taunton and if the study indicated there was a need, then to understand where the most suitable location would be. The results from the feasibility study indicated that there was a need for a bus station in Taunton and that the previous site would be the most suitable location.

The previous site is owned by Somerset West & Taunton (SW&T) District Council so further discussions have been held with SW&T colleagues to explain the outcome of the feasibility study and understand how this work can be moved forward. A bid for funding to undertake the necessary work to re-open the previous facility and undertake any improvement works was submitted as part of the BSIP. We are currently awaiting the outcome of this bid.

As part of the BSIP we are also proposing to introduce mobility hubs where appropriate throughout the county, implement a series of bus stop improvements and ensure a better coordination between bus services and other modes of transport including express coach services. These proposals are all subject to the outcome of the BSIP funding bid and plans will be worked up in more detail once the funding allocation is announced.

PQ2 from Eva Bryczkowski

The 18 months of the covid19 pandemic have been tough on local authorities, including Somerset County Council, who have been caught in a financial vice.

On the one hand, they have lost what would normally be assured income, for example from business rates, car parking charges or tourism.

On the other, managing the pandemic, giving both financial and practical help to local people, adapting services so they can function under lockdown conditions, providing additional support, has added enormously to their costs.

It is not surprising that the majority of councils are reporting massive funding gaps for last year, this current year, and years into the future.

Thus, the consequences for services, jobs and the communities councillors serve are unthinkable.

Recently the BBC reported that local authorities have a £3 billion shortfall in their budgets as they come out of the pandemic. Analysis of councils in the UK, (by the Shared Data Unit), found that:

**LAs plan to make at least £1.7 billion worth of savings in the current financial year, (2021 to 2022), while also using more than £500 million worth of reserves to balance the books

**A quarter of those savings will be made in adult social care

**Despite making the cuts, these councils predict a £3 billion shortfall in their budgets by 2023/2024.

**Nearly 60% of councils in England have raised council tax by the new statutory maximum of 4.99% to compensate for losses.

**In October last year the LGA said that an extra £10 billion was needed every year from central government to plug their funding gaps.

Over a decade of austerity policies, (where ordinary people had to pay for the mistakes the banks actually made), has taken away £16 billion in government funding for local authorities.

Covid made things far worse leading to the situation we are facing now.

QUESTION ONE:

What is the financial position of Somerset County Council in relation to all the figures and research highlighted above, and how does it compare with the rest of the county councils in the UK?

Somerset County Council, along with other LAs and local government workers, have really stepped up to the plate, showing the wider public that the services they provide are indispensable. Local government workers in particular ensured that our communities were safe, educated our children and looked after the most vulnerable.

QUESTION TWO:

Prior to the onset of covid19, what was the anticipated gap between income and expenditure for SCC 20/21 & 21/22 and what are those same figures now - in full knowledge of additional costs shouldered by SCC during this public health crisis?

The current situation for LAs is totally unsustainable. Councils need emergency funding to make sure that local services can be maintained.

The funding gap needs to be closed right now. And more than that it is necessary.

A long-term financial settlement for LAs is necessary giving them the funding they need to provide local services; the stability they need to plan for the future; the knowledge and certainty that they will be able to provide services in line with local needs.

Year on year central government has failed to adequately invest in local government, it is not just services that are suffering.

Dedicated public servants working in councils and schools, who put themselves in harm's way throughout the pandemic, are now paying the price.

Nationally, 16% of them don't earn £10 an hour, despite costs of living and housing rising exponentially.

Two years ago, the government announced a 2% pay raise for local government staff, but without giving LAs any extra funding for it, so that councils such as SCC are more squeezed, while the government gets a pat on the back.

The bare minimum should be a pay rise in line with inflation. If SCC did this it would improve the local economy, prevent shortage of labour and help with recruitment and retention.

Yes, SCC have a massive debt and huge costs. But there will be more debt if there's a shortage of labour and having to depend on agency staff.

Also a rise in line with inflation will attract more skilled workers to keep vulnerable people safe.

QUESTION THREE:

This is regarding the current financial situation being unsustainable, the funding gap needing to be closed right now, and a long-term financial settlement so that there is stability for the future:

What is SCC doing to close that gap? To clarify, I don't mean cuts, reorganisation or privatisation dressed up as 'modernising' or 'improving' services.

I mean what steps will SCC take to close the gap regarding a dire lack of government spending and actually get the required extra funding from the government, either solely or together with other local authorities?

Response from Cllr Mandy Chilcott – Cabinet Member for Resources

Question 1

Covid 19 has had a significant impact upon the councils' finances and the costs of its services. There has been significant funding provided by the government to cover some of these extra costs and also there is a scheme to contribute to the loss of income to the Council. The on-going impacts upon our services are still very difficult to predict, as are the economic impacts on things like business rates income. The Spending Review in October announced details of the overall funding for the public sector and they showed a positive increase in the level of funding but the actual details for the Somerset County Council won't be known until the Government publishes the finance settlement in mid-December.

A key mitigation in dealing with this level of financial uncertainty is to have robust budget monitoring and financial planning processes in place. The budget monitoring report comes to both Scrutiny and Cabinet on a monthly basis and it highlights the impact that covid has had upon service demand and the quarterly reports also include details of the Covid funding provided by government. Due to the impact of Covid upon our finances, work started earlier on the MTFP process than in previous years, with the updated position being reported to Cabinet in October and a further updated being taken to Cabinet in December.

Question 2

Pay at Somerset County Council is, for most staff, governed by a national agreement known as 'Green Book'. This means that we are part of national pay negotiations and not at liberty to arbitrarily increase pay for staff. We regularly compare our pay and terms & conditions with other local authorities and, where we are having difficulties in attracting staff, apply recruitment and retention premia to roles. Our pay for most roles is therefore broadly in line with other comparable organisations. We do have shortages in some professions, such as social workers and some ICT staff, but these are regional and national issues and we are therefore doing some really good work developing people into these jobs through apprenticeships and, for our social workers, our degree programme at Yeovil College.

Question 3

SCC continues to lobby Government both directly to Ministers and through various associations including the LGA, CCN, SoLACE, Society of County Treasurers for further funding on an ongoing and long term basis.

PQ3 from Peter Travis

I am writing on behalf of the Somerset Bus Partnership.

Somerset has declared a Climate Emergency and so urgently needs to take action to reduce its carbon emissions.

In Somerset, 44.1% of our carbon emissions come from transport. That means we need to persuade people to stop making so many journeys in single occupancy cars. How? A move to electric vehicles will help but transitioning the car fleet to EVs across Somerset is going to be a very slow process. Active travel certainly can help too but it is primarily best suited for shorter journeys and our climate and topography further limit its appeal.

Persuading people to switch from single occupancy car use to going by bus potentially offers the most substantial and quickest modal shift.

That's why we welcome the Somerset Bus Service Improvement Plan (BSIP) and its programme of initiatives to improve the bus services across the County, initiatives to get them to a standard as deemed necessary by Cllr John Woodman, his Highways and Transport team plus their transport consultants, WSP. To achieve the standards set by Cllr Woodman and his team, Somerset is bidding for £165 million of funding from the Government to improve bus services across the County.

It is undoubtedly a remarkably ambitious bid.

We support it wholeheartedly.

And we congratulate the team on their well-researched proposal.

The SCC team with WSP have identified serious deficiencies in Somerset's current bus services in terms of their lack of frequency, too often no (or very few) evening bus services and very limited weekend bus services, that's if there are any at all.

As has been reported at recent Cabinet and Scrutiny meetings, these deficiencies have severely impacted on job and educational opportunities for many residents across the county as well as worsening the rural isolation experienced in many parts of the County.

The size of the Somerset bid indicates just how substandard are our County's bus services. This can be evidenced by Somerset having the second lowest bus usage in the country, the lowest in the South West and Somerset has the very lowest satisfaction score for its bus services in the entire country.

Why are Somerset's bus services so substandard? Why do we need £165 million from the Government to upgrade them?

To need such a large cash injection from Government, indicates the scale of underfunding by SCC in its bus services ... over many years.

Somerset in its BSIP has asked for £165 million grant from the Government.

The extent of this underfunding can best be illustrated by looking at rural Local Transport Authorities in the South West and how much each is spending on buses per capita.

Somerset would need to spend 40% more per capita to bring it up to just the average level of the other rural counties in the South West.

Given the long history of underfunding of buses in Somerset, the adverse impact this has had on many of its residents plus the imperative for Somerset to reduce its transport emissions because of the Climate Emergency, we would request that substantially increased council funding should be given to buses in the Somerset 2022/2023 budget alongside any central government Bus Service Improvement Plan money, so that overall funding for buses in Somerset can be made both sustainable and effective going forward into the future.

Response from Cllr John Woodman – Cabinet Member for Highways and Transport

I'd like to thank Mr Travis for his involvement so far in the development of the Bus Service Improvement Plan which has been extremely helpful.

The plan itself goes into a great deal of detail about the extremely challenging bus market in Somerset and explores the likely reasons for the low patronage levels; and goes on to set out an ambitious plan for addressing this using the transformation funds that Government has earmarked for this purpose.

There are many factors contributing to the current standard of the bus offer, related to rurality, commercial viability, cost, demographic issues and relative ease of using other forms of transport. Somerset's population is based in many towns and villages that are widely distributed across the County with some long travel times between destinations which makes it difficult to run efficient and cost effective bus services. Most other rural counties tend to have 'chains' of settlements that are more easily connected to form linear routes into a large city, town or tourist destination, picking up customers along the way; and opportunities of this nature are few in Somerset. We therefore need many more individual bus routes to connect our towns and villages which makes bus operations more expensive and much harder for operators to run commercially.

The Council provides a substantial bus subsidy in order to maintain socially necessary services and has extremely challenging decisions to make each year considering the full range of services that we have a duty to provide and balancing of allocation of available public funds to manage competing risks across the authority.

In terms of our relative level of subsidy, Somerset is the fourth highest regionally and is ranked 23 out of the 92 local transport authorities nationally (2019/20 figures); 17th if metropolitan areas are excluded; so is in the top quartile of spenders nationally.

PQ4 from Alan Debenham

Question 1 : In the setting-up of the new Joint Scrutiny Committee please could special consideration be given to the inclusion of just one Green Party representative (of which I am a member) bearing in mind the crucial need for inclusivity and diversity in this new venture and the facts that the 15 Green Party Councillors overall for Somerset (Labour have 17 and get a seat) are part of a relatively new public surge in this party's direction, very much in line with all Councils declaring a Climate Emergency and recent new found climate and environmental awareness through Glasgow's COP26 ??

Question 2 : Bearing in mind the Chancellor's Autumn Budget and Prime Minister Johnson's recent announcements of fantastic world-beating billions of pounds of new money being found for 'build back better' Local Government to combat Covid detrimental leftovers and make further provision for our coming Councils big re-organisation and climate emergency upheavals, what actual new funds do the County Council see coming its way for 2022/23 and will this be underpinned once again with a permitted and enacted uplift of 5% in harshly regressive Council Tax, including a dedicated allocation to Adult Social Care ? AND is the coming year likely financially to be one of expansion in services, or retraction, or just-about-managing, including expected increased staff wages and cost-of-living surge ?

Question 3 : As we all know life threatening greenhouse gas emissions, including CO2, for the world and the UK are still rising at 'sixth extinction' rates, what is the known situation for Somerset especially re meeting the target of net zero by 2050, or better, and including aviation and shipping, plus goods manufactured abroad ? AND in what way are plans being laid now to deal with emergency mass sea-level rise global migration and likely food scarcity and other serious resource depletions?

Responses from Cllr David Fothergill – Leader of the Council and Cllr Mandy Chilcott – Cabinet Member for Resources

Q1

Thank you for your question Mr Debenham. You will see the proposals and rationale for membership of the proposed LGR Joint Scrutiny Committee from the Monitoring Officer's report for the Council's consideration today. The Monitoring Officers of the five councils have worked together to prepare the draft Terms of Reference for the committee. The Terms of Reference propose a Joint Scrutiny Committee of sixteen members drawn from the relevant overview and scrutiny committees of the five councils,

eight from the County Council and two from each of the District Councils (eight in total) with the Chair being appointed from the District membership and the Vice Chair from the County membership.

Section 15 and Section 16 of the Local Government and Housing Act 1989 impose a duty to allocate seats on committees in accordance with political balance requirements. Section 17 allows an exception to be made to the political balance requirements but only where no member of the authority votes against such a proposal.

The proposed allocation of the seats on the Joint Scrutiny Committee has been based on the political membership of each of the individual councils. This ensures the political make up of each individual council is represented and is reflective of the fact that the five councils are currently individual sovereign councils.

Q2

The Spending Review in October announced

- Council tax thresholds will remain at similar levels to recent years, with the threshold for “core” council tax increases remaining at 1.99% and the adult social care precept by a further 1%.
- Local government in England will receive an additional £4.8bn increase in grant funding over the next 3 years (£1.6bn in each year).
- Additional funding will be made available for social care reform (£3.6bn over 3 years to implement “the cap on personal care costs and changes to the means test”).
- From the £5.4bn social care reform funding, a further £1.7bn will be allocated over 3 years “to improve the wider social care system” and £500m will be made available to “improve” the social care workforce.

The full details of how much funding Somerset CC will receive won't be known until the Finance Settlement is published by Government in mid-December.

The Cabinet received an update on the MTFP position at its October meeting with further reports coming over the next 3 months. It is clear that the Council will continue to invest in its key frontline services in its 2022/23 Budget proposals.

Q3 - to be answered by Cllr David Hall – Cabinet Member for Economic Development, Planning and Community Infrastructure

We know the baseline emissions for Somerset that include direct energy use, land use transport emissions etc, but the emissions as a result of aviation and imported goods are much more difficult to calculate and quantify and will need national and international consensus on measurement and action to address.

A great many actions are already underway to deliver the Somerset Climate Emergency Strategy and those are in the process of being collated to track progress against the aims and stated outcomes of the Strategy and the contribution of those actions towards net zero targets are currently being evaluated.

Existential threats of the type mentioned by Mr Debenham will again need to be addressed at national and international levels and I don't believe that it is within the control of this council to put forward a plan to address these issues locally.

PQ5 from Mr Nigel Behan

Q1 & Q2 Concerns the Somerset's Bus Service Improvement Plan (BSIP) and Somersets Climate Emergency Strategy

According to the latest published information on greenhouse gas emissions : "The transport sector consists of emissions from road transport, railways, domestic aviation, shipping, fishing and aircraft support vehicles. It is estimated to have been responsible for around 27% of greenhouse gas emissions in the UK in 2019, almost entirely through carbon dioxide emissions. The main source of emissions from this sector is the use of petrol and diesel in road transport." 2019 UK Greenhouse Gas Emissions, Final Figures (publishing.service.gov.uk)

How much will the "aspirational" Somerset BISP proposals help to reduce the figures mentioned above and correspondingly increase access and use of buses ("transform bus services") etc– are there any meaningful and measurable targets (as "This plan is so important for when it comes to tackling climate change – it has the potential to make a massive difference" and "Somerset's Climate Emergency Strategy by getting more people out of cars and onto public transport.

The bid is for £163 million from Government – potentially a huge contribution to tackling climate change in the county.."
(Somerset Newsroom)?

It (the papers on BISP) state: "**Long Term (2 years plus)** · Introduce infrastructure to aid the move to electrification · Reinststate a bus station/mobility hub facility in Taunton · Introduce bus priority measures where required - need input from operators · Set standards for vehicles over a period of time – Euro 6 and beyond." Why is reinstating a bus station hub in Taunton (there already is a bus station in Taunton recently closed and presumably Somerset Council -the Local Transport Authority - will inherit it during the Unitary process) considered long term – and is it conditional on getting government money via the bid?

Q2 "Councils must battle inaction after announcing a climate emergency" according to LocalGov News (15-11-2021) and that "Research from the Local Government Association has shown that eight in ten councils have suffered climate-related incidents in the last five years. Despite the stark data, a third of English councils are still supporting policies that could increase carbon emissions." Also "There are clear initial steps that councils can take and they must act now to address these issues and tackle the climate emergency head-on before local communities and infrastructure are put at any greater risk." Additionally "A first, critical step is to build climate change into decision making – so that councils no longer unnecessarily make decisions that have an adverse environmental impact".

What (measurable) contributions will the Climate Emergency Strategy (including the carbon neutral goal) help to deliver towards the (less than) 1.5 degrees Celsius increase (global warming) by say 2030?

Q1a and b response from Cllr John Woodman – Cabinet Member for Highways and Transport

The BSIP is a relatively high level document at this stage and its implementation is not yet fully funded. There will be detailed process to go through once we know how much funding is secured, to allocate that funding to deliver improvements to specific routes and services. Measuring the carbon savings associated with such a wide ranging and complex plan will be extremely challenging and will be an issue that we continue to work on as the detail emerges. Carbon savings will of course be related to the number of people who ultimately choose to change their travel behaviour and switch from driving a fossil fuelled vehicle to using a bus and this will always be hard to predict. What we do know from the research that we have undertaken to date is that this will be a critical component of our overall plans to reduce emissions, and this area of work will need to have meaningful targets and monitoring in line with all government funded projects.

At this early stage in the BSIP process we have suggested which initiatives can happen the most quickly once funding is awarded and in the main the shorter-term initiatives involve relatively straightforward processes such as tendering for contracts to run services. Capital projects such as bus station improvements by their very nature are longer-term propositions involving various stages of development such as planning, and construction of the physical improvements. As with most of the proposals in the BSIP this project is dependent on securing the necessary funding through the BSIP. As the bus station site is currently owned by Somerset West and Taunton Council it is assumed this will be an asset that transfers to the new unitary council.

Q2 response from Cllr David Hall – Cabinet Member for Economic Development, Planning and Community Infrastructure

It is not the creation of the strategy as such that will contribute towards the global efforts to keep temperature rise to less than 1.5 degrees, it is the actions that we take and the investments that we make that will have the impact; as a Council, as communities and as individuals.

A great many actions are already underway across Somerset to deliver the Somerset Climate Emergency Strategy and those are in the process of being collated to track progress against the aims and stated outcomes of the Strategy and the contribution of those actions towards net zero targets are currently being evaluated.

We are making great strides in reducing our own carbon footprint in investing in crucial carbon reduction works across our estate and operations and will continue to work across public and private sectors to ensure that we deliver against the ambitions of the Strategy.

Member Questions

MQ1 from Cllr Leigh Redman

I was lucky enough to attend a workshop presented to Scrutiny on this topic, I had also seen the Movie Resilience (an opportunity that was shared again to allow members to watch this online film) and previously attended a session looking at 'Adverse Childhood Experiences'.

All of these have taken place over the past couple of years, Scrutiny and individual members have expressed a wish to embed learning around ACEs into our County.

Adverse childhood experiences, or ACEs, are potentially traumatic events that occur in childhood (0-17 years). For example: experiencing violence, abuse, or neglect, witnessing violence in the home or community, having a family member attempt or die by suicide.

Also included are aspects of the child's environment that can undermine their sense of safety, stability, and bonding, such as growing up in a household with: substance use problems, mental health problems, instability due to parental separation or household members being in jail or prison

ACEs are linked to chronic health problems, mental illness, and substance use problems in adulthood. ACEs can also negatively impact education, job opportunities, and earning potential.

However, ACEs can be prevented, and the future life of our children can be improved, this improvement will reduce future demand on services provided by Council & other bodies that include Health and Police.

Can I ask the cabinet member what Somerset is doing to bring a Trauma informed approach to our County?

Response from Cllr Frances Nicholson – Cabinet Member for Children and Families

Thank you, Leigh, for your question.

I recognise, as do providers in all sectors from schools to primary care, that ensuring all contacts with children and families recognise ACEs (Adverse Childhood Experiences) and the trauma these may have caused them, can be helpful to improve their outcomes. I am very glad to be able to tell you that work is already under way to make this recognition a reality for Somerset's children and families.

Under the system leadership of the county council partners came together in July this year to showcase what they had achieved so far in developing a trauma informed workforce across the county and agreed that collectively we should identify the steps that we could take together to become a trauma informed Somerset.

A wide variety of training programmes is already available to staff across Somerset to increase their understanding of ACEs and what it means to work in a trauma informed way. Both third sector and statutory organisations are delivering these training programmes, however at present there has been a lack of co-ordination in delivering them. As a result it can be confusing for practitioners to know which training is right for them and difficult to identify who has been trained.

On 1 November a working group comprising representatives from Children's Services, Public Health, Avon and Somerset Police and Somerset Foundation Trust hosted a workshop attended by more than 60 stakeholders to pin down what a trauma informed Somerset would look like. The workshop agreed the following recommendations:

- To develop a common set of principles/goals with shared language
- To strive for a consistent and joined up training offer with support
- To develop a better system understanding of the impact of wider determinants of health on ACEs and trauma
- To conduct further research into best practice and evidence-based interventions which we could apply across Somerset

The initial working group has been expanded and by April 2022 is expected to have used responses from the event on 1 November to inform itself and set up a number of task and finish groups to:

- Develop a trauma informed workplan for Somerset
- Agree a set of trauma informed principles for Somerset
- Develop a set of training standards and an agreed practice model
- Engage with children, young people, and families around what would work for them

We are ensuring that there is robust oversight by the Somerset Safeguarding Children Partnership as to service standards, quality and content, and close alignment with other workforce priorities. I will be very happy to update members again in due course on how the work develops.

COUNTY COUNCIL

Minutes of a Meeting of the County Council held in the Luttrell Room County Hall, on Wednesday 19 January 2022 at 12.30 pm

Present: Cllr M Chilcott, Cllr P Clayton, Cllr S Coles, Cllr D Fothergill, Cllr A Govier, Cllr D Hall, Cllr J Hunt, Cllr D Huxtable, Cllr D Johnson, Cllr C Lawrence, Cllr L Leyshon, Cllr F Nicholson, Cllr C Paul, Cllr M Pullin, Cllr F Purbrick and Cllr J Woodman

Other Members present via remote links: Cllr M Best, Cllr N Bloomfield, Cllr A Bown, Cllr M Caswell, Cllr J Clarke, Cllr A Dance, Cllr H Davies, Cllr M Dimery, Cllr B Filmer, Cllr A Groskop, Cllr P Ham, Cllr A Kendall, Cllr M Lewis, Cllr J Lock, Cllr D Loveridge, Cllr T Munt, Cllr T Napper, Cllr G Noel, Cllr H Prior-Sankey and Cllr R Williams

15 **Apologies for Absence** - Agenda Item 1

Cllr G Frascini, Cllr M Healey, Cllr N Hewitt-Cooper, Cllr James Hunt, Cllr M Keating, Cllr T Lock, Cllr L Oliver, Cllr J Parham, Cllr L Redman, Cllr D Ruddle, Cllr N Taylor, Cllr G Verdon, Cllr W Wallace and Cllr J Williams

Those joining the meeting but not in the room were also recorded separately as above.

16 **Declarations of Interest** - Agenda Item 2

Members' written notifications of interests were affixed to the Notice Board at the back of the meeting room.

17 **Public Question Time** - Agenda Item 3

Notice was received of one Public Question from Mr Nigel Behan, full details can be found in Appendix A.

18 **Proposed Temporary Democratic and Decision Making Arrangements** - Agenda Item 4

The Monitoring Officer's report set out proposals for the Council to consider revising the democratic and decision-making arrangements. The proposals recommend a temporary change by converting all current non-executive committee meetings to advisory boards which would be held virtually and enable members and other stakeholders to participate and give a steer to officers to consider when taking formal decisions using delegated powers.

As part of the national response to the Covid-19 Pandemic Parliament gave the Secretary of State the ability to make regulations to enable councils to hold

remote meetings where all participants could participate remotely, and elected members could also vote on decisions remotely. Those regulations (The Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority and Police and Crime Panel Meetings ((England and Wales) Regulations 2020) were used by the County Council throughout the rest of 2020 and into 2021 to hold virtual committee meetings but they ceased to have effect after 6 May 2021.

There are currently a range of options available to how the Council could proceed ahead of the next Annual General Meeting in May 2022:

- Continue to hold face to face meetings, managed to reduce Covid 19 risks as best as possible for all involved
- Continue to hold Full Council meetings face to face and all other meetings to be held remotely with officers using delegated powers to take any decisions following members giving a steer on proposed decisions
- Continue to hold Full Council meetings face to face and all other meetings to be held on a hybrid basis with managed attendance to limit numbers.

After evaluation of the options and following consultation with the Cabinet and SLT, the Monitoring Officer is recommending option 2 above to the Council.

There was support for the proposals as it had been a disappointment that the request made to Government and supported by many Local Authorities and the DCLG had not resulted in Primary Legislation to allow the temporary Measure to be adopted on a more widespread basis. Having an option to include remote access had increase participation, reduced the impact on the climate of people travelling to meetings and widened the inclusion of more Somerset residents who would not be able to physically attend meetings.

The legal position of this decision was discussed, and it was confirmed there would be no statutory challenge and the Council would have many opportunities to review the decision and revert to all face to face meetings. The timing of this decision was discussed in the light of the latest Government announcements, and it was confirmed that this was a local decision being taken in the best interest of Somerset residents in the full knowledge of changes being made for the rest of England.

Cllr David Fothergill, seconded by Cllr Bill Revans moved and the council **RESOLVED** to:

That the Council:

- Agree that all council meetings that are not executive in nature should be held virtually as 'advisory boards' until the Annual General Meeting in May 2022, with committee members expressing a 'minded to' steer in respect of recommendations set out in officer reports.
- That as a temporary change to the Scheme of Delegation the Chief Executive, relevant Director, Head of Service or Strategic Manager be authorised to exercise delegated powers to make non-executive decisions in the light of 'minded to' steers expressed by members in the virtual 'advisory boards'.
- Agree that all non-executive meetings where it is an Administering Authority meet virtually on the same basis as those meetings set out in recommendations 1 and 2, subject to partner authorities agreeing to that approach and delegations to officers being in place.
- Ask the Leader to confirm his proposed meeting arrangements for the Cabinet. (In person)
- Agree that all members should be given a dispensation under section 85 of the Local Government Act 1972 and
- Authorises the Monitoring Officer to take forward the implementation of the recommendations above and make appropriate temporary changes to the Council's Constitution and Scheme of Delegation to allow those remote meetings (advisory boards) to function as consultative bodies and delegate decisions that would otherwise been taken by those meetings to relevant officers until the Annual General Meeting in May 2022 where the Council will then review the arrangements.

(The meeting ended at 1.13 pm)

CHAIR

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Appendix A

Public Questions

PQ1 and 2 from Nigel Behan

Q1. Why was Option “3) Continue to hold Full Council meetings face to face and all other meetings to be held on a hybrid basis with managed attendance to limit numbers present to a minimum and for all other participants to join remotely discarded?”

Q2. In paragraph 3.2.5 it states:

“3.2.5 Careful consideration has been given to the legal status of a “minded to’ steer and how delegated officer decisions would be made. To ensure that the Council does not unlawfully restrict any delegated authority there can be no requirement that the officer making the decision must always comply with the “minded to” view of councillors. Nevertheless it is reasonable to stipulate that an officer should only make a decision contrary to the “minded to” view of members for clear and compelling reasons and if the decision cannot reasonably be deferred until a time when it can be made by councillors”

Whilst it is understood that current arrangements are not ideal, are there any examples of the “minded to” approach in local government leading to issues/controversies and legal challenge?

Response from Cllr David Fothergill – Leader of the Council and Scott Wooldridge - Monitoring Officer

Q1. This option has not been discarded since it reflects how we have been operating meetings since June 2021 and therefore reflects the current arrangements.

Q2. I am not aware of any examples leading to issues / legal challenge.

The Council used the consultative steer approach in the early stages of the pandemic response when delegated officer decision making was in place and before virtual committee meetings operated and no issues were experienced at Somerset County Council with this method of decision making and member involvement.

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Somerset County Council

County Council

– 23 February 2022

Report of the Joint Independent Remuneration Panel

Division and Local Member: All

Lead Officer: Scott Wooldridge, Monitoring Officer and Strategic Manager – Governance & Democratic Services

Author: Julia Jones, Service Manager – Democratic Services

Contact Details: jjones@somerset.gov.uk

1. Summary

- 1.1.** This report sets out the report and recommendations of the Joint Independent Remuneration Panel (“the Panel”) following their ‘light touch’ review of the Scheme of Member’s Allowances carried out by the Panel in December 2021 and January 2022. Their review has had the benefit of building upon their previous reports in February and May 2021 and an awareness of the planned Local Government Reorganisation in Somerset in 2023.
- 1.2.** The purpose of this report is to inform the Council adopting a new Members’ Allowances Scheme before 1st April 2022 and as part of that process the Council must have regards to the recommendations from its Independent Remuneration Panel.

Subject to approval by the Council, the Members’ Allowances Scheme 2022/23 will run from 1 April 2022 up until 31st March 2023, ahead of the planned vesting day of the new Somerset Council on 1 April 2023. It should be highlighted that the Members Allowances Scheme 2023/24 for the new Somerset Council will be a matter for the County Council to consider in February 2023.

- 1.3.** The arrangements for determining allowances for elected members are set down in statutory regulations - the Local Authorities (Members’ Allowances) (England) Regulations 2003 (SI 1021) and subsequent amendments to the regulations (SI 2003/1022 and SI 2003/1692). Each local authority is required to appoint and maintain an Independent Remuneration Panel to make recommendations to the Council prior to the Council agreeing any amendments or setting a Members’ Allowances Scheme. Somerset County Council, Somerset West and Taunton Council, and Mendip District Council established a joint panel to advise the councils on their respective Schemes. The Council must have regard to the Panel’s recommendations before making decisions in relation to members’ allowances but doesn’t have to accept them. Where the Council doesn’t accept the Panel’s recommendations it should give reasons for not doing so.

- 1.3** All Members have a personal and prejudicial interest in the receipt of allowances, but the Council's Code of Conduct includes a dispensation allowing members to attend relevant meetings and vote on this matter. This paragraph has the effect of declaring this interest by all Members at this meeting of Council. Members do not need therefore to make a verbal declaration at the Council meeting.

2. Recommendations

Council is recommended to:

- (a) Consider the Panel's recommendations set out in the Panel's report attached as Appendix 1 and paragraph 3.5 of this report with reference to the options set out in paragraph 3.6 before resolving to agree a Scheme of Members' Allowances 2022/23.**
- (b) Authorise the Monitoring Officer to make any amendments to the existing Scheme of Members' Allowances in order to publish the Scheme of Members' Allowances 2022/23 as a result of the Council's decisions in (a) above.**

3 Background

- 3.1** In July 2017 the Council considered a report from the Joint Independent Remuneration Panel after it had carried out a fundamental review and agreed a revised Scheme of Member Allowances for 2017-21.
- 3.2** With the advent of County Council elections in 2022 the Panel would usually undertake fundamental review ahead of this for consideration by the County Council. However, with the reorganisation of Local Government in Somerset, the Panel sought the Leader's opinion about the type of review it was thought prudent to proceed with and it was agreed a 'light touch' review should again be carried out.
- 3.3** The Panel has held virtual meetings on many occasions in recent months and most recently on the 21st January. The culmination of that work is set out in the report of the Panel attached as Appendix 1 to this paper which includes recommendations for changes to the Scheme of Members' Allowances.
- 3.4** The Panel's recommendations are intended to inform the Council agreeing a new Members' Allowances Scheme for the 2022/23 financial year. There will be a more fundamental review to develop the Scheme of Members' Allowances 2023/24 planned ahead of the new unitary authority coming into existence on 1 April 2023.

3.5 Panel's recommendations

The Panel's recommendations (as set out in Appendix 1) for the Council to consider prior to agreeing a new Members' Allowances Scheme for 2022/23 are:

For the current 2021/22 financial year the Panel recommends that:-

1. the level of Basic Allowance (BA) be increased by inflation from April 2021 as determined by CPIH published in April 2021 (rather than a rise linked to officer pay levels);
2. travel allowances for 2021/22 be adjusted in accordance with rates set by HM Revenue and Customs (HMRC) from time to time and subsistence allowances to remain linked to increases (or decreases) in staff subsistence rate.

The Panel also recommend that for the new 2022/23 Scheme of Allowances :-

3. if the roles of Deputy Cabinet Members are to remain as detailed in the constitution, they should be moved to Band 7;
4. the role of Opposition Spokesperson should no longer benefit from an Special Responsibility Allowance (SRA);
5. the roles of Vice-Chair of Regulation and Audit Committees should no longer benefit from an SRA;
6. the role of Vice-Chair of Scrutiny should be moved into Band 6;
7. with regard to co-opted members payments:
 - a. All people co-opted to SCC Committees and/or Partnership Boards be entitled to be paid an allowance and reasonable expenses, and that the allowance be set at £1,000 a year for the current year; and
 - b. No changes be made at the current time to the allowance paid by Somerset County Council to members of the Joint Independent Remuneration Panel, that it be kept at the current level of £577, plus payment of reasonable expenses
8. the level of BA be increased by inflation from April 2022 as determined by the Consumer Prices Index (CPIH) published in April 2022 (rather than a rise linked to officer pay levels); and
9. travel allowances for 2022/23 be adjusted in accordance with rates set by HM Revenue and Customs (HMRC) from time to time and subsistence allowances to remain linked to increases (or decreases) in staff subsistence rate.

The Panel also asks the Council to consider:-

10. the way in which information is provided to help potential candidates decide whether to stand for election and survey such potential candidates, to include finding out through a questionnaire how important the level of BA is to their decision together with working patterns, geographic location, travel time to meetings and socio-economic background;
11. undertaking exit interviews with members leaving office which would include identifying if they are in need of advice or support in returning to pre-councillor life; and
12. removing the payment of an SRA to Opposition Group Leaders whose membership is below a certain level, for example, 5.

For the period after the election in May 2022, the Panel recommend that:-

13. the BA after the election remain unchanged from that determined in recommendation 8, above;
14. a thorough review of the role and responsibilities of co-optees is undertaken by the new Panel set up to advise on allowances for the new Unitary Council;
15. the payment of allowances to Panel members forming the Panel set up to advise the Council on allowances for the new Unitary Authority is considered and agreed on by members and/or officers outside of the current or future Panel.

It is for the Council to appoint a new panel to advise on allowances in due course but, in view of the experience requirements outlined above, the Panel recommend that, in creating a new panel:-

16. the Council looks for:-
 - a. people who reside in Somerset and drawn from the two existing panels operative in the county at present;
 - b. a wide geographical spread of members from across the county; and
 - c. a membership of five.

3.6 Options available to the Council

The following options are available to the Council when agreeing the new Members' Allowances Scheme for 2022/23:

- 1) *To fully adopt the Panel's recommendations and agree any amendments to the existing Scheme of Members' Allowances; or*
- 2) *To adopt some of the Panel's recommendations and agree any amendments to the existing Scheme of Members' Allowances, stating reasons why it rejected some of the Panel's recommendations ; or*
- 3) *To not adopt any of the Panel's recommendations and agree any amendments to the existing Scheme of Members Allowances, stating reasons why it has rejected all of the Panel's recommendations*

4. Implications

4.1 Financial: Whilst it is difficult to calculate the exact full year impact of applying the Panel's recommendations in full (because it depends on the new democratic arrangements agreed by the council in May 2022) it is likely that it would result in an overall reduction in the cost for SRA payments if otherwise the same or a similar SRA structure is agreed. The actual number of SRA posts will need to be determined by the council following the election in May and overall. It should be highlighted that there will of course be a significant increase in the total cost of basic allowances due to the increase of members from 55 to 110 for 2022/23.

The proposals set out in the report from the JIRP, including the proposals for co-opted members allowances, have been reflected in the Medium Term Financial Plan 2022/23. Depending if the Council decide to adopt all, some of none of the JIRP's proposals there could be varying financial implications.

4.2 Legal: The legal requirements are set out in 1.3 of this report.

4.3 Risk: The risks are reputational rather than legal. The Council does not have to accept the Panel's recommendations but where it chooses not to do so it should give reasons that can be part of the record of the meeting.

4.4 Impact Assessment: There are no direct equalities implications arising from any of the proposals in this report. There are also no sustainability or community safety implications.

5. Background papers

5.1 Joint Independent Remuneration Panel –review Scheme of Member Allowances 2021-22 available at on the following link [SCC allowances and expenses](#))

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Report of the Joint Independent Remuneration Panel for the period to 31 March 2023

1. Introduction

- 1.1 This report sets out the conclusions and recommendations from a second light touch review of the Somerset County Council Scheme of Members' Allowances carried out by the Joint Independent Remuneration Panel in December 2021 and January 2022.

It builds on the previous reports submitted by the Panel, the most recent fundamental review having taken place in 2017 and considered on 19 July that year by Full Council. So the role of this report, is to:-

1. revisit the report submitted in February and May 2021; and
2. produce an allowances scheme which will run for the last year of the County's existence, that is, 1 April 2022 to 31 March 2023.

In this report Somerset County Council is referred to as SCC, the Basic Allowance is referred to as BA and the Special Responsibility Allowances are referred to as SRAs. From May 2023 a new unitary council will be created combining the work of SCC with that of the four District Councils and replacing all five councils. For the purpose of this report, and to avoid confusion with SCC, this new council is called the Unitary Council.

The Panel wishes to thank members for their time and open engagement with the process, and staff at SCC for their invaluable assistance in this and all the reviews carried out by the Panel.

2. Executive Summary

- 2.1 This report revisits the report submitted to Full Council in February and May 2021 (and which is largely included as an annex to this report) and makes recommendations for the two year period ending in 31 March 2023. In doing so it explains how the Panel arrived at a light touch report covering two financial years. Because elections are to be held in May 2022, the Panel has made assumptions about SRAs in the second of the two years, principally that use of a cabinet system will not change and roles will remain as at present. Consequently, nothing over and above the Panel's recommendations on SRAs last year has been suggested, with the exception of the co-optee issue. Co-optees at SCC are paid an allowance if a member of the Constitution and Standards Committee, but not otherwise, and the Panel was asked to look specifically at this.

- 2.2 For the BA, the report discusses in some depth the fact that at the election the number of councillors will double, but, for the first eleven months of a five year term, will carry out the normal duties of a county councillor, only becoming councillors for the fully fledged new Unitary Council on 1 April 2023. This will occur without further elections taking place. The Panel has looked to see what has happened elsewhere in the country when unitary councils have been formed and various examples are given. Specifically, the Panel has looked to see whether the BA has been reduced in any interim period, mindful that doubling the number of councillors implies a reduction in the level of casework that individual councillors might be expected to undertake. The Panel took evidence from most existing Group Leaders to ascertain their predictions of expected workload for members in this interim period. Consideration was particularly given to the training needs of members as not only will the majority of newly elected members be new to the County Council in the first period but then all will be taking on a wider range of statutory responsibilities and powers as the Unitary commences operation in April 2023.

- 2.3 The Panel was set up as a joint panel serving three councils. From 1 April 2023 there will only be one council covering Somerset and it is the responsibility of SCC to prepare for this. Part of this role will be to appoint a new Panel to advise on allowances from that date. This current Panel has made some suggestions from their experience as to how the appointment might be arranged.
- 2.4 The Panel's conclusions are given in section 6 of the report with the recommendations in section 6.4.

3. Members' Allowances and Remuneration Panels – the legal position and methodology

- 3.1 By way of an introduction the legal provisions in relation to members' allowances are set out in the Local Authorities (Members' Allowances) (England) Regulations 2003 (SI 1021) and subsequent amendments to the regulations (SI 2003/1022 and SI 2003/1692) ["the Regulations"]. Under the Regulations each Council has to appoint an Independent Panel to make recommendations on its Scheme of Members' Allowances. The Council must have due regard to the recommendations of the Panel before it makes any decisions in relation to its Members' Allowances Scheme but it may accept, reject, or amend any of the Panel's recommendations. The Regulations provide for a single panel to advise more than one Council [see 3.4 below].
- 3.2 The regulations define a number of basic requirements for allowances schemes but also give considerable scope to allow a council to adopt local provisions according to their circumstances. The only mandatory element provided for, in the Regulations, is the payment of a Basic Allowance to all members of a Council. All the other elements that are currently paid under the scheme, that is, Special Responsibility, Travel, Subsistence and Carers' allowances are discretionary.
- 3.3 The basic principles on which Remuneration Panels work are not set out in statute but there is guidance from the government. On a regional basis South West Councils has also produced a guide aimed at filling a gap in supportive material for the work of Panels. The guide is currently undergoing revision having been produced in 2015 but sets out a number of commonly adopted principles used by Panels. The Somerset Panel has considered these and concluded that the following principles should guide their considerations:
- the 50% rule (an expectation that no more than 50% of members of any individual Council should receive an SRA. Government guidance states that "If the majority of members of a council receive a special responsibility allowance the local electorate may rightly question whether this was justified"¹);
 - an individual Member should only receive one SRA at any one time;
 - BA payments should take into account a discretionary voluntary time contribution, as set out in guidance to reflect the community-minded nature of the commitment and maintain the difference between a salary and an allowance. The calculation of this varies but in the past, in line with a number of other Panels, 33%² has been used;
 - when considering the payment of an SRA, clarity is needed by both Council and the Panel as to explicit criteria used by the Panel when considering each specific position and whether it qualifies for an SRA, for example, is the position one which requires judgment and responsibility or is it much more of a supporting role but based on substantial additional time and effort; and

¹ "New Council Constitutions - Guidance on Consolidated Regulations for Local Authority Allowances, 2003", published by ODPM

² The Council, in the past, has used, 33%. This discount on hours 'worked' by councillors reinforces that the BA payment is not a salary paid for employment.

- the need to ensure that the level of allowance does not deter potential candidates from standing for election.

The Local Authorities (Members' Allowances) (England) Regulations 2003 state that where allowances are adjusted annually by reference to an index "it may not rely on that index for longer than four years".

3.4 Joint Independent Remuneration Panel: SCC is a member of a Joint Independent Remuneration Panel alongside Mendip District Council and Somerset West and Taunton Council. The Panel's membership comprises three independent representatives appointed by Somerset and one each by the District Councils. All of the members of the Panel are residents of Somerset. The current Panel membership is outlined in brief below for information:

Panel members:

John Thomson (Chair)

From a housing background, initially worked for local authorities and then was Chief Executive of SHAL Housing, a Bridgwater-based housing association, for 20 years, and now retired. John was originally appointed to the Panel by the former Taunton Deane Borough Council and is now the representative of Somerset West & Taunton, the district where he lives.

John Dodson

MA in Ceramic Design and Technology from Royal College of Art London. 40 years in Design, Marketing and Sales, UK, all Europe, USSR, Mid East and North America. Last 14 years Director of J. Wedgwood & sons. Retirement 10 years Chair of Shropshire Seniors Association. John was recently appointed to the Panel by Mendip District Council the district where he lives.

Bryony Houlden

Chief Executive of South West Councils, a membership organisation of all 33 local authorities in the South West. Formerly a senior civil servant. Serves as a Chair/member or advisor to nine other Independent Remuneration Panels. Bryony has also acted as the independent advisor to the Devon and Somerset Fire and Rescue Service and the Avon Fire Authority on their allowances scheme. Bryony was appointed to the Panel by Somerset County Council and lives in the current district of Somerset West and Taunton.

Colin McDonald

Semi-retired after over 30 years full-time employment in social housing, 25 (in total) of these at South Somerset District Council (over two occasions) including several years as Head of Housing & Welfare. Colin was appointed to the Panel by Somerset County Council and lives in the current district of South Somerset.

Alan Wells

39 years' experience in financial services. Specialist in benefit and remuneration structures. Alan was appointed to the Panel by Somerset County Council and lives in the current district of Sedgemoor.

Technical Advisers to the Panel:

Scott Wooldridge, Monitoring Officer, Somerset County Council

Julia Jones, Service Manager, Democratic Services, Somerset County Council

Laura Rose, Senior Democratic Service Officer, Somerset County Council

- 3.5 The last fundamental review on SCC allowances was carried out in 2017 and was considered by SCC on 19 July that year. Accordingly, the Panel set in motion a fundamental review to be completed in 2021 and covering the next four years. On 30 October 2020 the Leader of SCC, Cllr. Fothergill, wrote to the Panel's Chair to inform the Panel that due to a possible local government re-organisation, the elections in May 2021 may be delayed. As a consequence, he suggested that a "light touch review" be carried out with a report to the February 2021 meeting.

This report was produced but on 17 February 2021 SCC resolved to defer consideration until the next meeting. On 5 May 2021 (being the next meeting) Full Council thanked the Panel for its comprehensive work ahead of what was the scheduled elections in May 2021 and requested that the Panel report back to the Council following the (newly instigated) elections to be held in May 2022 for the creation of a new unitary authority and in the meantime for the Council to agree to maintain the current scheme of members' allowances for 2021/22.

The Panel understands that the 2022 elections will see members elected, initially, as County Councillors who then, from 1 April 2023, take on full statutory powers and responsibilities as the Unitary Council. This will mean that initially they will fulfil the same functions as the current county members, but will assume a wider breadth of responsibilities as the Unitary merges county and district functions.

The 2017 report, and resolutions by Full Council, set in place a four year scheme with indexing to inflation (this is the maximum indexing period allowed by Regulation 10). This expired on 31 March 2021 and there has been no increase in BA since. Any backdating can only take place in (and for) the current financial year (also Regulation 10).

So the role of the Panel, is to:-

1. revisit the report submitted in February and May 2021; and
2. produce an allowances scheme which will run for the last year of the County's existence in its current form, that is, 1 April 2022 to 31 March 2023. This will enable the basics of a scheme to be in place for the annual meeting of Council after the election and hence allow potential candidates for election know how their income will be affected. As part of this the Panel has been asked to look specifically at allowances for co-optees.

It should be noted that with regard to 1 April 2022 to 31 March 2023, this report, apart from co-optees, looks primarily at the BA. As will be understood, with an election pending in May it is not possible to be predict which Group will control SCC for most of that year and hence who will be Leader of the Council. Consequently, the Panel does not know how the council is to be organised, politically, nor what responsibilities will be entitled to an SRA. As a result, the Panel has assumed that current SRA roles and responsibilities will remain unchanged.

- 3.6 The Panel's 2021 report is (largely) attached as an annex to this report. It has been before Full Council twice and the Panel did not think it necessary to rehearse all the arguments

again, but it is available for reference.

4 Basic Allowance (BA)

4.1 The purpose of the BA is:-

“.....to recognise the time commitment of all councillors, including such inevitable calls on their time at meetings with officers and constituents and attendance at political group meetings. It is also intended to cover incidental costs such as the use of their homes, [...telephone calls and visiting constituents]”³. It is also expected to cover the occasional chairing of meetings, routine monitoring of services and budgets and taking part in performance management and training.

The BA is not a payment for a job, nor a wage or salary. However, as can be seen from the Annexe to this report, elected members can devote a substantial time to the role, and this will inevitably mean that they cannot spend **that** time on other pursuits. It is for this reason that the Panel believe that the BA is an important factor in decisions by an individual as to whether to stand for election and, once elected, being able to afford to live. It follows that indexing of allowances to account for inflation is important - this means both the BA and travel and expense allowances – and explains why there was a recommendation in 2021 for surveying people considering standing for election.

4.2 However, the issue of forthcoming elections does cloud matters as it is proposed that, following the election, the current 55 member council will expand to 110, yet until 1 April 2023 the work undertaken by the newly elected members will be that of a county councillor albeit with a degree of additional work planning the details of the new unitary prior to inception, only taking on the extra statutory powers and responsibilities that were previously vested in the former Districts from that date. As can be imagined, doubling of the number of councillors would result in a doubling of the total cost of the BA (if it remains same per member from May 2022) and hence a doubling of expenditure. It is true that it is **not** the role of the Panel to consider budgets as that is a political decision, but the Panel is expected to consider workload.

It can be seen that some work will remain unchanged no matter how many councillors are elected – attendance at Full Council is a case in point as all members are expected to attend. Similarly, visiting Parish Councils, for example might also require both councillors representing a division to attend. However, work dealing with electors in the division might be expected to be reduced. So, the Panel has looked elsewhere to see what other councils have experienced.

4.3 As members will realise from last year’s report, the Panel does look at comparable authorities to see what they do to ensure that a council is not regarded as an “outlier” – out of step with similar authorities. The “peer” councils listed in table 1 of the Annex are county councils and so not appropriate for a unitary council, but the CIPFA software that produced that list has suggested the following comparators for a unitary Somerset:-

Table 1

³ From “Guidance on Members' Allowances for Local Authorities in England”, 2001, published by ODPM

	“Top nearest neighbour” Unitary councils	Cabinet?
1	Cornwall	Y
2	Shropshire	Y
3	Wiltshire	Y
4	Dorset	Y
5	Cheshire East	N
6	Herefordshire	Y
7	North Somerset	Y
8	East Riding of Yorkshire	Y
9	Northumberland	Y
10	Central Bedfordshire	Y
11	Cheshire West & Chester	Y

It is assumed, but not certain, that the new Unitary Council will adopt a cabinet style of government as that is most common, and the list in Table 1, above, shows the top 11 nearest neighbour unitary councils, only one of which does not operate a cabinet system.

Cornwall, Shropshire and Northumberland Councils were created in 2009. Herefordshire was established when the county of Hereford and Worcester was abolished in 1998 and Herefordshire became a unitary council. North Somerset and East Riding of Yorkshire Councils came into being in April 1996. None of these councils have provided access to minutes prior to their creation on their websites.

Wiltshire Council was also created in 2009, and they held elections for members of the new authority on 4 June that year. There was an interim period when the previously elected councillors were still in post but the new council came into being on 1 April – leading to an interim period where previously elected **district** councillors were co-opted to the new unitary council to enable the continuation of some services. During this short period special allowances were paid to these co-optees by the new unitary council – as an example, District Council Members of the Area Planning Committees were paid £380.

Central Bedfordshire Council was another created in 2009 and a Shadow Authority was in place from 28 March 2008 until 31 March 2009. This was formed from members of two district councils and the county council. It was decided that no BA would be paid for this year as members were still in receipt of a BA from their existing authority, but SRAs would be paid.

The situation with Cheshire West & Chester appears different from the others in the list in Table 1 as there were elections for a shadow authority on 1 May 2008 with three members per division, whilst the council came into being the following April. Some of those elected were new to politics altogether, whilst some were serving members of the existing authorities. Here it was decided that a BA of £4,800 a year was payable for the 11 months of the shadow arrangements, compared with an increased recommendation from the Council’s own panel to £11,458 once the council became “live”.

In the case of Dorset Council, which came into being on 1 April 2019, the 206 councillors of

the predecessor district and county councils continued in office on 1 April 2019 until 6 May 2019, but as new Dorset Councillors. After the election, 82 councillors formed Dorset Council. During the interim period all 206 councillors were paid a BA of £360 on top of their BA for their “home” council. After the election the 82 councillors were paid a BA of £13,000 a year.

It would seem that the Cheshire and Dorset examples establish a precedent of differing levels of BA during an interim period.

It is interesting to note that North Yorkshire County Council is facing the same reorganisation issue as SCC as the government has decided that the current 7 district councils and the county are to be replaced by a unitary council on 1 April 2023. As with Somerset, elections are to be held in May 2022 with those elected being county councillors until 31 March 2023, and then becoming councillors for the new authority. This mirrors exactly the position at SCC. The big difference, though, is that the existing number of 72 councillors will grow to (only) 90 at the election. In a report considered by North Yorkshire County Council on 17 November 2021 the Independent Remuneration Panel for North Yorkshire recommended no change in BA between the time of the election and 31 March 2023, although noting the cost would grow by £185,668 due to the additional councillors.

The Monitoring Officer has pointed out that after the election in May 2022 those elected will:-

- be in place for five years and so for more than four of which they will be running the Unitary Council; and
- during the interim period to 31 March 2023 they will be doing more than running SCC; they will be preparing for the new system, including the creation of new Local Community Networks.

4.4 The Panel asked Group Leaders for assistance to help the Panel understand the work envisaged for the period from May 2022 to 31 March 2023. Interviews were held between 13 and 20 December 2021 with four Group Leaders. Due to time constraints, we were unable to include the Leader of the Green Group. At times two members of the Panel took part, at others, three.

A pertinent point raised by party leaders on having two councillors per division is that casework is not necessarily halved. Several factors including political allegiance and perceived personal effectiveness can skew the number of enquiries and workload between councillors.

As is mentioned in 4.1 above, the BA is expected to cover “a wide range of sins” including training. Some Group Leaders have pointed out that councillors need to gain a full understanding of the role and responsibilities that they will be wholly responsible for from April 2023, particularly in areas such as Planning and Licensing (pointing out that the Glastonbury Festival is a unique event). Furthermore, they felt that the establishment and brokering of partnerships within the Community Networks may well prove to be a large task.

The Panel understands the major changes that will take place from May. With any election there is a turnover in members. Some people choose not to stand again and some, although standing, are not re-elected. By the very nature of things some new people will become members. And in May the number of members is to double, meaning that, at the very least, half of the members will be new to the council, let alone those already

mentioned above. Consequently, the Panel can see the need for up-skilling and training for members. Some of those elected will be new to elected office, some will have previous district council experience, and some will have SCC experience but no knowledge of district council work. And yet, within 11 months, whilst running normal SCC services this body of people must forge a new Unitary Council system including new community networks. Group Leaders agreed, on the whole, with this analysis.

5 Special Responsibility Allowances (SRAs)

5.1 Section 5 of the Local Authorities (Members' Allowances) (England) Regulations 2003 states that an authority "may provide" for the payment of an SRA to members of the authority in one of a number of defined categories. They are listed in detail in section 5.1 of the 2021 report (in the Annex) whilst sections 5.2, 5.3 and 5.4 explain the Panel's approach to determining whether an SRA is justified in any particular case. Section 3.3 of the Annex also sets out other guiding principles used by the Panel. It is the firm belief of the Panel that SRAs are justified for the principal roles at the council in view of the responsibilities involved and the time and effort required in carrying them out. And no doubt the pressures will grow following the election in May.

5.2 The Panel's report in 2021 included five recommendations relating to SRAs. These recommendations arose largely as a result of comparison with similar county councils elsewhere in the country, but, to an extent, the Panel's view was reinforced by the breach of the "50% rule". Government guidance on SRAs includes "if the majority of members of a council receive a special responsibility allowance the local electorate may rightly question whether this was justified. Local authorities will wish to consider very carefully the additional roles of members and the significance of these roles, both in terms of responsibility and real time commitment before deciding which will warrant the payment of a special responsibility allowance." The Panel's "rule of thumb" is that 50% is the tipping point and, at the time the 2021 report was written, SCC had 39 SRA positions (34 paid) and 55 members, or 61% paid, which just reinforced the Panel's view. A commentary on the recommendations is given below. The Panel can see no reason to change its view.

Table 2

	Recommendation in 2021 report	Commentary
4	If the roles of Junior Cabinet Members/Cabinet Support Members are to remain as detailed in the constitution, they should be moved to Band 7;	Only two of our peer councils had such roles and the role description on the Council's website makes it clear these are not decision-making roles.
5	The role of Opposition Group Spokesperson should no longer benefit from an SRA;	Only three of our peer councils had such roles even though councillors said to us that the roles were important. It suggests they are, but not enough to justify SRAs.
6	The roles of Vice-Chair of Regulation and Audit Committees should no longer benefit from an SRA;	Our report pointed out that SRAs for Vice Chairs were rare in the peer group.
7	The role of Vice-Chair of Scrutiny should be moved into Band 6.	The exception to not paying vice chairs in the peer group was vice chair of scrutiny, and yet SCC is an outlier in

		paying less than all the peer councils. Agreeing this recommendation would double this SRA.
8	The Council consider removing the payment of an SRA to Opposition Group Leaders whose membership is below a certain level.	We had 10 peers in the report, four of which have minimum numbers of members of a political group required to warrant paying an SRA, ranging from 2 to 9. It is the Panel's view that this suggestion is worth discussion, even if, with only a little over a year to go, it may seem unnecessary. Given that the Unitary Council will have 110 members, it seems sensible to have a minimum set, for example, 5. Views of members will help inform a future Panel advising the Unitary Council.

5.3 The eleven months between elections in May 2022 and 31 March 2023 will, of course, give a much larger group of members and it may be argued that 34 paid SRAs out of 110 looks well within the 50% limit, but the Panel would repeat that the 50% rule only reinforced its view.

As has been mentioned in 3.5, above, as part of this light touch review we have been specifically asked to comment upon allowances for co-optees at SCC. Regulation 9 of the 2003 Regulations allows the payment of an allowance to “a person who is not a member of the authority but who is a member of a committee or sub-committee of an authority”. Currently co-opted members of the Constitution and Standards Committee receive a Co-opted Members Allowance of £577 p.a., which equates to Basic Allowance x 0.05, but co-optees on other committees and Partnership Boards receive no allowance although all are entitled to claim expenses. The Panel is advised that the workload for all co-optees is similar, requiring attendance at training, briefings and meetings on a similar cycle.

As with councillors, the Panel is concerned that the demands placed upon co-optees may take up significant time such that alternative uses of that time (such as work or family activities) may suffer, and this may, in turn, impact upon the keenness of people to volunteer. And it seems equitable that if one group of people who have volunteered are paid an allowance, then all should be paid that allowance.

In the review brought before the council in February 2021 there were a number of comparisons made with peer authorities – those county councils with similar characteristics with SCC. Reviewing co-optee allowances from the information obtained for that report shows the following:-

Table 3
Co-optee allowances at peer authorities

“Top ten nearest neighbour” County councils	No. Of Members	Co-optee allowance	
1 North Yorkshire	72	£1,697	£1,697
2 Suffolk	75	£70 per 4 hours period	
3 Worcestershire	57	N	
4 Gloucestershire	53	N	
5 Norfolk	84	£1,040	£1,040
6 Warwickshire	57	£1,238	£1,238
7 Devon	60	£500	£500
8 Lincolnshire	70	£801	£801
9 Cumbria	84	N	
10 Leicestershire	55	N	
Average (of those councils with an annual allowance)			£1,055.00
Median (of those councils with an annual allowance)			£1,040.00
SCC			£577.00

It can be seen that not all authorities in the benchmark group pay co-optees but where they do the SCC allowance falls at the bottom of the range in contrast with, say, the BA which is a little above the peer council average (see section 4.2 of the Annex to this report).

- 5.4 This discussion has brought to light the issue of allowances for members of the Joint Independent Remuneration Panel itself! As is mentioned in 3.4, above, the Panel consists of SCC, Mendip and Somerset West and Taunton. SCC has an allowance for Panel members equivalent to the co-optee figure. The other two local authorities do not, although all three councils meet reasonable travel expense claims.

Under the 2003 Regulations a local authority may “pay the members of the panel such allowances or expenses as the authority or authorities for which it makes recommendations may determine” (regulation 20(3)) and so the position for **this** Panel is quite rational bearing in mind the decisions are made by each of the three councils. Figures from the benchmark group have not been obtained but we are aware that whilst the majority of Councils across the South West do not pay Panel members both County Councils in the South West pay [Devon: Chair £3,200, Panel member £2,200; Gloucestershire: Chair £1,000, Panel Member £250]. In the same way that the Panel views co-optees doing the same work should have the same allowances it also feels that the same should apply to members of the Panel. The Panel does feel that it is difficult to make recommendations that have a direct financial impact on them (recognising that this is the same issue faced by Members voting for their allowances, although at least this is based on independent advice).

- 5.5 As the Council knows, the current Panel advises three councils and consists of five members, all of whom reside in Somerset. The 2003 Regulations (regulation 20) state:-
 “An independent remuneration panel shall consist of at least three members none of whom—
 (a) is also a member of an authority in respect of which it makes recommendations or is a member of a committee or sub-committee of such an authority; or

(b) is disqualified from being or becoming a member of an authority.”

From the point of view of members of the existing joint panel, a membership of five has worked well. Even with an occasional absence it is always quorate, an odd number removes the possibility of deadlock (although in this Panels’ experience conclusions have always been reached by consensus) and it is not too cumbersome with only five people involved. Being all from Somerset gives everyone an interest, and residence across the county also ensures that occasional, more local, issues can be included in the discussion.

Members of the current Panel are aware that Sedgemoor has a panel of four, two of whom are fairly recent appointees, and it is understood that there is no panel in South Somerset at present. This summer the council will be looking for a Panel which can “hit the ground running” in order to produce a scheme of allowances in time for the operation of the Unitary Council in April 2023 and a new Panel, drawn from within the existing Panels, would seem to recommend itself. All nine existing members could be appointed with terms of office staggered to take into account existing service, but on balance the Panel feel starting with five members would be most efficient. It is important, however, to ensure that all those appointed **do not** have terms of office that expire at the same time!

6 Conclusions and recommendations

- 6.1 Somerset is due for considerable change and there is a lot of work to be carried out to achieve it. But the key date for the Panel is that of the elections due in May, after which the number of councillors will change dramatically, but the day-to-day work of SCC and the Districts will continue as normal as far as members of the public are concerned.

Consequently, the Panel see a need for recommendations for the current financial year and the period to the election, and for after the election.

- 6.2 Mention was made in 4.4 above of the workload envisaged for the 110 members elected in May 2022. The Panel can understand that people may consider that twice the number of councillors may reduce the workload by half. But the Panel is not persuaded by this argument, aware that much work will remain the same per member whether a division has one member or two (such as attendance at Full Council), that experience indicates that multi-member areas may give rise to a similar amount of work per member with the public as single member areas, and there is much to be done, not least creating a new council from scratch. In addition, as mentioned in 4.3 above, members are to be elected for five years, of which this eleven month period forms but a minor part. It is true that doubling the number of members will double the cost, but SCC must be aware that budget considerations are outside the Panel’s remit and concern about attracting suitable councillor applicants necessitates the current BA level.

With regard to SRAs, as is noted in 3.5, above, the Panel has assumed that the situation remains unchanged pending the outcome of elections, subject to the issue of co-optees, mentioned below. If there are any changes to roles with special responsibilities in the period to the election, the Panel will be happy to advise, but changes after the election will be the responsibility of a new Panel.

With regard to co-optee allowances the Panel note that currently some are paid £577, but not all. The Panel believe it would be more equitable to reward all such volunteers equally. It could be that all are paid £577 but, in view of the Council’s position within the peer group, something closer to the peer average would be more appropriate, in addition to payment of expenses.

The position of allowances for members of the Panel is similar in that members are not all treated the same. However, with three councils involved and this being a report to only one of them it is inappropriate to make changes at the present time.

6.3 Looking to the future the council will need a new Panel to advise on allowances from 1 April 2023 when the new Unitary Council takes effect. The Panel has considered alternative approaches but believes creating a Panel from within the existing bodies of experience will serve the council best.

6.4 For the current year the Panel recommend that:-

1. the level of BA be increased by inflation from April 2021 as determined by CPIH published in April 2021 (rather than a rise linked to officer pay levels);
2. travel allowances for 2021/22 be adjusted in accordance with rates set by HM Revenue and Customs (HMRC) from time to time and subsistence allowances to remain linked to increases (or decreases) in staff subsistence rate.

The Panel also recommend that:-

3. if the roles of Deputy Cabinet Members are to remain as detailed in the constitution, they should be moved to Band 7;
4. the role of Opposition Spokesperson should no longer benefit from an SRA;
5. the roles of Vice-Chair of Regulation and Audit Committees should no longer benefit from an SRA;
6. the role of Vice-Chair of Scrutiny should be moved into Band 6;
7. with regard to co-optee payments
 - a. All people co-opted to SCC Committees and/or Partnership Boards be entitled to be paid an allowance and reasonable expenses, and that the allowance be set at £1,000 a year for the current year; and
 - b. No changes be made at the current time to the allowance paid by SCC to members of the Panel, that it be kept at the current level of £577, plus payment of reasonable expenses
8. the level of BA be increased by inflation from April 2022 as determined by CPIH published in April 2022 (rather than a rise linked to officer pay levels); and
9. travel allowances for 2022/23 be adjusted in accordance with rates set by HM Revenue and Customs (HMRC) from time to time and subsistence allowances to remain linked to increases (or decreases) in staff subsistence rate.

The Panel ask the Council to consider:-

10. the way in which information is provided to help potential candidates decide whether to stand for election and survey such potential candidates, to include finding out through a questionnaire how important the level of BA is to their decision together with working patterns, geographic location, travel time to meetings and socio-economic background;
11. undertaking exit interviews with members leaving office which would include identifying if they are in need of advice or support in returning to pre-councillor life; and
12. removing the payment of an SRA to Opposition Group Leaders whose membership is below a certain level, for example, 5.

For the period after the election in May 2022, the Panel recommend that:-

- 13. the BA after the election remain unchanged from that determined in recommendation 8, above;**
- 14. a thorough review of the role and responsibilities of co-optees is undertaken by the new Panel set up to advise on allowances for the new Unitary Council;**
- 15. the payment of allowances to Panel members forming the Panel set up to advise the Council on allowances for the new Unitary Authority is considered and agreed on by members and/or officers outside of the current or future Panel.**

It is for SCC to appoint a new panel to advise on allowances in due course but, in view of the experience requirements outlined above, the Panel recommend that, in creating a new panel:-

- 16. SCC look for:-**
 - a. people who reside in Somerset and drawn from the two existing panels operative in the county at present;**
 - b. a wide geographical spread of members from across the county; and**
 - c. a membership of five.**

John Thomson
Chair

21 January 2022

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Report of the Joint Independent Remuneration Panel (relevant sections of report to full council in May 2021)

1. Introduction

1.1 ...

2. Executive Summary

2.1 ...

3. Members' Allowances and Remuneration Panels – the legal position and methodology

3.1 ...

3.6 In 2017 the fundamental review , whilst acknowledging that allowances are not wages, nevertheless considered:-

- external regional wage comparators;
- comparisons with peer authorities; and
- indexing arrangements.

This report does not cover the first of these points as it is intended to cover, as a “light touch”, only the coming year. As such the Panel has looked at peer councils to ensure that allowances are not out of line with those peers. In a full review the Panel would have reviewed the basis for the allowances and this would have gone back to the local labour market, for, as will become apparent later in this report, to fulfil the role of councillor (and not necessarily the excellent job of some) takes a lot of time; time which might otherwise be spent in paid employment.

As part of this review all members at SCC were invited to take part in a short survey and the results are included below or attached as appendix A. The Panel also interviewed Group Leaders at SCC together with a number of other members who had indicated via the survey that they wished to be interviewed, in total ten interviews, all of which were conducted by the Chair and two other members of the Panel. The final sample group of elected members represented a range of responsibilities and came from all parties, including independents.

4 Basic Allowance (BA)

4.1 The purpose of the BA is:-

*“.....to recognise the time commitment of all councillors, including such inevitable calls on their time at meetings with officers and constituents and attendance at political group meetings. It is also intended to cover incidental costs such as the use of their homes, [...telephone calls and visiting constituents]”*¹. It is also expected to cover the occasional chairing of meetings, routine monitoring of services and budgets and taking part in performance management and training.

The BA is not a payment for a job, nor a wage or salary. However, elected members can devote a substantial time to the role, and this will inevitably mean that they cannot spend **that** time on other pursuits. For some this may be leisure activities or alternative voluntary commitments, but for others it will be paid employment, and standing for election may give rise to anxieties about financing the family income both in the short term but also potentially undermining their long term career prospects, particularly if their employer is not supportive. This person might be known as the “marginal candidate” (we use this term

¹ From “Guidance on Members' Allowances for Local Authorities in England”, 2001, published by ODPM

purely in a financial context). For these people the level of BA is a material issue in considering whether to stand. A 2013 University of Plymouth survey of local election candidates (reported in our 2017 report) reported that 30% were “of the opinion that insufficient payment to councillors discourages people from standing”. So, whilst not looking, in this report, at underlying wage levels in our community the Panel has looked at comparisons with peer authorities.

- 4.2 The BA for 2020/21 for SCC members is currently £11,540 a year (see appendix B) and is paid to all members. It has been linked to rises in wages and salaries for SCC employees since our 2017 report, although the Panel’s recommendation at that time was for it to track CPIH (Consumer Price Index including owner occupier’s housing costs). In comparing the BA the Panel has looked, for the purposes of this “light touch” review, only at similar local authorities. The Chartered Institute of Public Finance and Accountancy (CIPFA) produces “near neighbours” for local authorities based, not upon geographical location, but upon demographic and socio-economic indicators. This model produces the following top ten “near neighbours” for Somerset.

Table 1
“Top ten nearest neighbour” councils

1	North Yorkshire
2	Suffolk
3	Worcestershire
4	Gloucestershire
5	Norfolk
6	Warwickshire
7	Devon
8	Lincolnshire
9	Cumbria
10	Leicestershire

This list is identical to the list used in 2017 with the exception of Dorset (no longer a county council) being replaced with Lincolnshire.

Table 2, below, shows a comparison of BA from the “top ten nearest neighbour” with SCC with current information gleaned from the websites of each of the councils concerned. This exercise was previously done in 2017 and the figures from that time are included for interest.

Table 2
Basic Allowance comparison

	1	2	3
	Top ten nearest neighbour councils 2017	Top ten nearest neighbour councils 2021	Percentage increase 2017-2021
Average (mean)	£9,885	£10,532	6.5
Minimum	£8,405	£8,744	4.0
Maximum	£12,483	£13,213	5.8
Median	£9,721	£10,595	9.0
SCC	£10,795	£11,540	6.9

As can be seen, in both years, the BA in Somerset was/is above average (currently £11,540

is 9.57% higher than the average) but not, in the Panel’s estimation, unduly so. By comparison, in 2017 the Somerset BA was 9.2% above the average. In both years SCC falls **within** the range set by the peer councils.

4.3 Table 2 also shows the BA has risen in the past four years as the BA has been increased in line with officer salaries. However, the Office for National Statistics (ONS) uses CPIH as their lead inflation index. This is the inflation index previously recommended for increases as it is easily understood by the public and ensures that, for the marginal candidate (see section 4.1 above), a councillor’s income keeps pace with prices. If the BA had been increased in line with this inflation index the position would have been as outlined in table 3 below.

Table 3
Keeping pace with CPIH

	Inflation (CPIH)*	BA
BA 2017		£10,795
CPIH April 2018	2.20%	£11,032
CPIH April 2019	2.00%	£11,253
CPIH April 2020	0.90%	£11,354
BA 2020		£11,540

* as published by ONS

As can be seen the BA as it currently exists is broadly what would have been expected from using the usual measure of inflation, albeit £186 higher. As is often mentioned in these reports (and particularly in section 4.1 above) it is important that potential councillors are not put off applying for election by a BA which is steadily eroded by inflation. Since 2017 this is not the case. It might be argued that, in setting a BA for 2021/22, any inflationary increase should start at a base £186 lower than the current BA but the Panel do not think this would be proportionate or appropriate given the evidence in 4.2.

4.4 This year the Panel ran a short questionnaire for members at SCC (see 3.6 and appendix A). There was no obligation to complete it but 37 members (out of a maximum of 55) did so, a 65% response rate. Some of the questions were specifically related to the BA. As mentioned in section 4.3 above one of the concerns is that people should not be discouraged from standing for election, particularly by financial concerns. And once elected it is not useful if the member is then put off by the volume of work expected of them in relation to the recompense from the allowance.

The panel believes the survey responses highlight some key issues:

- 86% (32 of 37 respondents) regard the BA as important
- 38% (14 of 37 respondents) stated it as a factor in their decision to stand for office.
- 75% (28 of 37 respondents) confirmed that their time commitment is greater than they expected.
- 51% (19 of 37 respondents) used the word ‘community’ unprompted when asked for their motivation in standing for office.

We also asked how many hours they put in before the “covid era” on BA work.

Table 4

Hours spent on BA work

	Number of members
Less than 10 hours a week	2
10-19 hours a week	17
20-29 hours a week	9
30 hours a week or more	9

It must be remembered that this is a snapshot and that not all members have completed the survey but there is nevertheless a substantial part of many members' time spent on council business. The Panel are keen to understand whether the allowance scheme in its current structure provides support and encouragement to potential candidates or acts as a barrier. Mention has been made, above, of allowances but the Panel also wonder whether SCC represents the communities it serves and in so far as it doesn't is that because of the allowances or other factors such as culture? Appendix A attached to this report looks at this in a little more detail.

Arising from this, the Panel finds Somerset to be unusual in that a larger proportion of its elected members are in work but is unable to say whether this materially affects their opinions on the level of the basic allowance. There is clearly a gender imbalance but whilst the council may be seen to be under representative of the community at large in this respect, it appears not to be out of kilter with local government as a whole which suggests that the imbalance is cultural rather than related to the level of remuneration. Somerset at first glance appears to be under representative of the general population with respect to disabilities and out of line with local government as a whole but note that the margin as a percentage is close to one member in real terms and may just be due to which members completed the survey or wished to declare their disability or ethnicity.

A further issue, not covered in the questionnaire but which has arisen more than once in the interviews, is the geography of Somerset. For some, attendance at a meeting in Taunton is a time consuming business due to the time taken to travel from their home, and for these, in particular, the advent of virtual meetings, the Panel has been told, has proved beneficial and may provide an opportunity in the future for enhanced engagement across all the membership depending on the model of working adopted by SCC, post pandemic, and subject to government regulation. Potential candidates will no doubt take account of the time it takes to get to Taunton, and the frequency of such journeys, in considering whether to stand.

5 Special Responsibility Allowances (SRAs)

5.1 Section 5 of the Local Authorities (Members' Allowances)(England) Regulations 2003 states that an authority "may provide" for the payment of an SRA to members of the authority in one of the following categories:-

- Leader or deputy leader of a political group;
- Members of an executive;
- Chair of a committee or sub-committee;
- Representative of the council;
- Member of a meeting with exceptional frequency / period;
- Spokesman of a political group;
- Member of an adoption or licensing panel; and
- Any other activity requiring time and effort equal to, or greater than, the roles listed

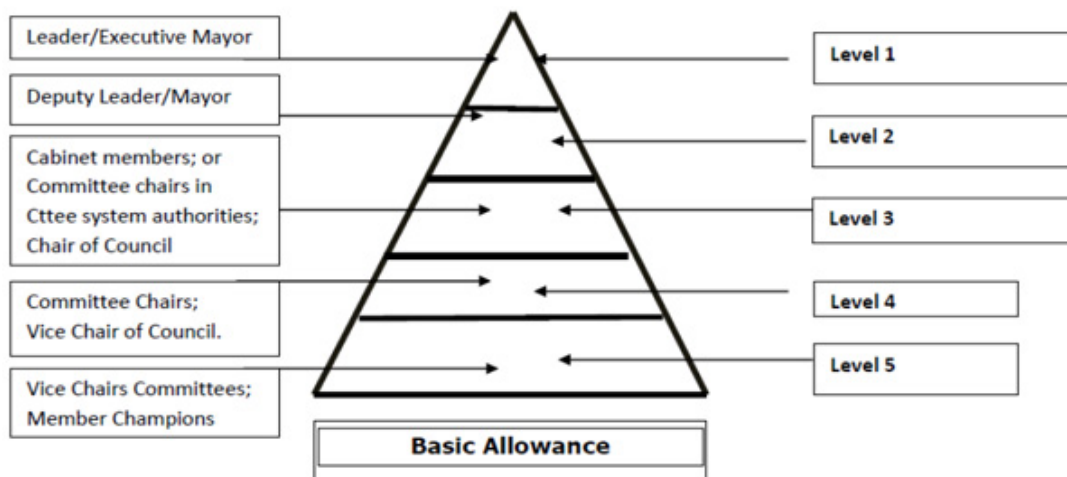
above.

So, whilst an authority **must** provide a BA to all members, it may, if it wishes, provide SRAs for members with special responsibilities. At SCC there are currently 39 SRA positions, of which 34 are paid (see section 3.3 above). With 55 members this means 61% of members currently receive an SRA, far exceeding the “50%” rule that the Panel regards as an important principle. It means that, if SCC is to meet the rule, the number of SRAs payable should be reduced by six.

5.2 The Panel has adopted its own methodology for assessing “special responsibilities” which extends the identified categories set out in statute. In the view of the Panel a particular responsibility might be deemed “special” if it is characterised as having some of, or elements of, the following components, but recognising that particular roles established by councils may well exhibit a range of component characteristics.

- (1) Time commitment
- (2) Specialist skills
- (3) Functional Leadership
- (4) Important decision-making
- (5) Complexity
- (6) Identifiable accountability
- (7) Direct responsibility for important outcomes
- (8) Culpability
- (9) Constitutional relevance

5.3 The existing scheme has been in place since 2013 and includes a “pyramid of responsibility” which defines certain roles. The “level” determined for a role gives (a) comparison with other roles and (b) a level of payment. The following diagram illustrates the concept and is taken from SW Councils publication “Councillors’ Allowances: A practical guide for those involved in the work of Independent Remuneration Panels”.



As with many councils, SCC currently calculates payment at various levels by reference to the BA, so, for example, the Leader on level 1 receives an additional payment of three times the BA. This has been the case since 2013. And, it should be pointed out that it is the **role** which attracts the SRA, not the individual, and so the description of the role is the important thing. Performance is not formally assessed and so performance related payments are not appropriate or applicable!

5.4 In determining whether an SRA is appropriate for a role, it is important to ask whether the role is (a) outside the scope of the BA (see section 4.1 above), and (b) formally recognised

by the Council and (c) included in the list in the 2003 Regulations. If the role satisfies **all** these criteria, and other criteria identified by the Panel as relevant (see 5.2 above), then the role may merit an SRA.

Having identified a role as qualifying for an SRA then the level of responsibility (and how the role fits into the pyramid, above) has to be set.

- 5.5 Using publicly available data on council websites current values of SRAs for principal roles in the “top ten nearest neighbour” councils have been obtained. Table 5, below, shows how these SRAs compare with those of Somerset.

Table 5
Comparable posts and Basic Allowance multipliers

	Average, top 10 nearest neighbour councils	Average, top 10 nearest neighbour Multiplier	SCC	SCC Multiplier
Basic Allowance	£10,532		£11,540	
Leader of the council	£32,468	3.08	£34,620	3
Deputy leader of the council	£20,073	1.91	£20,657	1.79
Cabinet posts	£16,978	1.61	£18,463	1.60
Deputy Cabinet member	£6,592	0.63	£6,924	0.60
Chairman of the council	£10,621	1.01	£10,368	0.90
Vice-chairman of the council	£3,253	0.31	£2,308	0.20
Opposition Leader	£8,723	0.83	£10,386	0.90
Chairman of audit committee	£6,722	0.64	£6,924	0.60
Chairman of Scrutiny	£9,268	0.88	£6,924	0.60
Other Group Leader*	£5,204	0.49	£1,154	0.10
Opposition Spokesperson	£2,253	0.21	£1,154	0.10

* NB four councils have minimum numbers of members required for a Group Leader to warrant an SRA, ranging from 2 members to 9.

As can be seen, there is a remarkable correlation between the **average** council and Somerset, both with the value and with the multiplier (for example, SCC pays its Leader 3 times the BA as an SRA, whilst the average near neighbour council pays 3.08 times). It is also interesting to note that SCC falls within the range of values for peer (near neighbour) councils for each of these posts. It does disguise many variations, however. For example, whilst the average SRA for the Leader of a council is £32,468, of the 10 nearest neighbours the lowest SRA for a Leader is £24,137 and the highest £38,730. Table 6, below, shows the full range of Leader SRAs as an example of variations found.

Table 6
Leader SRAs in “top ten nearest neighbour” councils

Council	Leader SRA
1	£24,137
2	£26,270
3	£32,066
4	£32,981
5	£33,033
6	£33,079
7	£34,170
8	£34,192
9	£36,026
10	£38,730
SCC	£34,620

5.6 In the Panel's 2017 review there was a discussion about the (then newly created) Deputy Cabinet Member positions and the Panel recommended that the posts be allocated to Band 5 in the "pyramid of responsibility" on the same level as the chairs of Regulation, Audit and Scrutiny. The recommendation went on to require a thorough review of the banding of these posts "once the precise nature of the role has become apparent" but this has never been done. Of the "top ten nearest neighbour" councils only two have such posts, as is shown in table 7, below.

Table 7
Deputy Cabinet Members in "top ten nearest neighbour" councils

Council	Deputy Cabinet Member
1	£5,344
2	£7,839
SCC	£6,924

As can be seen, the allowance at SCC again falls between the others and is a little above the average of £6,591.

As with all SRAs, it is the role which attracts the allowance, not the person. The role description of Deputy Cabinet Member on the SCC website explains what the role is and the (important) first three tasks are to:-

1. Focus on information gathering and understanding key policy/service delivery area; and
2. Assist with the development of options and policies for consideration by the Cabinet member taking into account national policies and local circumstances; and
3. Brief and make recommendations to Cabinet members and others on relevant issues in relation to policy development and decision making.

The description makes it quite clear that the person undertaking the role is "not able to take decisions" and it may be felt that the role is more akin to an understudy role where a person can develop their skills whilst not actually being in a role which might cause damage! And yet, when these roles were discussed in 2017 they were considered by the Panel as equivalent to the chairs of Regulation, Audit and Scrutiny committees, on Band 5.

- 5.7 Another role at SCC which appears only three times in the top ten near neighbour councils is that of Opposition Spokesperson, as is shown in table 8, below.

Table 8
Opposition Spokesperson

Council	Opposition Spokesperson
1	£3,206
2	£2,473
3	£1,079
SCC	£1,154

NB only three councils have an SRA for these posts

The Panel has interviewed all Group Leaders as part of this review, and has also spoken to a number of other members of the Council. During these discussions some members spoke quite positively about these roles, expressing the view that, in order to hold the executive to account, scrutinise decisions and actively support or oppose those decisions, it was essential that there were people skilled, experienced and trained in the topics under discussion. This must surely be the position everywhere, but only three of the 10 “nearest neighbours” felt the positions should be awarded an SRA. However, as section 5.1 states, a spokesperson is an individual who may be awarded an SRA.

- 5.8 The sharp eyed amongst the readers of this report may have noticed that the role of vice-chair does not appear in table 5 above. As with Opposition Spokesperson, at SCC this is a Band 7 SRA. However, it is rare to see a vice-chair included for payment in the top ten nearest neighbour councils. The exception to this is vice-chair of Scrutiny which is awarded an SRA in 6 councils, as is shown in table 9.

Table 9
Vice-chair, Scrutiny

Council	Vice-chair Scrutiny
1	£1,741
2	£4,947
3	£2,147
4	£4,823
5	£4,316
6	£2,139
SCC	£1,154

In this instance SCC falls below the average of £3,352 and below the lowest council. And yet scrutiny is one of the key roles in the cabinet style of local government, for the executive must be held to account. One of the members interviewed by the Panel explained that this can work especially well where the Chair and Vice Chair are both immersed in the subject matter and both participate in management of the committee. As was explained, being Vice-chair of Scrutiny is not just being available to head the meeting in the Chair’s absence.

- 5.9 The Panel’s survey of councillors asked about the amount of time, per week, that they spent on SRA related activities. Not all those responding have an SRA, but there were 22 who do.

Table 8, below, shows the responses grouped by allowance band and indicating the number of hours spent on these activities.

Table 10
Average hours spent on SRA activities

Band	Total hours	Total Councillors	Average hours
1	35	1	35.0
3	199	8	24.9
4	47	2	23.5
5	42	3	14.0
6	3	1	3.0
7	41	7	5.9

As can be seen, the more senior roles consume more of a member's time and band 5 which encompasses Deputy Cabinet Members and Chairs of Regulation, Audit and Scrutiny, has an average time spent on those activities of 14 hours. Band 7, which includes Vice Chairs and Opposition Spokespersons, has an average time spent on those activities of 5.9 hours. Of course this is a snapshot, with people estimating their time and not everyone concerned completed the form, but it does confirm the Panel's expectations.

6 Conclusions and recommendations

6.1 In undertaking a "light touch" review for one year only there is much background work that is left for the fuller review that will be required in due course. And there are shortcomings of just carrying out a peer review, not least, if every council does that eventually every council will end up being average. However it does highlight if the council is currently wildly out of step with its peers and which may otherwise cause questions to be asked.

Nevertheless there is much that was needed to be considered. Always there is the underlying issue of ensuring that the level of allowances does not put off potential candidates standing for election and our interviews this year have highlighted this as a concern amongst existing members. So many have commented that the time commitment is an issue as is mentioned in section 4.4 about the survey. Many of those we have interviewed have expressed the view that you have to put the time in to get the job done properly, and you are always available, no matter how inconvenient to you this may be. Some have also commented upon the time taken to travel to meetings (although obviously less so in 2020). These points, it has been suggested more than once, need to be emphasised to potential candidates so that they know what they might be letting themselves in for if elected. And it is because of this time commitment that the level of BA is so important, as time taken being a councillor can so often conflict with paid employment. Appendix A includes comparisons between those answering our survey and the Somerset population, generally, and a survey of councillors run by the LGA. SCC ran sessions for potential candidates before the 2017 elections and produced a useful brochure. SCC also collects diversity information for those elected. However it would be useful to the Panel to know about all of those considering standing for election, and not just standard criteria but also working patterns, geographic location, travel time to Taunton and socio-

economic background.

One member also expressed the view that there is a need at the other end of a period of service to ensure that members leaving office should receive advice or support on how to resume their normal (that is, pre-councillor) life.

- 6.2 Having looked at the nearest neighbour councils the Panel is of the view that the BA is set at an appropriate level. SCC is not an outlier, with the BA falling within the range of its peers. Members who answered the questionnaire overwhelmingly asserted that the BA was important to them and the Panel feel it is at a level sufficient to reassure potential candidates for election.

The Panel still feels that adjusting allowances in line with inflation is correct, but continue to stress that a widely recognised measure should be used, hence previous recommendations for CPIH; one that better reflects the opportunity cost of gainful employment in the wider world lost in order to commit to the responsibility of elected office. It is felt that this is a more easily defended argument with the public.

- 6.3 Sections 5.1 and 5.2 set out the Panel's criteria for setting SRAs. As is said, all members are entitled to a BA. Certain roles can also be paid an SRA but it is up to the Council to determine which roles, and how much, should be paid. The SRA banding system for the current financial year is attached as appendix B.

It is noted that SCC abides by the "one person, only one SRA guiding rule", but does not restrict the number of SRAs to 50% or less. The Panel believes it is important that SRAs should remain "special" and so see this as a matter of concern. To comply with the "50%" rule the number of SRAs payable would need to be reduced by six.

The Panel recognises that although the scheme has more than 50% SRAs, not all of them are paid as some members carry out two or more special responsibilities but are only paid for one of them. There are six Opposition Spokesperson roles and one Vice Chair role for which payment is made.

All the peer councils pay certain SRAs, but as you get further down the pyramid of responsibility there is less correlation across those councils. The actual amounts paid are generally within the range of those peers, it is the number of positions attracting an SRA which is the issue if the principle of 50% is to be followed. Of course, the positions can remain, it is the payment of an SRA which is the issue.

The positions which the Panel would identify as having a weaker case attracting an SRA are:-

- Deputy Cabinet Member;
- Opposition Spokesperson; and
- Vice-Chairs (other than Vice-chair of Scrutiny and Vice-chair of Council).

When the Panel made its recommendation for Deputy Cabinet Member in 2017 the details of the roles were new and untried and the Panel may therefore have set the roles at too high a level in the pyramid.

- 6.4 As can be seen from table 5 above there is a correlation between the average SRA for most of the roles listed in peer councils, and at SCC. And they all fall within the range (for Vice-chair of Scrutiny, see section 5.8 above). As a consequence the Panel feel that it is not necessary to change the pyramid of responsibility at SCC nor the banding system currently in operation, but with the following exceptions:-

- if the roles of Deputy Cabinet Members are to remain as detailed in the constitution, they should be moved to Band 7;
- the case for role of Opposition Spokesperson to be paid to six individuals is not strong and the roles should no longer benefit from an SRA (see 5.7 above);
- the roles of Vice-chair of Regulation and Audit Committees should no longer benefit from an SRA (see 5.8 above);
- the role of Vice-chair of Scrutiny should be moved into Band 6 (see 5.8 above).

6.5 In 2017 the Panel recommended that “group leaders of small political groups should qualify for SRA payments based on group size” and it can be seen from table 5 that this is also the position taken up by other councils. However, this was not agreed by the Council at that time. But, as part of a process of reducing the number of SRA entitlements, this could be looked at again. Amongst the peer councils, minimum numbers of members needed to warrant an SRA for Group Leader were 2, 7, 8 or 9.

6.6 Accordingly the Panel RECOMMEND that:-

1. the Council consider the way in which information is provided to help potential candidates decide whether to stand for election and survey such potential candidates, to include finding out through a questionnaire how important the level of BA is to their decision together with working patterns, geographic location, travel time to Taunton and socio-economic background;
2. the council undertakes exit interviews with members leaving office which would include identifying if they are in need of advice or support in returning to pre-councillor life;
3. the level of BA be increased by inflation from April 2021 as determined by CPIH published in April 2021 (rather than a rise linked to officer pay levels);
4. if the roles of Deputy Cabinet Members are to remain as detailed in the constitution, they should be moved to Band 7;
5. the role of Opposition Spokesperson should no longer benefit from an SRA;
6. the roles of Vice-chair of Regulation and Audit Committees should no longer benefit from an SRA;
7. the role of Vice-chair of Scrutiny should be moved into Band 6.
8. the Council consider removing the payment of an SRA to Opposition Group Leaders whose membership is below a certain level.

Questionnaire

We wondered how representative the membership of the Council was of the population in Somerset and asked some specific questions in the questionnaire to find out. It must be remembered that this is a snapshot and that not all members have completed the survey. Readers should also note that the survey was simple (to ensure a quick response) and answers have been aggregated for the sake of comparison.

There was no obligation to complete the questionnaire but 36 members (out of a maximum of 55) did so, a 65% response rate.

Table A1

Age of councillors completing survey, compared with Somerset adult population

Age group	Survey %	Somerset %
18-34	0	21
35-64	54	48
65+	46	31

Source: Panel Questionnaire/Nomis population estimates, 2019, figures rounded. The Panel has been advised that 3 SCC members are aged below 35.

Table A2

Ethnicity of councillors completing survey, compared with Somerset population

	Survey %	Somerset %
Minority ethnic background	2.7	5.4

Source: Panel Questionnaire/2011 census

Table A3

Gender of councillors completing survey, compared with Somerset population

	Survey %	Somerset %
Male	68	49
Female	32	51

Source: Panel Questionnaire/Nomis population estimates, 2019

Disability

Of those answering the Panel's questionnaire, 8% considered that they had a disability. At the time of the 2011 census, 18.8% of Somerset's population said they had a long-term condition or disability which limited their day-to-day activities a lot or a little.

We also wondered how representative SCC Councillors were of councillors as a whole and compared the questionnaire results with a national survey of councillors carried out by the Local Government Association (LGA) in 2018.

Table A4

Employment Status of councillors completing survey, compared with LGA survey

	Survey %	LGA %
Employed (to some extent)	57%	26%
Retired (completely)	14%	45%
Other	30%	29%

Source: Panel Questionnaire/LGA survey 2018

Employment Status of councillors completing survey

	SCC Survey	Survey %
Employed (full time)	7	19%
Employed (part time)	5	14%
Retired and employed	3	8%
Retired and self-employed	6	16%
Retired	5	14%
Not employed / Other	11	30%

Source: Panel Questionnaire

Table A5

Gender of councillors completing survey, compared with LGA survey

	Survey %	LGA %
Male	68	63
Female	32	36

Source: Panel Questionnaire/ LGA survey 2018

Table A6

Age of councillors completing survey, compared with LGA survey

Age group	Survey %	LGA %
65+	46	43

Source: Panel Questionnaire/LGA survey 2018 - Under 65s not comparable

Table A7

Ethnicity of councillors completing survey, compared with LGA survey

	Survey %	LGA %
Minority ethnic background	2.7	4.0

Source: Panel Questionnaire/LGA survey 2018

Disability

Of those answering the Panel's questionnaire, 8% considered that they had a disability. At the time of the LGA 2018 survey, 16% had a long-term health problem or disability which limited their daily activities.

SRA BANDING SYSTEM - Total banded Allowances 2020/21

Member Role	Rate of Allowance from 1/4/20		
	Basic £	SRA £	Total £
Band 1: BA x 3: Council Leader	11,540	34,620	46,160
Band 2: BA x 1.79 Deputy Leader (with Cabinet responsibilities)	11,540	20,657	32,197
Band 3: BA x 1.6 Cabinet member	11,540	18,463	30,003
Band 4: BA x 0.9: Opposition Leader (Liberal Democrat) Chair of County Council	11,540	10,386	21,926
Band 5: BA x 0.6 Chair of Regulation, Audit and Scrutiny Committees Junior Cabinet Members	11,540	6,924	18,464
Band 6: BA x 0.2 Chair of Pensions Committee Chair of Constitution & Standards Committee Vice-Chair of County Council	11,540	2,308	13,848
Band 7: BA x 0.1		1,154	12,694

Opposition Group Spokespersons	11,540		
Vice-Chair of the Regulation, Audit and Scrutiny Committees			
Deputy Leader (Liberal Democrat Group)			
Group Leader (Labour, Independent and Green Groups)			

In addition, co-opted members of the Standards Committee receive a Co-opted Members Allowance of £577 p.a., which equates to Basic Allowance x 0.05.

Report of the Leader and Cabinet – Items for Decision

Cabinet Member: Cllr D Fothergill – Leader of the Council

Division and Local Member: All

Lead Officer: Scott Wooldridge, Monitoring Officer and Strategic Manager - Governance & Democratic Services

Author: Mike Bryant, Service Manager - Democratic Services

Contact Details: 01823 357628 / democraticservices@somerset.gov.uk

1. Summary

- 1.1** This report sets out the Leader’s and Cabinet’s recommendations to Council arising from their consideration of reports at the Cabinet meetings on 15 December 2021, 19 January and 14 February 2022.

Note: The references in this report to Papers A and B relate to the relevant reports considered by the Cabinet containing specific recommendations to the County Council meeting on 23 February 2022.

- 1.2 Paper A (the Medium Term Financial Plan - 2022/23 Revenue & Capital Budgets and Council Tax Setting)** was considered by the Council’s three scrutiny committees during January and early February ahead of the Cabinet meeting on 14 February 2022.

Members are reminded of the need to consider the Section 151 Officer’s statement in regarding the robustness of the estimates and the adequacy of the reserves and balances prior to approving the recommendations in Paper A, as required under Section 25 (1) of the Local Government Act 2003. The statement can be found at Section 15 of Paper A.

Paper A sets out spending plans for next year which will be the final budget for Somerset County Council. It highlights areas of priority to support residents across Somerset as follows:

- £18.092m increased spending in Adults Services
- £12.317m increased spending in Children’s Services
- £2.530m increased spending in Economic and Community Infrastructure Services
- Council tax rise of 1.99% with a further 1% adults social care precept

The budget also contains detail of the significant capital investment of £48.4m in schools, roads, climate change and other projects across the county

as follows:

- £24.2m allocated to road schemes in 2022/23
- A further £8.3m for schools
- £1.0m for Small Improvement Member Schemes
- £2.6m for Children's Placements
- £1.9m to support Climate Change (decarbonisation schemes and electric fleet vehicles)

Further detail is provided throughout Paper A and its appendices. The papers also provide evidence of strong financial performance with Council reserves of £84.9m by the end of 2022/23 (£23.0m General Reserves and £61.9m Earmarked Reserves).

Preparation for the 2022/23 budget were reported to Cabinet and highlighted the continued impact of the Covid-19 pandemic, preparations for Local Government Reorganisation, and Government changes to social care. The report lays out balanced budget proposals for the coming year and provides a solid foundation for the new Somerset Council to build from.

On the 16 December the Government announced the provisional Local Government Finance Settlement which provided details of the funding for 2022/23 including referendum levels for Council Tax and the Adult Social Care precept. The final settlement has been received, to which there were no fundamental changes from the provisional settlement. Any changes have been updated within the report.

Changes in future Council funding through the Governments review of Fairer Funding and changes to the Business Rates retention scheme have been delayed for a number of years and now look to take place from April 2023. There is also the on-going issue of longer-term funding of Adult Social Care and the Business Rates reset. These major changes provide greater uncertainty around the future years funding levels and make longer term financial planning more difficult to predict.

The detailed 2022/23 budget proposals and MTFP for future years were reviewed by Adult and Public Health Scrutiny Committee, Children and Families Scrutiny, and the Policies & Place Scrutiny in January/February 2022 ahead of consideration at the Cabinet meeting on 14 February.

All three Scrutiny Committees considered the information presented in detail and provided challenge to both the Cabinet Member for Resources, the Section 151 Officer and other Cabinet Members and Directors present. All of the Committees noted the report and none made any formal recommendations to the relevant Cabinet Member or to the Cabinet meeting on 8 February.

The Cabinet considered Paper A at its meeting on 14 February. Cabinet endorsed the recommendations in Paper A and further agreed for these to be recommended to Full Council for approval.

1.3 Paper B (Treasury Management Strategy Statement 2022-23) was considered by the Audit Committee on 27 January 2021. No specific recommendations were made by the Audit Committee to the Cabinet meeting on 14 February 2022. The Cabinet agreed at their meeting on 14 February 2022 for the proposals in Paper B to be recommended to Full Council for approval.

The Council recognises that effective treasury management underpins the achievement of its business and service objectives and is essential for maintaining a sound financial reputation. It is therefore committed to driving value from all of its treasury management activities and to employing suitable performance measurement techniques, within the context of effective risk management.

This report brings together the requirements of the Chartered Institute of Public Finance and Accountancy (CIPFA) Treasury Management in the Public Services Code of Practice Revised 2017 Edition (CIPFA TM Code), and the CIPFA Prudential Code for Capital Finance in Local Authorities: Revised 2017 Edition (CIPFA Prudential Code).

New CIPFA Treasury Management and Prudential Codes were published in December 2021, too late to be wholly incorporated into this year's written strategy. More details of their implementation are given in section 11 'Introduction and Background' below.

Whilst most of the requirements of the 2018 Ministry of Housing, Communities and Local Government (MHCLG) Investment Guidance are no longer relevant to Treasury Management Investments (it now overwhelmingly refers to non-treasury investments), it does adhere to MHCLG guidance to prioritise Security, Liquidity and Yield, in that order.

Somerset is undergoing a Local Government Reorganisation (LGR), with the new Council coming into effect on 1st April 2023. This will mean bringing together the debt and investment portfolios of the 5 current Councils. In order to do this in the most effective and efficient manner, actions may be taken during 2022-23 with the best interests of the continuing Council in mind, as well as purely those of Somerset County Council.

The Council currently holds £324.55m of debt as part of its strategy for funding previous years' capital programmes. Of this, £159.05m is Public Works Loan Board (PWLB) debt, £108m is Lender Option Borrower Option

(LOBO) debt, and a further £57.5m of fixed rate bank loans. As at 31st December 2021 the average rate paid on all debt was 4.66%.

Investment balances for 2021-22 to the 31st December 2021 have ranged between £261m (6th April) to £358m (25th July), averaging £313m. The average includes just over £114m of cash held on behalf of others during the period. £114.86m was being held as at 31st December 2021 on behalf of others, including entities where the Council is the accountable/administering body. An average rate of 0.54% has been achieved, yielding income in excess of £1.27m. Within this figure £45m is invested in Pooled Funds, £15m with the Churches, Charities, Local Authorities (CCLA) Property Fund, £15m with a Royal London Investment Grade Credit Fund, and £15m with the M&G Corporate Bond Fund.

2.1 Recommendations

Medium Term Financial Plan - 2022/23 Budget and Council Tax Setting - see Paper A and its appendices (as well as taking account of the Section 151 Officer's assessment of the robustness of budget and adequacy of reserves) that Cabinet considered and endorsed at its meeting on 14 February 2021.

The Council is recommended to approve:

The General Fund net revenue budget for 2022/23 of **£378,646,000** and the individual service budgets for 2022/23 as outlined in **Appendix 1** including,

- a) The transformation, savings and income generation plans outlined in **Appendix 2**, noting the savings did not require detailed Equalities Impact Assessments.
- b) The additional funding requirements set out in **Appendix 3**.
- c) The Finance and Assets Protocol as part of Local Government Reorganisation implementation as attached at **Appendix 11**.
- d) An increase in Council Tax of **1.99%** in 2022/23 (an increase of **£26.94** per Band D property).
- e) An increase of **1.00%** to Council Tax for the Adult Social Care Precept is approved in recognition of the current demands and financial pressures on this service. This is equivalent to an increase of **£13.54** on a Band D property.
- f) Agree to continue the Council Tax precept of **£12.84** within the base budget for the shadow Somerset Rivers Authority (representing no increase). This results in a Council Tax Requirement of **£2,577,594**.

- g) Agree the precept requirement of **£279,841,541** and set the County Council precept for Band D council tax charge at **£1,394.00** for 2022/23.
- h) The use of reserves for once-off spend and the overall estimated position of Earmarked Reserves outlined in **Appendix 4**.
- i) Note the adequacy of General Reserves at **£23.0m** within a risk assessed range requirement of **£20m - £30m**.
- j) The Capital & Investment Strategy attached at **Appendix 6**.
- k) The Efficiency Strategy attached at **Appendix 7**.
- l) The Capital Programme for 2022/23 of **£110.2m** including new capital bids of **£48.4m** outlined in **Appendix 8**, planned sources of funding, and notes the overall programme of **£180.3m** for 2023/24 to 2024/25 as outlined in **Appendix 9**.
- m) The MRP Policy attached at **Appendix 10**.
- n) The Capital Prudential Indicators outlined in **tables 16-22**.
- o) To opt into the national procurement scheme for External Auditor Appointments administered through Public Sector Audit Appointments Limited (PSAA).
- p) Delegate any final Business Rates amendments to the Director of Finance and Governance in consultation with the Leader of the Council.

Delegate any amendments within the final Government Financial Settlement and the final Business Rates amendments to the Director of Finance and Governance in consultation with the Leader of the Council.

2.2 Treasury Management Strategy Statement 2021/22 – see Paper B and its appendices that Cabinet considered and endorsed at its meeting on 14 February 2021.

The Council is recommended to:

1. To adopt the Treasury Borrowing Strategy (as shown in Section 2 of the report).
2. To approve the Treasury Investment Strategy (as shown in Section 3 of the report) and proposed Lending Counterparty Criteria (attached at **Appendix B** to the report).
3. To adopt the Prudential Treasury Indicators in section 4.
4. To note **Appendix A**, that is adopted as part of the Councils Financial regulations.
5. To note the current Treasury Management Practices (TMPs) attached at **Appendix D** to the report.

3. Options considered and consultation undertaken

3.1 Options considered and details of consultation undertaken in respect of the recommendations set out above are set out in the reports and appendices within Papers A and B.

4. Implications

4.1 Financial, legal, Human Resources, equalities, human rights and risk implications in respect of the recommendations set out in this report are detailed within Papers A and B.

In accordance with the requirements of the Localism Act 2011 the Authority is required to approve a Council Tax Requirement on an annual basis. In order to calculate a balanced budget the Council has to calculate its Budget Requirement by estimating all future revenue income and forecasting future expenditure requirements and taking into account movements to or from reserves.

It is a statutory requirement under the Local Government Finance Act 1992 for the Council to set a balanced budget by 11 March of the preceding financial year.

The obligation to make a lawful budget each year is shared equally by each individual Member. In discharging that obligation, Members owe a fiduciary duty to the Council Taxpayer.

Members are also individually reminded that Section 106 of the Local

Government Finance Act 1992 applies to this meeting. Members who are two months or more in arrears with their Council Tax must declare this to the meeting and must not vote on budget recommendations, as to do otherwise can be a criminal offence.

It is essential that consideration is given to the legal obligations and in particular to the need to exercise the equality duty under the Equality Act 2010 to have due regard to the impacts based on sufficient evidence appropriately analysed.

The duties placed on public bodies do not prevent difficult decisions being made such as, reorganisations and service reductions, nor does it stop decisions which may affect one group more than another. What the duties do is require consideration of all of the information, including the potential impacts and mitigations, to ensure a fully informed decision is made.

Under the Local Government Act 2003, local authorities must have regard to Statutory Proper Practices in their Treasury Management activities.

5. Background Papers

5.1 These are set out within Papers A and B and their appendices.

Reports to Cabinet on 14 February 2022 and to Scrutiny and Audit Committees in January 2022

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Medium Term Financial Plan - 2022/23 Revenue & Capital Budgets and Council Tax Setting

Cabinet Member(s): Cllr Mandy Chilcott - Cabinet Member for Resources

Local Member(s) and Division: All

Lead Officer: Jason Vaughan, Director of Finance & Governance

Author: Jason Vaughan, Director of Finance & Governance

Contact Details: JZVaughan@somerset.gov.uk

Sections

- 1. Report Summary**
- 2. Recommendations**
- 3. – 9. Implications (Including Equalities) and Links**
- 10. Scrutiny Comments and Recommendations**
- 11. Background**
- 12. 2022/23 Budget and LGR Implications for 2023/24**
- 13. Funding for Councils including Council Tax and Business Rates**
- 14. Contingency, General Reserves, and Earmarked Reserves**
- 15. 2022/23 Statutory Chief Finance Officer (CFO) Report and Advice on the Robustness of the Budget and Adequacy of Reserves and Balances**
- 16. The Capital Strategy, Efficiency Strategy, Capital Programme, MRP Policy, and links to Prudential Indicators**
- 17. Financial Risk and Risk Management**
- 18. Proposals to Opt into the National Procurement Scheme for External Auditor Appointments**

Appendices

Appendix 1 – 2022/23 Budget Detail

Appendix 2 - Transformation, savings, and Income Generation Proposals

Appendix 3 – Additional Financial Requirements

Appendix 4 – The Use of Reserves and Reserves Position

Appendix 5 – Detailed Directorate Summaries

Appendix 6 - The Capital Strategy

Appendix 7- Efficiency Strategy

Appendix 8 – New Capital Bids

Appendix 9 – The Capital Programme 2022/23 to 2024/25

Appendix 10 – The MRP Statement

Appendix 11- Somerset Finance Assets Protocol

1. Key Points of the Budget Report and Summary

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This budget report sets out spending plans for next year which will be the final budget for Somerset County Council. It highlights areas of priority to support residents across Somerset as follows:

- £18.092m increased spending in Adults Services
- £12.317m increased spending in Children's Services
- £2.530m increased spending in Economic and Community Infrastructure Services
- Council tax rise of 1.99% with a further 1% adults social care precept

The budget also contains detail of the significant capital investment of £48.4m in schools, roads, climate change and other projects across the county as follows:

- £24.2m allocated to road schemes in 2022/23
- A further £8.3m for schools
- £1.0m for Small Improvement Member Schemes
- £2.6m for Children's Placements
- £1.9m to support Climate Change (decarbonisation schemes and electric fleet vehicles)

These additional schemes have been added to the overall capital programme of investments in Somerset to £152.4m. Further detail is provided throughout this report and appendices. The papers also provide evidence of strong financial performance with Council reserves of £84.9m by the end of 2022/23 (£23.0m General Reserves and £61.9m Earmarked Reserves) after funding the LGR implementation costs.

Preparation for the 2022/23 budget were reported to Cabinet in October 2021 and January 2022 and highlighted the continued impact of the Covid-19 pandemic, preparations for Local Government Reorganisation, and Government changes to social care. The report lays out balanced budget proposals for the coming year and provides a solid foundation for the new Somerset Council to build from.

On the 16th December the Government announced the provisional Local Government Finance Settlement which provided details of the funding for 2022/23 including referendum levels for Council Tax and the Adult Social Care precept. The final settlement has been received, to which there were no fundamental changes from the provisional settlement. Any changes have been updated within the report.

Changes in future Council funding through the Governments review of Fairer Funding and changes to the Business Rates retention scheme have been

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delayed for a number of years and now look to take place from April 2023. There is also the on-going issue of longer-term funding of Adult Social Care and the Business Rates reset. These major changes provide greater uncertainty around the future years funding levels and make longer term financial planning more difficult to predict.

The detailed 2022/23 budget proposals and MTFP for future years were reviewed by Adult and Public Health Scrutiny Committee and Children and Families Scrutiny Committees in January and by the Policies & Place Scrutiny on 1st February 2022. The final budget proposals from Cabinet will be considered by Council on 23rd February.

The Medium-Term Financial Plan (MTFP) projections for 2023/24 are included under the Local Government Reorganisation section and **Table 5** within this report and give an outline of the potential budget gap for the new Somerset Council for 2023/24.

2. Recommendations

That the Cabinet recommends Council approves

The General Fund net revenue budget for 2022/23 of **£378,646,000** and the individual service budgets for 2022/23 as outlined in **Appendix 1** including,

- a) The transformation, savings and income generation plans outlined in **Appendix 2**, noting the savings did not require detailed Equalities Impact Assessments.
- b) The additional funding requirements set out in **Appendix 3**
- c) The Finance and Assets Protocol as part of Local Government Reorganisation implementation as attached at **Appendix 11**
- d) An increase in Council Tax of **1.99%** in 2022/23 (an increase of **£26.94** per Band D property).
- e) An increase of **1.00%** to Council Tax for the Adult Social Care Precept is approved in recognition of the current demands and financial pressures on this service. This is equivalent to an increase of **£13.54** on a Band D property.
- f) Agree to continue the Council Tax precept of **£12.84** within the base budget for the shadow Somerset Rivers Authority (representing no increase). This results in a Council Tax Requirement of **£2,577,594**.

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- g) Agree the precept requirement of **£279,841,541** and set the County Council precept for Band D council tax charge at **£1,394.00** for 2022/23.
- h) The use of reserves for once-off spend and the overall estimated position of Earmarked Reserves outlined in **Appendix 4**.
- i) Note the adequacy of General Reserves at **£23.0m** within a risk assessed range requirement of **£20m - £30m**.
- j) The Capital & Investment Strategy attached at **Appendix 6**
- k) The Efficiency Strategy attached at **Appendix 7**
- l) The Capital Programme for 2022/23 of **£110.2m** including new capital bids of **£48.4m** outlined in **Appendix 8**, planned sources of funding, and notes the overall programme of **£180.3m** for 2023/24 to 2024/25 as outlined in **Appendix 9**.
- m) The MRP Policy attached at **Appendix 10**.
- n) The Capital Prudential Indicators outlined in **tables 16-22**.
- o) To opt into the national procurement scheme for External Auditor Appointments administered through Public Sector Audit Appointments Limited (PSAA).
- p) Delegate any final Business Rates amendments to the Director of Finance and Governance in consultation with the Leader of the Council.

3. Reasons for recommendations

To recommend to full Council the Revenue and Capital Budgets, levels of Council Tax and other supporting documents as part of the statutory requirements to set a balanced budget for 2022/23.

4. Other options considered

The Council has a legal duty to set a balance budget each year and these proposals fulfil that requirement.

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5. Links to County Vision, Business Plan and Medium-Term Financial Strategy

The budget will link additional funding requirements (both revenue and capital), transformation, savings, and income generation to the delivery of the Council's key priorities within the Council's vision to create:

- A thriving and productive County that is ambitious, confident and focussed on improving people's lives;
- A county of resilient, well-connected and compassionate communities working to reduce inequalities;
- A county where all partners actively work together for the benefit of residents, communities and businesses and the environment, and;
- A county that provides the right information, advice and guidance to enable residents to help themselves and targets support to those who need it most.

6. Consultations and co-production

The budget proposals have been developed by the Senior Leadership Team (SLT) working with the Cabinet. In the Summer there was a series of Portfolio holder challenge sessions led by Cllr Mandy Chilcott – Cabinet Member for Resources and reviewed various issues such as demand, growth, benchmarking, income, transformation savings and capital bids.

Where a detailed consultation is required this will be arranged as the agreed proposals for change are developed and implemented by the relevant directors.

The three Scrutiny Committees have also been consulted upon the detailed budget proposals in January and February 2022.

The LGR Joint Committee reviewed the 5 Councils headline budget proposals at its meeting 4 February 2022 to assess the impact they have upon the finances of new Somerset Council.

7. Financial and Risk Implications

The financial implications are set out in the report.

The Corporate Risk Register includes Strategic Risks ORG0057 – Sustainable MTFP with a current risk score of 3x4=12. This is a reduced risk score from previous years and reflects that the 2022/23 Budget Proposals show a balanced budget with a robust level of reserves and contingencies, combined with the improvements made in financial management over the last 3 years which have been recognised by the external auditor in their value for money judgement.

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An assessment of the risks to general and earmarked reserves within the budget as set has taken place and the conclusion has been set out under the Director of Finance & Governances robustness assessment within this report.

Key risks have been outlined in **Table 23** of this report and these will continue to be monitored and reported as part of the budget monitoring process.

8. Legal and HR Implications

The legal implications will be assessed as part of the overall budget process that will conclude in February 2022.

Any HR implications will be reviewed as part of the budget process.

9. Other Implications

Equalities Implications

The Equalities Officer has reviewed the Transformation, savings, and Income Generation Proposals and agreed that none require a full Equalities Impact Assessment (EIA).

Community Safety Implications

There are no community safety implications arising from this report.

Sustainability Implications

There are no sustainability implications arising from this report.

Health and Safety Implications

There are no health and safety implications arising from this report.

Health and Wellbeing Implications

There are currently no implications

Social Value

There are currently no implications

10. Scrutiny comments / recommendations:

The 2022/23 budget proposals were considered by the **Children and Families Advisory Board** on the 25th January 2022. Their comments were as follows:

On behalf of the advisory board, the Chair thanked officers for the presentation noting that Members still had an opportunity to feed into the budget and MTFP process. The advisory board noted the MTFP for Children and Families Services

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2022 – 2023 and the Children’s Services Plan and requested additional information / clarification on the following: -

- *With reference to the additional funding information set out in Table 2 on page 41 of the Report, information on reasons for increases*
- *Clarification on how the Ilminster & Crewkerne transport position is shown in the Budget Report*
- *Clarification on Early Years funding / hourly rates, detailed on page 47 of the Report*
- *Clarity on SENDIAS funding and clarity on how investments and savings were displayed in Appendix 2 Cabinet Report*
- *Acceptance of the uncertainty in the budget due to unknowns around the long-term effects and impact of Covid.*

The 2022/23 budget proposals were considered by the **Adults and Health Scrutiny for Policies Advisory Board** on the 26th January 2022. Their comments were as follows:

The Advisory Board had a report which was introduced by the Cabinet Member for Resources. Preparations for the 2022/23 budget were reported to Cabinet in January 2022 and highlighted the difficulties of producing the 2022/23 budget against the backdrop of the Covid-19 pandemic, uncertain funding, and preparations for Local Government Reorganisation. (The Medium-Term Financial Plan (MTFP) will link pressures, growth, and savings to the delivery of the Council’s key priorities within the Council’s vision to create:

- *A thriving and productive County that is ambitious, confident and focussed on improving people’s lives,*
- *A county of resilient, well-connected and compassionate communities working to reduce inequalities,*
- *A county where all partners actively work together for the benefit of residents, communities and businesses and the environment, and*
- *A county that provides the right information, advice and guidance to enable residents to help themselves and targets support to those who need it most.*

The draft proposals recognise the importance of Adult Services and the budget adds further investment of £18.1m, which is an increase of 12.8% to this key frontline service. This recognises additional pressures as a result of demand for services, which continue to be at an unprecedented level. Predicting future years demand is made more difficult by Covid-19 and one of the key challenges around this is identifying whether the current demand is on-going as peoples social care needs have increased, or whether there is a degree of temporary

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demand. These budget proposals have tried to strike a balance between the two and to ensure the budget proposals are robust. Inflationary increases recognise the increased statutory pressures on providers such as increased national living wage, as well as general price inflation which is currently running at 5.1%. This figure also includes contractual inflation for the Discovery in line with the contract. The anticipated demographic growth in demand across the service has been calculated using Office for National Statistics population data and trends from previous years.

The Advisory Board welcomed the proposed increase in investment and the robust planning that had resulted in the proposed budget.

The 2022/23 budget proposals were considered by the **Polices and Place Advisory Board met** on the on 1st February 2022. Their comments were as follows:

- *Question on Pg82 – setting out £1.9 million funding for climate change – walking and cycling initiatives– the Director of Finance and Governance said that this was made up of SCC funding of £1.5million and £0.4m of government grant*
- *Active travel phase 3 was questioned? – an update due at future meeting will set out progress and update of budget against spend and level of funding provided to those schemes.*
- *Pg 95, referring to the risk table – unitary preparations and transitional costs, more info was requested in respect of costs at SCC associated with backfilling posts where staff were moving into LGR related work full time.*
- *Given timescale until vesting day and the safe implementation of a new payroll system with 5 organisations combining into 1 this was still a recognised risk. There was a preference for all organisations to be transferred to a single payroll system but this was an ongoing conversation*
- *More information was requested in relation to the reduction in travel and budgets and how this has changed since the easing of lockdown measures. Chris Squire committed to bring info back to the Board setting out the projected savings from travel, printing, venue hire underpinning the case for hybrid working*
- *Further info was requested from the Director of Finance and Governance in respect of the base budget funding to VCSE partners and questioned where funding for the voluntary sector was located in the MTFP?*
- *It was requested for the case to be considered for using additional reserves to provide a better delivery of maintenance in public highway areas.*

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- *Question around Adults services and use of reserves which was used largely for transformation and investment exercises and not used for ongoing expenses and expenditure.*
- *Alyn Jones in respect of LGR committed to verifying all the resources/costs and bring into one place to match the resources using the implementation budget and prioritise work with service delivery.*
- *It was considered how the budget setting compared with similar County Councils, with SCC being the fourth lowest council tax base in England – explored if Somerset should be receiving significant levelling up funding?*
- *Chairs summary included requests on funding relating to carbon capture and the financing of tree canopy financing, Risks around LGR, staffing and IT cost projections as part of LGR, and further information in relation to the funding of the voluntary sector.*

11. Background

Preparations for the 2022/23 budget were reported to Cabinet in October 2021 and January 2022 and highlighted the continued impact of the Covid-19 pandemic, preparations for Local Government Reorganisation, and Government changes to social care. They also detailed how the MTFP, and budget building process worked to develop robust and up to date budget proposals to reflect the latest demand and cost pressures including Cabinet budget challenge sessions over the summer. There have been a series of engagements with both budget holders and members through Budget Briefings and group meetings during the budget process.

On the 16th December the Government announced the provisional Local Government Finance Settlement which provided details of the funding for 2022/23 including referendum levels for Council Tax and the Adult Social Care precept. The final settlement has been received, to which there were no fundamental changes from the provisional settlement. Any changes have been updated within the report.

Changes in future Council funding through the Governments review of Fairer Funding and changes to the Business Rates retention scheme have been delayed for several years and now look to take place from April 2023. There is also the on-going issue of longer-term funding of Adult Social Care and the Business Rates reset. These major changes provide greater uncertainty around the future years funding levels and make longer term financial planning more difficult to predict.

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12. 2022/23 Budget and Forecast for 2023/24 and 2024/25

The development of the 2022/23 budget has now been finalised and the final budget proposals will mean that there is a balanced budget for the coming year which will see continued investment in services and further additions to the capital programme. The budget proposals have been built up based upon the latest information and forecasting, but it has to be acknowledged in the current climate that there are still some areas of uncertainty, and it is therefore proposed to retain the current budget Contingency of £6.0m within the proposals. This equates to approximately 1.6% of the net 2022/23 budget and based upon previous experience is at an appropriate level given the overall level of reserves and potential calls on funding.

The overall financial environment continues to be challenging but despite this there is continued investment in key front-line services and a capital programme that meets priority needs. The draft proposals have been subject to review by SLT through various challenge processes. The 2022/23 budget are shown below in **Table 1** on a Service-by-Service basis with a summary of the changes in **Table 2**.

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Table 1 - Service Budgets

Original Budget 2021/22		Proposed Budget 2022/23	Indicative Budget 2023/24	Indicative Budget 2024/25
£m	Services	£m	£m	£m
141.592	Adult Services	159.684	184.900	204.495
96.005	Children's Services	105.048	111.635	118.692
73.107	ECI Services	71.862	74.262	76.753
1.411	Public Health	1.336	1.348	1.360
15.805	Customers, Digital & workforce	16.863	16.979	17.398
9.114	Finance & Governance	12.145	10.222	10.438
	Non-Service			
6.000	Corporate Contingency	6.000	6.000	6.000
10.800	Covid-19 Funding	0.000	0.000	0.000
7.433	Accountable Bodies	4.329	3.249	3.273
32.624	Corporate Areas	37.247	33.345	31.132
(37.819)	Special Grants	(35.868)	(47.485)	(53.729)
356.072	Net Budget Requirement	378.646	394.455	415.812
	Financed by			
(6.209)	Revenue Support Grant	(6.407)	(6.438)	(6.586)
(70.042)	Business Rates	(78.266)	(78.300)	(78.300)
13.700	Collection Fund (Surplus) / Deficit	(5.864)	0.000	0.000
(267.374)	Council Tax	(277.264)	(288.417)	(299.851)
(2.561)	Council Tax Somerset Rivers Authority	(2.578)	(2.603)	(2.627)
0.000	General Reserves	0.000	0.000	0.000
(23.587)	Earmarked Reserves – SCC	(7.055)	(4.530)	(0.197)
	Earmarked Reserves – Held on Behalf of Other Bodies	(1.212)	0.000	0.000
(356.072)	Total Funding	(378.646)	(380.287)	(387.561)
	Adjustment for prior years' budget gap			(14.168)
0.000	MTFP Forecast Budget Gap	0.000	14.168	14.083

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Table 2: Changes to the Budget from 2021/22 to 2022/23

All Services	£m	£m
2021/22 Original Budget		356.072
Removal Of Once Off Budgets for 2021/22	(10.887)	(10.887)
2021/22 Base Budget		345.185
Additional Funding Requirements:		
Inflation (Contractual and General)	12.792	
Demographic and other Demand Increases	13.114	
Other Funding Requirements	6.001	
Growth	0.068	
Total Additional Funding Requirements		31.974
Pay Award		5.633
Savings Previously Agreed		(2.298)
Prior Year Savings Not Delivered		0.861
New Savings Proposals		(2.480)
Once off funding		12.808
Technical Adjustments (Changes in specific grants)		(13.037)
2022/23 Proposed Budget		378.646
Change £m		33.461
Change %		9.69%

Appendix 1 sets out the service details of the budgets shown above and will form the basis of the level of budget monitoring in 2022/23.

Appendix 5 outlines the Detailed Directorate Summaries.

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Budget Assumptions

The budget for 2022/23 and forecast for 2023/24 and 2024/25 are based on the following assumptions:

- **Inflation (pay/general/contractual)** – the pay award has not yet been agreed for 2021/22. The latest offer of 1.75% has been rejected. An estimate of 2% for 2021/22 and 2.5% has been made for 2022/23. All salaries budgets have been reviewed regarding the announcement of the 5.9% increase in the National Living Wage and the introduction of the 1.25% NI increase.
- **Demographic & Demand Changes** – greater details are shown in under each service area’s narrative within this report.
- **Funding** – this includes the single year Final Settlement figures.
- **Current savings plans** – the details of these are attached at **Appendix 2**.
- **Council Tax** – the table above assumes Council tax of 1.99% for general Council Tax and 1% for the Adult Social Care Precept for financial planning purposes. The actual level of council tax will be set by Council in February and will be considered in the context of the full budget including savings and growth proposals. The tax bases have now been set by the District Councils and reflect an overall increase of 0.66%.
- **Business Rate Retention** – estimates are being reviewed in line with the NDR1 forms submitted by District Councils

Transformation, Savings, and Income Generation Plans

Transformation, savings, and income generation proposals are attached in **Appendix 2**. None of the new saving plans require a full Equalities Impact Assessment.

Additional Funding Requirements

Additional Funding Requirements are shown in **Appendix 3**. The requirements include legislation requirements, contractual, general inflation, demographic and demand pressures, and growth.

Climate Change Emergency

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Somerset Councils' Climate Emergency Declarations set out shared ambitions to deliver a Carbon Neutral Somerset by 2030 and to build our resilience for, or adapt to, the impacts of a changing climate. We have developed a shared Strategy for Somerset with our District partners and have added further commitments for 2022/23.

Table 3: Funding for Climate change

Description	£'m	Source
Climate Change funding to support Towns & Parishes	1.0	2020/21 Budget - Feb 2020
Climate Change funding to support Towns & Parishes	0.5	2020/21 Outturn - July 21
Investment in clean energy generation projects	3.1	2021/22 Budget - Feb 21
Energy efficient and decarbonisation schemes	1.3	2021/22 Budget - Feb 21
Walking and cycling initiatives	1.9	2021/22 Budget - Feb 21
Decarbonisation of buildings including County Hall and libraries	7.4	2021/22 - Decision Report Sept 21
DfT Grant - Road Decarbonisation	1.0	2021/22 Decision Report
Heat decarbonisation feasibility studies across Somerset's maintained school estate	0.4	Low Carbon Skills fund
Electric fleet vehicles and infrastructure	0.9	New bid for 2022/23
Match funding for decarbonisation grants	1.0	New bid for 2022/23
Spend on climate change	18.5	

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Local Government Reorganisation

This will be the last budget for Somerset County Council which will be replaced by a Unitary Somerset Council on the 1st April 2023. The One Somerset Business Case outlined that the new single-tier unitary council would deliver £18.5m savings per year, with a one-off investment of £16.5m.

The profile of LGR Business Case Savings is as follows:

Table 4 – Profile of the LGR Business Case Savings

Business Case Savings	2023/24 Estimated Savings £'m	2024/25 Estimated Savings £'m	Total Savings £'m
Savings Profile	13.7	4.8	18.5

Although this report is focussed on the Somerset County Council budget it is important to look forward and begin to assess the financial position and resilience of the new Council. The following **(Table 5)** shows the estimated budget gaps for all five authorities (it must be noted however that these are the individual positions and further work needs to be undertaken for instance to review government funding changes that would apply to one authority rather than five individual authorities). However this does give an indication of the overall position for the new Council.

Table 5 – Projected Budget Gaps of the five authorities in Somerset

Authority	2022/23 Estimated Net Budget £'m	2023/24 Estimated Budget Gap £'m	% of Net Budget
Somerset	376.3	14.2	3.8%
Mendip	16.7	1.9	11.4%
Sedgemoor	17.4	2.8	16.1%
South Somerset	19.6	4.1	20.1%
Somerset West & Taunton	16.7	5.5	32.9%
Total	446.7	28.5	6.4%

(Note these estimates need reviewed once all budgets have been approved and assumptions are aligned – this will enable longer projections to be made for 2024/25 as well as 2023/24)

The table above show the accumulative net budget of £446.7m with a budget gap of £28.3m (6.3%) in the first year of the new authority. If we add this to the first year of business case savings of £13.7m the initial overall savings target for

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vesting day is £42.0m (unless some of the LGR savings are re-invested in services). This is a substantial sum for the new authority and further work around savings targets and options will need to be carried out as soon as possible.

The business case also outlined that once off implementation costs of £16.5m would be required to set up the new authority and its operating structure. District authorities have agreed to fund 20% of the overall costs with the remaining sum for 2023/24 being allocated to a specific reserve to ensure that the costs of implementation are fully covered. SCC has set aside £3.2m in 2021/22 and £6.9m for 2022/23 and £3.1m for 2023/24 has been set aside within this budget to fund SCC's 80% share.

A further sum is required to fund the costs of an additional 55 members in the transition period from May when the elections will take place until the end of March 2023. A sum of £0.752m has been allocated for this and discussions are ongoing with our District colleagues regarding a contribution towards this.

A voluntary spending protocol has been agreed by all of the Somerset authorities which will help to minimise new financial pressures for the new Council. The Secretary of State may issue a direction to local councils under Section 24 (Local Government and Public Involvement in Health Act 2007) after the Structural Change Order (SCO) is enacted. The purpose of such a notice is to protect the finances and interests of the new Unitary Council. This allows the Secretary of State to direct that a relevant authority may not without the written consent of a person or persons specified to:

- dispose of any land if the consideration payable for the disposal exceeds £100,000.
- enter into any capital contract under which the consideration exceeds £1m or which includes a term allowing the consideration payable to be varied.
- enter into any non-capital contract under which the consideration exceeds £100,000.
- commit existing financial reserves by a specified amount.

It can take up to 6 months after the SCO before the Section 24 notice is put in place and therefore exposes the new Unitary Council to a period of risk. DLUHC officers have recommended that the 5 Somerset councils come together with a voluntary protocol which can then be quickly put in place. Therefore, each Council will be asked to adopt the protocol (attached at **Appendix 11**) as part of the 2022/23 budget setting process that would become effective for the 2022/23 financial year.

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13. Funding for Councils

The Final Settlement outlined the following grants:

Table 6– Government Grants Announced as Part of Financial Settlement

Grant	Description	Estimated In 2022/23 £'m	Increase/ (Decrease) from Previous Year £'m	Indicative Budget 2023/24 £'m	Indicative Budget 2024/25 £'m
Revenue Support Grant	Government Grant Distributed based on need.	6.407	0.199	6.438	6.586
Rural Services Delivery Grant	Government Grant to support the increased costs of delivering services in rural areas.	2.521	-	2.521	2.521
New Homes Bonus	NHB is an incentive-based grant to increase the number of new homes built and reduce the number of empty properties. This is currently being phased out.	1.266	0.020	-	-
Services Grant	A once-off grant to support Local Government Services (the funding is ongoing but the mechanism for distribution is once-off)	4.709	4.709	4.709	4.709
Social Care Grant	A Government Grant to support the cost pressures in both Adult and Children's social care.	24.591	6.632	24.591	24.591

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In addition to the grants listed above the following are included within the Adults or Public Health Services budgets:

Table 7 – Other Major Grants Embedded in Service Budgets

Grant	Description	Estimated In 2022/23 £'m	Increase/ (Decrease) from Previous Year £'m	Indicative Budget 2023/24 £'m	Indicative Budget 2024/25 £'m
Better Care Fund	Grant from the CCG for the integration of health and social care. (To be confirmed for 2022/23)	13.191	-	13.191	13.191
Improved Better Care Fund	Government Grant to support local authorities to meet adult social care costs, reduce pressures on the NHS and support the social care market	23.372	0.686	23.372	23.372
Public Health Grant	Ringfenced Government funding to improve health in the local population (to be confirmed)	21.881	0.597	21.881	21.881

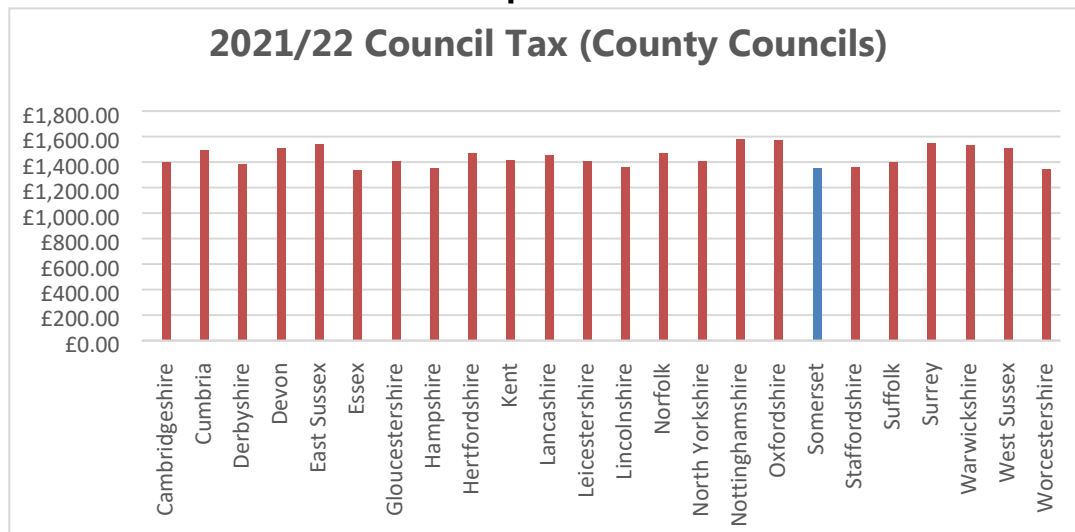
Council Tax

Over the last few years there has been a national shift away from government funding to locally generated funding through Council Tax. The income from Council Tax is a product of the Tax Base multiplied by the Band D Council Tax charge.

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Table 8 shows the Council Tax charge for the current year of £1,353.53 for a Band D property which is the fourth lowest of all Shire County Councils with the average charge being £1,443.

Table 8: Council Tax Band D Comparisons



The Government controls council tax increases through the referendum limits and has set these for 2022/23 at 2% for Council Tax and 1% for Adult Social Care precept. Also, as part of Finance Settlement the government has taken these increases into account when allocating funding as part of the Core Spending Power (CSP) calculation for each council.

Tax Base

The MTFP in February estimated an increase of 0.5% for 2022/23 but this has improved to 0.66%. The Tax bases has now been set for 2022/23 by the District Councils and **Table 9** shows the figures for 2020/21 to 2022/23 and the increase or decrease in 2022/23 compared to 2021/22. This has increased the expected income for 2022/23 to £1.783m.

Table 9: Changes to the Tax Base by District

TAX BASE	2020/21	2021/22	2022/23	% Increase/ (Decrease)
Mendip	40,978.57	41,337.76	41,544.07	0.50
Sedgemoor	41,435.78	40,991.35	41,910.15	2.24
South Somerset	60,710.78	61,152.95	60,643.62	(0.83)
Somerset West and Taunton Council	56,449.87	55,947.87	56,649.32	1.25
Total	199,575.00	199,429.93	200,747.16	0.66

Council Tax Increases

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Cabinet is requested to recommend an increase of 1.99%, £26.94 per annum (52p per week) in general Council Tax to Council, and a further 1.0%, £13.54 per annum (26p per week) increase in Adult Social Care Precept in line with those referendum limits and government expectations. This will add £40.48 per annum (78p per week) to a Band D property. The overall Council Tax for 2022/23 including £12.84 towards the Somerset Rivers Authority would be £1,394.00 which is still below the current year's average charge for County Councils.

The overall Council Tax charge in **Table 10** is broken down in accordance with the proportion set out in section 5(i) of the Local Government Act 1992 as follows:

Table 10 – Council Tax charges per Band

	Band A £	Band B £	Band C £	Band D £	Band E £	Band F £	Band G £	Band H £
General	810.71	945.82	1,080.94	1,216.06	1,486.30	1,756.53	2,026.77	2,432.12
ASC Precept	110.06	128.41	146.76	165.10	201.79	238.48	275.16	330.20
SRA	8.56	9.99	11.41	12.84	15.69	18.55	21.40	25.68
Total	929.33	1,084.22	1,239.11	1,394.00	1,703.78	2,013.56	2,323.33	2,788.00

Adult Social Care Precept

The Government in recognising the continued pressures facing Adult Social Care (ASC) authorities, has allowed for a further 1.00% increase in 2022/23. The Council's plans include this for 2022/23 (this would increase the Adult Social Care Precept to £33.144m an increase of £2.917m from 2021/22). This will support the increase of £18.684m in the Adult Services budget in 2022/23. The Medium-Term Financial Plan assumes that this only applies to 2022/23 as the Final Settlement does not outline any further funding through this source.

Collection Fund Surpluses/Deficit

The overall council tax collection surplus for the year is £5.8m. This has been utilised to fund the spreading adjustment from previous the year of £2.3m, funded a once off Resilience budget to support services of £1.5m, and the remainder has been transferred into reserves.

Business Rates

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The review of Business Rates and reset have now been delayed until 2023/24 at the earliest. The Finance Settlement set the Tariff & Top Up for 2022/23 at £53.1m, the Safety Net at £63.2m and Baseline at £68.3m. The draft budget proposals assume a Business Rates income of £78.3m. All of the Councils in Somerset apart from Somerset West and Taunton have agreed to participate in the Business Rates pool in 2022/23. An assessment of the risks and rewards of continuing with the pool has been completed. Somerset West and Taunton are not participating because of a specific risk in that District. No pool gains or losses have been factored into the budget currently and the position will be monitored and reported during the year.

District authorities will also be providing the surplus / deficit position of the Business Rates Collection Fund in the current year. The position on Business Rates is made more complex with there being differences between cash and accounting positions which are more distorted due to section 31 payments from government in supporting the business sector as a result of Covid-19. Any surpluses or deficits will be absorbed through the Funding Volatility Reserve which has been set up for this purpose. The current balance on the reserve is £3.3m.

Schools and Dedicated Schools Grant (DSG)

Schools are funded by the Dedicated Schools Grant (DSG) which is initially allocated to the Council by the Department for Education (DfE). The DSG supports all expenditure in schools (who set their own budgets) and the activities that the Council carries out directly for schools. It does not cover the statutory responsibilities the Council has towards parents. These responsibilities are funded through the Councils main revenue funding and included as part of the proposed Budget.

In July 2021, the DfE published provisional allocations for the schools, high needs and central services blocks. Final allocations based on pupil numbers from the October 2021 school census have now been made.

The allocation for Somerset Schools is an increase of £12.0m^[1]. The Schools Forum supported the approach to delegation of the Schools Block in line with the National Funding Formula (NFF) at their meeting on the 17th November 2021 and approved the final Individual Schools Budget (ISB) proposal at their meeting on the 12th January 2022. The allocations were approved by Cabinet on the 19th January 2022.

^[1] Excluding Teachers' Pay and Pensions which is now included in the DSG (previously via separate grant allocation)

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High needs funding to support children with Special Education Needs and Disabilities (SEND) is increasing by £780m nationally, with an increase in High Needs Block allocation for Somerset of £6.3m^[2]. Nationally central schools services funding has increased for ongoing responsibilities but will decrease by 20% for historic commitments.

The Early Years hourly rate for 3-4-year-old entitlement has increased by 17p per hour and by 21p for the 2-year-old entitlement. The total 2021-22 Early Years Block allocation has decreased by £1.1m pre-adjustment figure, post adjustment is an increase of £1.0m.

With the introduction of the National Funding Formula (NFF) the DSG was ring-fenced for schools from 2018/19 making the LA responsible for the demographic pressures being observed in the SEND / High Needs element of the DSG (although schools can contribute up to 0.5% of the ringfenced sum if agreed by the Schools Forum). However, local authorities cannot contribute to any deficit. The DSG deficit at the end of 2020/21 was £14.8m and this is expected to increase to £19.7m by the end of 2021/22. The Somerset Deficit Management Plan has been updated following the systems response to the pandemic and in light of the Written Statement of Action in response to the joint Ofsted and CQC inspection.

At the end of 2020/21 the level of reserves of maintained schools was £23.3m.

14. Contingency, General Reserves, and Earmarked Reserves

The proposed budget includes a Corporate Contingency sum of £6.0m for 2022/23. This will be held for unforeseen budget issues.

Reserves are either General Reserves which are held to manage general financial risks or Earmarked Reserves to be used for specific purposes. The Council also holds Earmarked Reserves on behalf of other organisations in its role as accountable body. As the council does not control these they should not be included when assessing the Council's level of reserves.

The current level of the General Reserves of £23m will be maintained within a range of £20m-£30m in 2022/23. Although there is no guidance on the appropriate level of General Reserves to hold, 5% is widely accepted as general good practice. Having a range of £20m-£30m for the minimum and maximum is appropriate given the current risks and Local Government Reorganisation.

^[2] Including Teachers' Pay and Pensions and before recoupment and deductions for direct funding of high needs places by the ESFA

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In addition to this an overall review of contingency and reserves has been undertaken as part of the robustness review by the Directors and Director of Finance & Governance. Given the Covid-19 pandemic, major uncertainty and changes to future council funding having General Reserves at this level seems appropriate and robust. The table below outlines an overview of Directors' confidence levels in the 2022/23 budget and also confidence levels in achieving transformation, savings, and income generation plans in 2022/23:

Table 11 – Summary of Directors Confidence in the 2022/23 Budget and Transformation, Savings, and Income Generation Plans

Changes	Adults Services	Children's Services	Economic & Community Infrastructure Services	Customers , Digital & Workforce	Finance and Governance	Public Health	Corporate Costs	Financing	Overall
	£m	£m	£m	£m	£m	£m	£m	£m	£m
Director's Confidence Level in:									
2022/23 Budget	Medium	Medium	Medium	High	High	High	High	High	Medium
Achieving transformation, savings, and income generation	Medium	Medium	Medium/ High	High	High	High	High	High	Medium

Earmarked Reserves are expected to total £69.0m at the start of 2022/23. All reserves have been reviewed as part of setting the 2022/23 budget. The Use and position of Earmarked Reserves in 2022/23 is attached at **Appendix 4**.

Table 12 – Summary of Contingency, General Reserves, Earmarked Reserves Position

	Estimated Opening position at start of 2022/23 £m	Estimated Opening position at start of 2023/24 £m	Estimated Opening position at start of 2024/25 £m	Estimated Opening position at start of 2025/26 £m
General Contingency	6.0	6.0	6.0	6.0
General Reserves	23.0	23.0	23.0	23.0
Earmarked Reserves	69.0	61.9	57.4	57.2
Total	98.0	90.9	86.4	86.2

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Table 13 – Summary of Funds Held on Behalf of Other Bodies

	Estimated Opening position at start of 2022/23 £m	Estimated Opening position at start of 2023/24 £m	Estimated Opening position at start of 2024/25 £m	Estimated Opening position at start of 2025/26 £m
Earmarked Reserves	4.7	3.5	3.5	3.5
Total	4.7	3.5	3.5	3.5

15. Robustness of and Risks within the Proposed Budget for 2022/23 Statutory Chief Finance Officer (CFO) Report and Advice on the Robustness of the Budget and Adequacy of Reserves and Balances

Introduction

The Local Government Act 2003 states that when a local authority is preparing its budget, "the Chief Finance Officer of the authority must report to it on the following matters:

- (a) the robustness of the estimates made for the purposes of the calculations; and;
- (b) the adequacy of the proposed financial reserves."

And goes on to state that the authority "shall have regard to the report when making decisions about the calculations in connection with which it is made."

This report has been prepared by the Director of Finance & Governance to fulfil his duty and gives the required advice relating to the 2022/23 financial year including a consideration of the budget proposals and the financial risks facing the Council within this budget. Also, it identifies the Council's approach to budget risk management and assesses the particular risks associated with the 2022/23 budget to inform the advice.

CIPFA's Financial Resilience Index

CIPFA has published its Financial Resilience Indicators for each authority. These measure different aspects of financial indicators such as levels of reserves across each tier of local authority. This information has been analysed to show the trend over the last 5 years and shows a significantly improved position overall. The focus and effort on improving the level of reserves is clearly shown with

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them improving significantly since 2017/18 when total reserves were £23.7m – the level of reserves (general and SCC earmarked) expected at the end of this financial year is £92.0m. Levels of reserves are estimated to be £84.9m by the end of 2022/23 to retain this resilience. The external auditors value for money judgement has also improved from Adverse in 2016/17 to Adverse – Except for in 2018/19 to the highest rating of Unqualified in 2019/20. This external judge provides significant assurance.

The latest data available is based on the 2020/21 Financial Year which show much higher interest payable compared to net budget within the CIPFA family group of County Authorities. However, this should show an improvement in 2021/22 and 2022/23 as further prioritisation of capital spend starts to feed through.

Executive Summary of the Director of Finance & Governance (CFO) on the budget position

Over the last couple of years there has been a radical overhaul of the budget setting process to ensure that robust budgets are set. The underlying methodology has changed from a service siloed approach to a more comprehensive council priority led corporate approach. This has entailed moving away from an approach of issuing service controls and expecting each service to manage within its financial envelope, to a corporate approach of building the budget up on best estimated and forecast, identifying priorities and opportunities, developing deliverable savings, and managing risks. This change in approach and the resulting robustness of the budget estimates has been recognised by Grant Thornton in their works as the Council's external auditors and is one of the key components in the improved Value for Money rating which now sees the Council achieving the highest rating possible of Unqualified for two years in a row.

The assessment of the plans to close the gap do not require funds from Reserves to finance ongoing expenditure. There are several risks to the budget which include the ongoing Covid-19 pandemic, Local Government Reorganisation, inflation pressures within the economy, and Government policy changes especially within Social Care. Therefore, the Revenue Budget Contingency sum of £6.0m will remain to reflect the level of risk associated with delivery of the budget in 2022/23. A once off budget has been set up of £1.5m to support service resilience as we move towards vesting day of the new Unitary authority. There is still an expectation however, that services will be managed within the budget envelope approved by Council and additional support will be allocated only when additional need can be robustly demonstrated.

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Consequences of Failing to Deliver a Budget

If the Council is unable to produce a budget or a plan for reducing the budget requirement for future years or finds it cannot deliver the budget in year, the CFO (under s151 of the Local Government Act) would be required to produce a Section 114 report.

Section 114 of the Local Government Finance Act 1988 requires a report to all the authority's members to be made by the CFO, in consultation with the Council's Monitoring Officer and Head of Paid Service, if "the expenditure of the authority incurred (including expenditure it proposes to incur) in a financial year is likely to exceed the resources (including sums borrowed) available to it to meet that expenditure" (i.e. there is likely to be an unbalanced budget). In this event the Council must consider the report within 21 days and decide whether it agrees or disagrees with the views in the report and what action it proposes to take to bring the budget into balance. The publication of such a report starts an immediate 'prohibition period'. This means that everyone who has delegated authority to spend the Council money immediately has those powers suspended during the prohibition period, and only the CFO can authorise new commitments.

Report of the Director of Finance & Governance (CFO) in Respect of Statutory Duties

The Budget Report sets out the Council's financial position and budget. This is the formal report and is part of a continuum of professional advice and is the culmination of a budget process in which substantial detailed work has already been carried out with Directors, Senior Managers and their teams and Members. This section provides a summary of the conclusions which are considered in more detail within this report and its appendices.

It became abundantly clear that the MTFP forecast produced in February 2021 became out of date as the on-going financial impact of Covid-19 significantly impacted upon several services. The approach taken in developing the 2022/23 budget proposals was therefore more of a 'Zero Based' approach with future demand in service budgets being built up from scratch based upon the latest information and projections around prices and new estimates of future demands. There has been Portfolio holder and SLT challenge sessions to review the 2022/23 budget proposals.

Another improvement in financial management processes has been to have greater member engagement and involvement in the councils' finances. The monthly Budget Monitoring to Scrutiny and Cabinet is the main foundation of this but there are also 3 all member briefings focused upon the budget

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proposals to coincide with key reports being considered by the council. The first of these took place in October with further sessions on the 7th and the 17th February 2022. In respect of the robustness of estimates, estimates have been prepared by Directors and their staff supported by appropriate finance staff reviewing additional financing requirements including demand and inflation, transformation, savings, and income generation. Each Director has completed a Robustness Statement outlining confidence levels in the budget and also the delivery of the Transformation, savings, and income generation proposals that have been incorporated into a corporate wide assessment. A Corporate contingency budget of £6.0m has been included to mitigate unforeseen risks.

Considerable funding of an additional £30.4m has been added to the Adults and Children's Services budgets. Monitoring of the budget especially around the demand pressures in these services will be critical to identifying any emerging issues as quickly as possible.

A shortfall of £14.2m has been identified for 2023/24 and plans will need to be put in place along with the delivery of the LGR business case to fund this gap.

In the context of the overall budget the financial position continues to be challenging, but the **CFO concludes that the estimates are robust**, in that they have been robustly constructed.

With regard to the adequacy of General Reserves, the level of £23.0m (within the required range of £20.0m-£30.0m) in addition to £61.9m (predicted at the end of 2022/23) of Earmarked Reserves as well as £6.0m of budget Contingency is currently sufficient to meet the Council's known risks.

The conclusion of the CFO is that the estimates for 2022/23 are robust and the budget is lawful, levels of general and earmarked reserves are adequate and reasonable in meeting the Council's risks.

16. The Capital Strategy and Programme

Capital & Investment Strategy

The Government requires all local authorities to produce a Capital and Investment Strategy. This is the overarching document which sets the policy framework for the development, management and monitoring of capital investment as well as lending to other organisations and commercial investments. The strategy focuses on core principles that underpin the council's capital programme, investment property, financing and the risks that will impact on the delivery of the programme; and the governance framework required for

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decision making and delivery. The Capital and Investment Strategy is attached at **Appendix 6**.

New Capital Projects and the Overall Capital Programme

The Prudential Code for Capital Finance in Local Authorities was updated in December 2021. The objectives of the Prudential Code are to ensure that the capital expenditure plans of local authorities are affordable, prudent and sustainable and that treasury management decisions are taken in accordance with good professional practice and in full understanding of the risks involved.

It required authorities to look at capital expenditure and investment plans in the light of overall organisational strategy and resources and ensure that decisions are made with sufficient regard to the long-term financial implications and potential risks to the authority.

The Covid-19 pandemic has had an impact on the delivery of schemes this year. The budget position has been reprofiled and reflects the revised spend profile.

Bids from services for new capital schemes due to start in 2022/23 have been received and are summarised in the table below (a summary of each scheme is attached at **Appendix 8**):

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Table 14 – Summary of New Capital Schemes

New MTFP Request and Profiled Expenditure				
Scheme	2022/23	2023/24	2024/25	Total MTFP Bid Request
	£'m	£'m	£'m	£'m
Children and Young People				
Children's Residential	0.1	2.4	0.2	2.6
Schools Services	2.8	5.1	0.4	8.3
Economic and Community Infrastructure - Highways				
Bridge Structures	1.0			1.0
Road Structures	24.2			24.2
Traffic Control	2.2			2.2
Small Improvement Member Schemes	1.0			1.0
Small Improvement Safety Schemes	0.7			0.7
Highway Lighting	0.6			0.6
Rights of Way	0.5			0.5
Economic and Community Infrastructure - Property				
Property Services	1.6	2.9	0.4	4.9
Economic and Community Infrastructure - Other Services				
Traveller Measures	0.1			0.1
Fleet Management	1.8			1.8
Heritage Services	0.1			0.1
Somerset Waste Partnership	0.5			0.5
Total SCC Capital Programme	37.1	10.4	0.9	48.4

Financed by				
Borrowing	6.1	8.1	0.9	15.2
Grants	30.4	2.3		32.7
Third Party Contributions	0.5			0.5
Total	37.1	10.4	0.9	48.4

Note – that £3.0m for short-life assets has been ringfenced to fund a possible replacement Business Support Systems a report will come forward in March outlining recommendations including potential costs.

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The following tables present the capital programme in its entirety. This has taken into consideration a review of current approved programme and includes the additional new starts for 2022/23:

Table 15 – Overall Capital Programme 2022/23 to 2025/26 Onwards

Scheme	Overall Scheme Budget		
	Total Scheme Budget	Predicted Total Expenditure	Estimated Scheme Variance
	£'m	£'m	£'m
Adult Services, Learning Disabilities and Public Health			
Adult Social Care	3.2	3.1	(0.1)
Learning Disabilities	0.1	0.1	
Children and Young People			
Children's Residential	5.2	5.2	
Children Looked After	0.0	0.0	
Special Education Needs	0.3	0.3	
Schools Access Initiative	1.4	1.4	
Community Services	0.1	0.0	(0.1)
Early Years	1.5	1.5	
Schools Services *note 1	58.1	58.1	
Corporate and Support Services			
Corporate ICT Investment	0.9	0.8	(0.1)
Economic and Community Infrastructure - Economic Development			
Business Growth Fund	1.8	1.8	
Wells Technology Enterprise Centre	0.4		(0.4)
Wiveliscombe Enterprise Centre	0.1		(0.1)
Taunton Digital Innovation Centre	6.6	6.6	
Chard Grow On Spaces	0.7	0.7	
Economic and Community Infrastructure – Highways			
Bridge Structures	6.0	6.0	
Road Structures	25.1	25.1	
Traffic Control	5.8	5.8	
Integrated Transport	1.6	1.7	0.1
Small Improvement Member Schemes	1.0	1.0	
Small Improvement Safety Schemes	2.2	2.2	
Highway Lighting	0.6	0.6	
Rights of Way	1.2	1.2	
Economic and Community Infrastructure - Highway Major Projects			
M5 Junction 25 Improvements	0.7	(0.3)	(1.0)

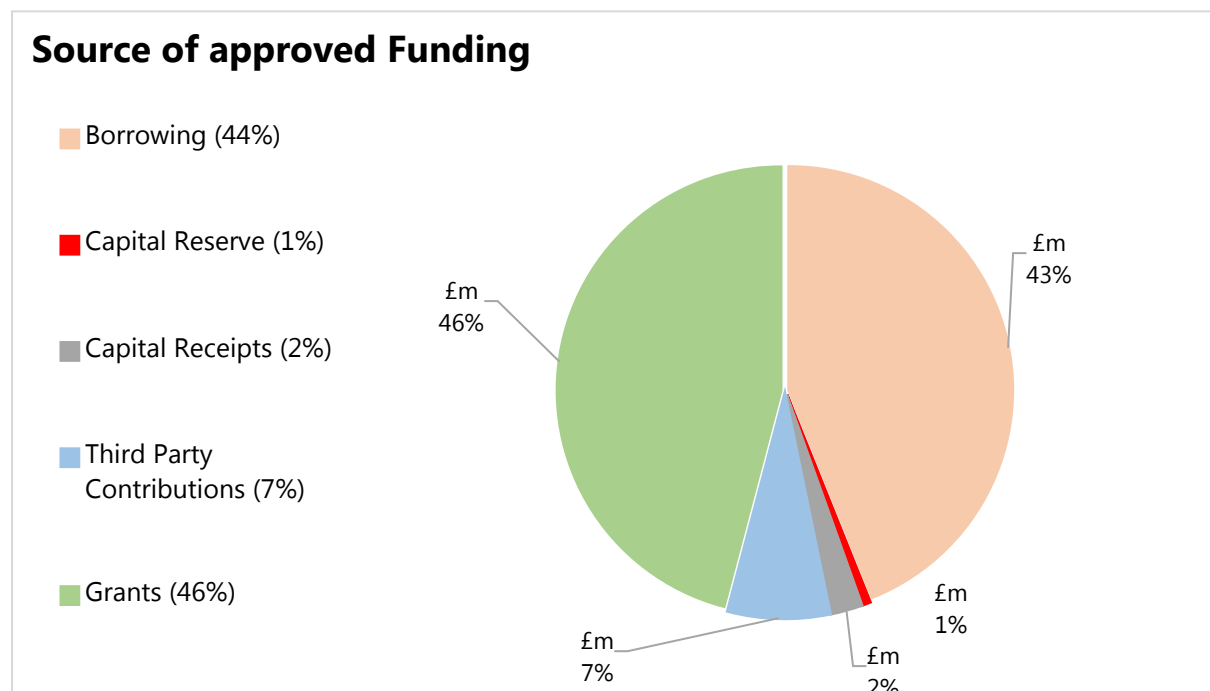
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Toneway Corridor Capacity Improvements	2.4	2.4	
Trenchard Way Residual Works	0.7	0.7	
Major Road Network	2.0	2.0	
Various Other Schemes	(0.0)	0.5	0.5
Economic and Community Infrastructure – Property			
Property Services	13.2	13.2	
Economic and Community Infrastructure - Other Services			
Traveller Measures	0.1	0.1	
Fleet Management	3.5	3.5	
Heritage Services	0.1	0.1	
Library Services	0.7	0.7	
Somerset Waste Partnership	4.2	0.5	(3.7)
Total SCC Capital Programme	151.4	146.4	(5.0)

SCC Accountable Body Status			
Broadband Project (CDS)	25.9	25.2	(0.7)
HoTSW Local Enterprise Partnership	2.9	2.9	
Somerset Rivers Authority	0.2	0.2	
Accountable Body Status Total	28.9	28.3	(0.7)

Total Capital Programme	180.3	174.7	(5.6)
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This proposed programme is funded through the following resources:



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The full Capital Programme is attached at **Appendix 9** for approval.

Minimum Revenue Provision (MRP) Statement

The Council is required to make revenue provision to repay capital spend that is financed by borrowing (either supported or unsupported). This is called the Minimum Revenue Provision (MRP). The Department of Communities & Local Government has issued regulations that require full Council to approve an MRP Policy in advance each year, or if revisions are proposed during the year they should be put to the Council at that time. The policy is attached at **Appendix 10**.

Prudential Indicators

The key objectives of the Prudential Code are to ensure that capital investment plans of local authorities are affordable, prudent, and sustainable. The Capital Prudential Indicators and one additional voluntary indicator are set out within the capital strategy and the Treasury Management Strategy and are shown below and following a brief narrative of their purpose:

Table 16 - Prudential Indicator 1: Estimates of Capital Financing Requirement:

	31.03.2021	31.03.2022	31.03.2023	31.03.2024	31.03.2025
	actual	forecast	budget	budget	budget
	£m	£m	£m	£m	£m
TOTAL CFR	458.106	484.976	520.020	549.949	547.740

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Table 17 - Prudential Indicator 2: Gross External Debt and the Capital Financing Requirement

	31.3.2021 actual £m	31.3.2022 forecast £m	31.3.2023 budget £m	31.3.2024 budget £m	31.3.2025 budget £m
Short term debt	7.220	10.000	10.000	10.000	10.000
Long term debt *	334.173	332.099	325.814	312.993	288.701
Assumed debt not yet taken	0.000	0.000	40.000	80.000	120.000
PFI & leases	42.533	39.872	38.669	37.350	36.031
Total external borrowing	383.926	381.971	414.483	440.343	454.732
Capital Financing Requirement	458.106	484.976	529.020	549.949	547.740

Statutory guidance is that debt should remain below the capital financing requirement, except in the short-term. As can be seen from **Table 16**, the Council expects to comply with this in the medium term.

Table 18 - Prudential Indicator 3 & 4: Authorised limit and operational boundary for external debt

	2020/21 limit £m	2021/22 limit £m	2022/23 limit £m	2023/24 limit £m	2024/25 limit £m
Authorised limit – borrowing	399.570	397.572	451.924	485.927	509.649
Authorised limit – PFI and leases	55.533	52.872	51.301	49.989	49.677
Authorised limit – total external debt	455.103	450.444	503.225	535.916	559.326
Operational boundary – borrowing	369.570	367.572	406.924	440.927	464.649
Operational boundary – PFI and leases	47.533	44.872	43.301	41.989	40.677
Operational boundary – total external debt	417.103	412.444	450.225	482.916	505.326

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Table 19 - Prudential Indicator 5: Proportion of financing costs to net revenue stream

	2020/21 actual	2021/22 forecast	2021/23 budget	2023/24 budget	2024/25 budget
Financing costs (£m)	23.907	24.621	25.735	26.810	27..841
Proportion of net revenue stream	6.63%	6.59%	6.43%	6.57%	6.75%

Table 20 - Prudential Indicator 6: Maturity Structure of Borrowing

	Upper Limit	Lower Limit
Under 12 months	50%	15%
>12 months and within 24 months	25%	0%
>24 months and within 5 years	25%	0%
>5 years and within 10 years	20%	0%
>10 years and within 20 years	20%	5%
>20 years and within 30 years	20%	0%
>30 years and within 40 years	45%	15%
>40 years and within 50 years	15%	0%
>50 years	5%	0%

Table 21 - Prudential Indicator 7: Principal sums invested for periods longer than a year

	2021-22	2022-23	2023-24
Prudential Limit for principal sums invested for periods longer than 1 year	£m 75	£m 75	£m 75

Table 22 - Voluntary Indicator: Credit Risk Indicator

Credit risk indicator	Target
Portfolio average credit rating (score)	A (6.0)

Gross Debt and the Capital Financing Requirement

In order to ensure that over the medium-term debt will only be for a capital purpose, the Council should ensure that external debt does not, except in the short term, exceed the total of the capital financing requirement in the preceding year plus the estimates of any additional capital financing requirement for the current and next two financial years.

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After reviewing the capital programme and borrowing proposals, the Section 151 officer reports that the Council will continue to meet the demands of this indicator.

Borrowing limits

The Authorised limits for external debt include current commitments and proposals in the budget report for capital expenditure, plus additional headroom over and above the operational limit for unusual cash movements.

The Operational boundary for external debt (or planned borrowing level) is based on the same estimates as the authorised limit, but including an allowance for cash flow funding of specific capital schemes and without the additional headroom for unusual cash movements

There is increased funding to the current programme through confirmed external funding and a minimal requirement for new SCC resource. All cost of debt is factored into the revenue financial plans.

Under new rules Councils seeking to borrow from the PWLB will have to provide a three-year capital plan, confirming that it does not intend to borrow primarily for yield at any point over the period or from any source and that borrowing is seen to be taken as a last resort of financing. The aim of this is to curb local authority borrowing to purchase investment properties and to ensure Councils do not borrow ahead of need. This will not impact on the Council's overarching strategy for borrowing and financing of the capital programme. In the current economic circumstances, we will continue to reduce financing costs by borrowing internally as detailed in the Treasury Management Strategy.

Maturity structure of borrowing, principal sums investment limits and credit risk

These are indicators specific to treasury management activity to manage a balance portfolio of debt and control the Council's exposure to the risk of losses of its investments.

17. Financial Risk and Management

A risk assessment has taken place including Directors assessing the key risks to their budget areas and an overall review by the Director of Finance as part of assessing the robustness of the budget estimates and levels of contingency, general reserves, and earmarked reserves.

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Some of the key corporate risks are outlined in **Table 23** below and these will be monitored and reported as part of the budget monitoring process throughout the year:

Table 23 – MTFP Financial Risks

Risk	Rag Rating (R/A/G)	Risk Owner	Management and Mitigations
The longer-term impact of the Covid-19 pandemic continues to impact adversely on demands for services to escalate beyond current estimates and contingencies	R	Strategic Leadership Team	Demand will need to be continually monitored in 2021/22 for impacts on the estimates for 2022/23 budgets. The Contingency Budget of £6m will be retained in 2023/24.
Changes to Government Policy that affects future funding (Social Care)	R	Strategic Leadership Team	The Government's announcements on Social Care reform not yet fully understood. Grant funding of £1.7m has been allocated to SCC in 2023/24 to start to prepare for these changes. It is not currently known if this is sufficient.
Interest rates increase	A	Director of Finance and Governance	The base rate has recently increased from 0.1% to 0.25%. This does not change the current strategy of internal borrowing, but we will continue to monitor and review this.
Impact on business rates is greater than currently estimated	A	Director of Finance and Governance	The Somerset Councils Business Rates Pool for 2022/23 now excludes SWT Council in order to reduce the risks to the pool.
Pay awards will be higher than estimated	A	Director of Customers, Digital, and Workforce	The additional cost of a 2.0% increase for 2021/22 and a 2.5% increase for 2022/23 has been factored into the MTFP.

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Unitary preparations and Transitional Costs	A	Strategic Leadership Team	All workstreams and governance arrangements are now in place. Transition costs are monitored and managed through the Steering Group, Programme Board and Joint Committee.
Inflation	A	Relevant Director	Costs such as the recent increases in fuel and utility costs continue to rise and impact upon the revenue & capital budgets. Review as part of budget monitoring.
Unforeseen events outside SCC's control	A	Relevant Director	Events such as extreme weather,) and changes in recycling material values are outside our direct control. These will need to be monitored and the MTFP updated as necessary.

18. Proposals to Opt into the National Procurement Scheme for External Auditor Appointments

The Council has previously opted into the national auditor appointment scheme and these arrangements are due to end once the 2022/23 Statement of Accounts has been audited. Under the Local Government Audit & Accountability Act 2014 ("the Act"), the council is required to appoint an auditor to audit its accounts for each financial year. The council has three options:

- To appoint its own auditor, which requires it to follow the procedure set out in the Act.
- To act jointly with other authorities to procure an auditor following the procedures in the Act.
- To opt-in to the national auditor appointment scheme administered by a body designated by the Secretary of State as the 'appointing person'. The body currently designated for this role is Public Sector Audit Appointments Limited (PSAA). Full Council must approve the decision to opt-into the national scheme.

All of the Somerset S151 Officers have agreed to make recommendations to their individual councils that opting into a sector-wide procurement conducted by PSAA will

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produce better outcomes and will be less burdensome for the Council than a procurement undertaken locally because:

- Collective procurement reduces costs for the sector and for individual authorities compared to a multiplicity of smaller local procurements.
- If it does not use the national appointment arrangements, the Council (and its successor) will need to establish its own auditor panel with an independent chair and independent members to oversee a local auditor procurement and ongoing management of an audit contract.
- It is the best opportunity to secure the appointment of a qualified, registered auditor - there are only nine accredited local audit firms, and a local procurement would be drawing from the same limited supply of auditor resources as PSAA's national procurement.
- Supporting the sector-led body offers the best way of ensuring there is a continuing and sustainable public audit market into the medium and long term.

Audit Committee has consider a report on this and ask that Cabinet recommend to Council the opt-in to the national scheme administered by the PSAA.

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Report Sign-Off

		Signed-off
Legal Implications	Honor Clarke	03/02/2022
Governance	Scott Woodridge	03/02/2022
Corporate Finance	Jason Vaughan	03/02/2022
Human Resources	Chris Squire	03/02/2022
Property	Paula Hewitt / Oliver Woodhams	03/02/2022
Procurement / ICT	Claire Griffiths	03/02/2022
Senior Manager	Jason Vaughan	03/02/2022
Commissioning Development	Sunita Mills / Ryszard Rusinek	03/02/2022
Local Member	All	
Cabinet Member	Cllr Mandy Chilcott - Cabinet Member for Resources	03/02/2022
Opposition Spokesperson	Cllr Liz Leyshon	02/02/2022
Scrutiny Chair	Cllr Anna Groskop - Place Scrutiny	01/02/2022

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	Original Budget 2021/22 £m	Proposed Budget 2022/23 £m	Indicative Budget 2023/24 £m	Indicative Budget 2024/25 £m
Services				
Adult Services				
Commissioning	(41.030)	(46.461)	(35.406)	(31.537)
Adult Social Care	75.583	88.853	94.495	101.220
Mental Health	19.709	20.970	22.233	23.619
Learning Disabilities	57.066	66.546	72.125	77.977
Discovery	30.264	29.776	31.452	33.217
Adult Services Total	141.592	159.684	184.900	204.495
Children's Services				
Children and Families Operations	66.384	69.976	74.988	81.116
(Children's) Commissioning Central	29.621	10.274	10.591	9.856
Inclusion	0.000	22.871	24.503	26.113
Education, Partnerships & Skills	0.000	1.218	0.835	0.880
Lead Commissioner	0.000	0.709	0.718	0.727
Children's Services Total	96.005	105.048	111.635	118.692
Economic Communities Infrastructure				
Economy and Planning	4.193	2.496	2.362	2.427
Highways and Transport Commissioning	1.750	1.949	1.901	1.721
Community Infrastructure	1.184	1.119	1.159	1.196
Civil Contingencies	0.186	0.201	0.211	0.221
Traded Services	12.722	13.125	13.242	13.740
Infrastructure Programmes Group	0.331	0.383	0.416	0.450
Highways	11.691	12.951	12.905	13.110
Business Support	0.724	0.762	0.782	0.802
Heritage Service	1.797	1.644	1.644	1.644
Traffic Management	2.759	1.149	1.132	1.176
Property Services	5.666	6.108	5.999	6.182
Somerset Waste Partnership	31.444	31.716	32.494	34.071
SCC Waste	(1.339)	(1.742)	0.014	0.014
Economic Communities Infrastructure Total	73.107	71.862	74.262	76.753
Customers, Digital & Workforce				
Communications	0.614	0.460	0.486	0.511
Customers & Communities	2.992	3.494	3.482	3.603
ICT	7.875	8.539	8.701	8.851
Transformation & Change	1.761	1.445	1.381	1.424
Human Resources	2.564	2.926	2.929	3.009
Customers, Digital & Workforce Total	15.805	16.863	16.979	17.398
Finance and Governance				
Democratic Services and Legal	6.002	7.554	5.502	5.591
Finance	3.057	3.425	3.523	3.618
Commercial & Procurement	0.056	1.166	1.198	1.229
Finance and Governance Total	9.114	12.145	10.222	10.438
Public Health				
Public Health	1.411	1.336	1.348	1.360
Public Health Total	1.411	1.336	1.348	1.360
L&A Traded Services				
Dillington	0.000	0.000	0.000	0.000
Support Services for Education	0.000	0.000	0.000	0.000
L&A Traded Services Total	0.000	0.000	0.000	0.000
Total Services	337.034	366.937	399.346	429.135

	Original Budget 2021/22	Proposed Budget 2022/23	Indicative Budget 2023/24	Indicative Budget 2024/25
Non Service				
Contingencies				
Contingency	6.000	6.000	6.000	6.000
COVID-19 Contingency	10.800	0.000	0.000	0.000
Contingencies Total	16.800	6.000	6.000	6.000
Accountable Bodies				
Somerset Rivers Authority	5.144	2.578	2.603	2.627
Local Enterprise Partnership	1.396	0.910	0.000	0.000
Connecting Devon & Somerset (CDS)	0.893	0.841	0.647	0.647
Accountable Bodies Total	7.433	4.329	3.249	3.273
Corporate Area				
Bank Charges	3.565	7.193	3.438	0.322
Residual Magistrates Courts	0.014	0.005	0.005	0.005
Contributions				
Environment Agency	0.763	0.746	0.761	0.776
Devon & Severn IFCA	0.120	0.121	0.122	0.123
Corporate Costs	9.430	10.706	9.242	9.252
Financing Transactions				
Debt Charges Principal	4.570	5.142	5.790	6.759
Debt Charges Interest	16.002	15.461	16.067	16.130
Investment Income	(1.839)	(2.125)	(2.080)	(2.235)
Special Grants				
Inshore Fisheries Conservation Authority	(0.133)	(0.134)	(0.134)	(0.134)
Extended Rights to Free Travel	(0.611)	(0.611)	(0.611)	(0.611)
New Homes Bonus	(1.246)	(1.266)	0.000	0.000
22/23 Services Grant	0.000	(4.709)	(4.709)	(4.709)
Market Sustainability and Fair Cost of Care Fund	0.000	(1.686)	(14.569)	(20.813)
Local Reform and Community Voices	(0.350)	(0.350)	(0.350)	(0.350)
Covid 19 Support Grant - Tranche 5	(10.800)	0.000	0.000	0.000
Local Council Tax Support Scheme S31	(4.200)	0.000	0.000	0.000
Rural Services Delivery Grant	(2.521)	(2.521)	(2.521)	(2.521)
Social Care Support Grant	(17.959)	(24.591)	(24.591)	(24.591)
Corporate Area Total	(5.195)	1.380	(14.141)	(22.597)
Total Non-Service	19.038	11.709	(4.891)	(13.324)
TOTAL SOMERSET COUNTY COUNCIL	356.072	378.646	394.455	415.812

	Original Budget 2021/22 £m	Proposed Budget 2022/23 £m	Indicative Budget 2023/24 £m	Indicative Budget 2024/25 £m
Financed by				
Revenue Support Grant	(6.209)	(6.407)	(6.438)	(6.586)
Business Rates Combined for 2020/21 onwards	(70.042)	(78.266)	(78.300)	(78.300)
Total Council Tax	(267.374)	(277.264)	(288.417)	(299.851)
SRA Precept	(2.561)	(2.578)	(2.603)	(2.627)
Collection Fund (Surplus)/Deficit (Business Rates & Council Tax)	13.700	(5.864)	0.000	0.000
Earmarked Reserves - SCC	(23.587)	(7.055)	(4.530)	(0.197)
Earmarked Reserves - Funds Held on Behalf of Other Bodies	0.000	(1.212)	0.000	0.000
Total Funding	(356.072)	(378.646)	(380.287)	(387.561)
Adjustment For Prior Year Budget Gap				(14.200)
MTFP Forecast Budget Gap	0.000	0.000	14.200	14.051

Transformation, Savings, and Income Generation Proposals

Appendix 2

Directorate	Risk Assessment	Reference	Title	Description	Director	Portfolio Holder	2022/23 £m	2023/24 £m	2024/25 £m	New/ Existing
Adults	High	ADULTS-2122-02	Independent Living Accommodation Solutions	Capital investment in new forms of accommodation both owned by SCC (with rental income) and in partnership with others. Linked to a capital bid this would provide different accommodation options to those currently available in our housing and provider market.	Mel Lock	Cllr David Huxtable	0.578	0.000	0.500	Existing/ Amended
Adults	Low	Adults-2021-01	Community focused redesign of traditional service	Community focused redesign of traditional service.	Mel Lock	Cllr David Huxtable	0.050	0.025	0.000	Existing
Adults Total							0.628	0.025	0.500	
Public Health	High	PH-TSIPG-2223-01	Health Inequalities	Reduce available funding for Health Inequalities to meet target saving.	Trudi Grant	Cllr Clare Paul	0.070	0.000	0.000	New
Public Health	Low	PH-TSIPG-2223-02	Community Support Post	Remove post (currently vacant).	Trudi Grant	Cllr Clare Paul	0.030	0.000	0.000	New
Public Health Total							0.100	0.000	0.000	
Children's	High	Child-2021-02	Special Educational Needs and Disability Information, Advice and Support	Special Educational Needs and Disability Information, Advice and Support saving removed as unachievable.	Julian Wooster	Cllr Frances Nicholson	(0.240)	0.000	0.000	Existing/ Amended
Children's	High	Child-2021-03	Travel Plans	Travel Plans (saving removed as unachievable).	Julian Wooster	Cllr Frances Nicholson	0.000	0.000	0.000	Existing/ Amended
Children's	High/Medium	CH-TSIPG-2223-04	Pathway to Independence	Hold inflation rate at previous years level for one year.	Julian Wooster	Cllr Frances Nicholson	0.300	(0.300)	0.000	New
Children's	Medium	CH-TSIPG-2223-05	Turnover Factor	Reduction in expenditure due to employee turnover.	Julian Wooster	Cllr Frances Nicholson	0.500	0.000	0.000	New
Children's	High	Child-2021-01	Family Safeguarding	Family Safeguarding.	Julian Wooster	Frances Nicholson	0.984	0.000	0.000	Existing
Children's	High	CHILD-2122-02	Children's Residential Placements	Children's Residential Placements.	Julian Wooster	Cllr Frances Nicholson	0.312	0.156	0.000	Existing/ Amended
Children's	Low	CHILD-2122-04	Staffing	Reduce staffing budgets for permanent and locum staff through a combination of savings from predicted recruitment timescales and reduced use of locums where possible. This is a one year saving due to the unknown impact of the pandemic (removal of previous year once off saving).	Julian Wooster	Cllr Frances Nicholson	(0.470)	0.000	0.000	Existing
Children's	Low	CH-TSIPG-2223-01	Reduction in travel from New Ways of Working	Reduction of 25% of travel and mileage budgets in recognition of new ways of working.	Julian Wooster	Cllr Frances Nicholson	0.011	0.000	0.000	New
Children's	Low	CH-TSIPG-2223-02	Reduction in travel from New Ways of Working	Reduction of 25% of travel and mileage budgets in recognition of new ways of working.	Julian Wooster	Cllr Frances Nicholson	0.005	0.000	0.000	New
Children's Total							1.401	(0.144)	0.000	

Transformation, Savings, and Income Generation Proposals

Appendix 2

Directorate	Risk Assessment	Reference	Title	Description	Director	Portfolio Holder	2022/23 £m	2023/24 £m	2024/25 £m	New/ Existing
ECI	High/Medium	ECI-2122-03	Economy & Planning - Additional income from Monitoring and Ecology services	Additional income will be generated by the Planning Service via Planning Monitoring Visits and a growth in the provision of Traded Ecology Services.	Michele Cusack	Cllr David Hall	0.012	0.014	0.000	Existing
ECI	High/Medium	ECI-2122-10	Trading Standards - Reduction in budget	Devon, Somerset & Torbay Trading Service is a joint service hosted by Devon County Council. The proposed three year saving from Somerset County Council (SCC) is 6% and is estimated as the maximum amount of savings that can be sustained in the joint service without making the joint service model unsustainable.	Michele Cusack	Cllr David Hall	0.021	0.021	0.000	Existing
ECI	High/Medium	EC-TSIGP-2223-06	Vacancy Factor - Highways	Vacancy factor across the Highways service area.	Paula Hewitt	Cllr John Woodman	0.010	0.000	0.000	New
ECI	High/Medium	EC-TSIGP-2223-17	Vacancy Factor - Property	Vacancy factor across the Property service area.	Paula Hewitt	Cllr Mandy Chilcott	0.020	0.000	0.000	New
ECI	Medium	ECI-2122-12	Property - savings from energy generation projects	Proposal to generate revenue savings / income stream through energy generation projects. This is linked to a capital bid.	Paula Hewitt	Cllr David Hall	0.130	0.132	0.000	Existing
ECI	Medium	EC-TSIGP-2223-05	Vacancy Factor - Economy & Planning	Vacancy factor across the Economy & Planning service area.	Paula Hewitt	Cllr David Hall	0.005	0.000	0.000	New
ECI	Medium	EC-TSIGP-2223-08	Vacancy Factor - Libraries	Vacancy factor across the Libraries service area.	Paula Hewitt	Cllr David Hall	0.015	0.000	0.000	New
ECI	Medium	EC-TSIGP-2223-12	Property - Rental Income (Other Sites)	Increases in rental income from rent reviews, inflationary increases, and additional rent as a result of new leases in place across the SCC property estate.	Paula Hewitt	Cllr Mandy Chilcott	0.030	0.000	0.000	New
ECI	Low	ECI-04	Waste HWRC Contract Extension	Waste Household Waste Recycling Centre Contract Extension	Paula Hewitt	Cllr David Hall	0.400	0.000	0.000	Existing
ECI	Low	ECI-2021-01	Slim my waste feed my face	Somerset Waste Partnership 'Slim my waste, feed my face'	Paula Hewitt	Cllr David Hall	(0.005)	(0.042)	0.000	Existing

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Directorate	Risk Assessment	Reference	Title	Description	Director	Portfolio Holder	2022/23 £m	2023/24 £m	2024/25 £m	New/ Existing
ECI	Low	ECI-2122-05	Traffic Management, Road Safety & Parking - Reduce costs and maximise income	Budget savings will be made by maximising income across all services. In addition to this there is a one off saving of £200K from 2021/2 running costs as the "20 when lights flash project" has been delayed due to the Covid-19 project.	Paula Hewitt/Alyn Jones	Cllr John Woodman	(0.175)	0.060	0.000	Existing
ECI	Low	EC-TSIGP-2223-01	Pre-application Highways Advice Service	Implementation of a pre-application advice service linked to new council guidance on the scoping process for transport assessments submitted by developers in support of their planning applications. Will replace current free ad-hoc discretionary advice.	Paula Hewitt	Cllr John Woodman	0.050	0.000	0.000	New
ECI	Low	EC-TSIGP-2223-02	Advertising on Highway Assets (roundabouts and fleet).	Implement an advertising service to enable businesses and internal clients to advertise on highway assets including roundabouts and fleet.	Paula Hewitt	Cllr John Woodman	0.000	0.085	0.025	New
ECI	Low	EC-TSIGP-2223-03	Vacancy Factor - H&T Commissioning	Vacancy factor across the Highways & Transport Commissioning service area.	Paula Hewitt	Cllr John Woodman	0.005	0.000	0.000	New
ECI	Low	EC-TSIGP-2223-04	Recharge of Director's time spend on CDS to the CDS Programme	Recharge of Director's time spend on Connecting Devon & Somerset (CDS) to the CDS programme.	Paula Hewitt	Cllr David Hall	0.029	0.000	0.000	New
ECI	Low	EC-TSIGP-2223-09	Recycle More	Recycle More project will reach breakeven in quarter three of 2022/23, it is assumed 25% of the modelled saving will be achieved in year one. The value of the saving is dependent on volumes of all waste streams at the kerbside.	Paula Hewitt	Cllr David Hall	0.250	0.750	0.000	New
ECI	Low	EC-TSIGP-2223-10	Anaerobic Digester Negotiation on Gate Fee	The Anaerobic Digestion contract price review concluded that the price per tonne currently being paid is correct. However, given the continued below expectation performance of the plant and the failure to provide any form of energy share value, SWP secured a price reduction to reflect these failings for food tonnages above 1,500 per month.	Paula Hewitt	Cllr David Hall	0.070	0.020	0.000	New
ECI	Low	EC-TSIGP-2223-11	Property - Rental Income (County Hall Hub)	Short term income generated as a result of a licence in place with a third party to occupy desk space at County Hall.	Paula Hewitt	Cllr Mandy Chilcott	0.015	(0.013)	(0.003)	New

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Directorate	Risk Assessment	Reference	Title	Description	Director	Portfolio Holder	2022/23 £m	2023/24 £m	2024/25 £m	New/ Existing
ECI	Low	EC-TSIGP-2223-13	Property - New ways of Working (reduction in office consumables)	Reduction in the requirement for stationery, reprographics works, and postage across the shared office accommodation offices of the Corporate Estate as a result of a move to paperless working	Paula Hewitt	Cllr Mandy Chilcott	0.024	0.000	0.000	New
ECI	Low	EC-TSIGP-2223-14	Property - Optimisation & Rationalisation of the Corporate Estate	The optimisation of the Council owned estate has freed up desk space enabling the relocation of staff from leased in buildings to Council owned buildings. As a result this has enabled the surrender of licenced desk spaces, reducing rental expenditure.	Paula Hewitt	Cllr Mandy Chilcott	0.021	0.000	0.000	New
ECI	Low	EC-TSIGP-2223-15	Property - Corporate Landlord Savings	Savings as a result of reduced running costs and the centralisation of utility contracts & FM contracts.	Paula Hewitt	Cllr Mandy Chilcott	0.028	0.000	0.000	New
ECI	Low	EC-TSIGP-2223-16	Property - Reduction in Utilities Costs (energy efficiency)	Reduced utility costs across the Corporate Estate due to energy efficiency measures, and lower than anticipated inflation increases for utilities.	Paula Hewitt	Cllr Mandy Chilcott	0.010	0.000	0.000	New
ECI	Low	EC-TSIGP-2223-18	Increase in Temporary Traffic Regulation Order charges	Proposal to increase the charges for temporary Traffic Regulation Orders by 5% which would equate to approximately £70k but as there are increased costs associated with these works, in reality it would only generate an additional £35k in income.	Paula Hewitt	Cllr John Woodman	0.035	0.000	0.000	New
ECI Total							1.001	1.028	0.023	

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Directorate	Risk Assessment	Reference	Title	Description	Director	Portfolio Holder	2022/23 £m	2023/24 £m	2024/25 £m	New/ Existing
Customers, Digital & Workforce	High/Medium	CR-TSIGP-2223-11	Reduction in Pathway to Employment Budget	Saving represents a 25% reduction in current budget, supporting vulnerable/disadvantaged young people into employment.	Chris Squire	Cllr Mandy Chilcott	0.000	0.000	0.025	New
Customers, Digital & Workforce	Medium	C&SS-2122-07	Replacement for STAR payroll system	To procure a new payroll system to replace the current IRIS solution that removes the current manual work within HRAP and enables clients to make their own payroll transactional changes whilst maintaining the expertise and support that the HRAP service provides in respect of statutory and contractual compliance, pensions, employment status etc. The system will also enable new business opportunities. The alternative is to move to SAP but this does not present the same opportunities for increasing business.	Chris Squire	Cllr Christine Lawrence	0.050	0.100	0.000	New
Customers, Digital & Workforce	Medium	CR-TSIGP-2223-04	Staff Vacancy Factor - Change	Applying of a 1% staff vacancy factor.	Chris Squire	Cllr Faye Purbrick	0.014	0.000	0.000	New
Customers, Digital & Workforce	Low	C&SS-2122-11	Further BC vacancies and full training budget	Remaining Business Change (BC) training budget for project and change L&D needs of £30k. Delete the IT vacancy in BC team being held for One Somerset requirements £28k. Temporary reduction in resources of 0.5fte Gr12 £18k. Net saving from not replacing the BC Strategic Manager offset by upgrading 2 Service Managers for nine months £51k. Total savings of £127k in 2021/22 being £69k one off and £58k ongoing.	Chris Squire	Cllr Christine Lawrence	(0.069)	0.000	0.000	Existing
Customers, Digital & Workforce	Low	C&SS-2122-12	Reduction to Learning and Development Budget	Reduction in allocation of Learning and Development Budget of £200k on proviso that training is accessible through the workforce reserve.	Chris Squire	Cllr Christine Lawrence	0.000	(0.200)	0.000	Existing
Customers, Digital & Workforce	Low	CR-TSIGP-2223-01	Removal of Corporate Affairs Director Post	Removal of Director Post - set out in confidential paper approved by Cabinet and Full Council.	Chris Squire	Cllr Christine Lawrence	0.080	0.000	0.000	New
Customers, Digital & Workforce	Low	CR-TSIGP-2223-02	Staff Vacancy Factor - Communications	Applying of a 1% vacancy factor.	Chris Squire	Cllr Christine Lawrence	0.006	0.000	0.000	New
Customers, Digital & Workforce	Low	CR-TSIGP-2223-03	Retaining interim management arrangements in Business Change Team.	Once off net saving from not replacing the Business Change Strategic Manager offset by continuing upgrade of 2 Service Managers and 1 Project and Change Manager for 2022/23 implementation Local Government Reorganisation in Somerset	Chris Squire	Cllr Faye Purbrick	0.061	(0.061)	0.000	New
Customers, Digital & Workforce	Low	CR-TSIGP-2223-05	SAP Hosting	HCL our hosting supplier is moving our SAP environment to a different platform 21/22 which will realise savings from 22/23	Chris Squire	Cllr Faye Purbrick	0.092	0.000	0.000	New

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Directorate	Risk Assessment	Reference	Title	Description	Director	Portfolio Holder	2022/23 £m	2023/24 £m	2024/25 £m	New/ Existing
Customers, Digital & Workforce	Low	CR-TSIGP-2223-06	Vacancy Factor ICT	Applying of 1% Staff vacancy factor.	Chris Squire	ClIr Faye Purbrick	0.050	0.000	0.000	New
Customers, Digital & Workforce	Low	CR-TSIGP-2223-07	New Ways of Working Budget reductions	Further saving re NWOW from further reductions from printing, postage, travel etc.	Chris Squire	ClIr Mandy Chilcott	0.002	0.000	0.000	New
Customers, Digital & Workforce	Low	CR-TSIGP-2223-09	OD contracts income (Academies - OH, Care First)	Increase sales of contracts to academies, monitor sales price - modest increase .	Chris Squire	ClIr Mandy Chilcott	0.002	0.000	0.000	New
Customers, Digital & Workforce	Low	CR-TSIGP-2223-12	Staff vacancy factor - HR&OD	Applying a 0.5% vacancy factor across the HR&OD teams staffing budgets, then a saving achieved somewhere in the business area at the point we have a vacancy/vacancies.	Chris Squire	ClIr Mandy Chilcott	0.015	0.000	0.000	New
Customers, Digital & Workforce Total							0.303	(0.161)	0.025	
Finance & Governance	Medium	FG-TSIGP-2223-03	Staff Vacancy Factor	Vacancy factor to be applied.	Jason Vaughan	ClIr Mandy Chilcott	0.008	0.000	0.000	New
Finance & Governance	Low	C&SS-2122-13	15% reduction in days from SWAP for internal audit. Requires 12 months notice.	Full year saving of £60,000 by reducing the amount of internal audit days by 15%. Currently receive 1,400 days of internal audit service per annum. Requires 12 months notice so £35,000 of once -off funding is required in order to achieve full year saving.	Jason Vaughan	ClIr Mandy Chilcott	0.030	0.000	0.000	Existing
Finance & Governance	Low	FG-TSIGP-2223-01	Support to CDS Project	Strategic Manager support to CDS project	Jason Vaughan	ClIr Mandy Chilcott	0.029	0.000	0.000	New
Finance & Governance	Low	FG-TSIGP-2223-02	Staff Qualification Training	Reduction to staff training budget	Jason Vaughan	ClIr Mandy Chilcott	0.010	0.000	0.000	New
Finance & Governance	Low	FG-TSIGP-2223-05	Non renewal of DX subscription	Non-renewal of DX subscription	Jason Vaughan	ClIr Mandy Chilcott	0.015	0.000	0.000	New
Finance & Governance Total							0.093	0.000	0.000	
Corporate Costs	Low	NS-TSIGP-2223-01	Reduce budget for bank charges	The authority is maximising the use of an internal borrowing strategy therefore the saving represents a reduction to the Brokerage Fee budget.	Jason Vaughan	ClIr Mandy Chilcott	0.050	0.000	0.000	New
Corporate Costs	Low	NS-TSIGP-2223-02	Remove foreign currency loss budget	Budget previously held for contingency to align foreign currency exchange gain or loss at the end of the accounting period. Removal of this budget due to possibilities of it being a gain or loss.	Jason Vaughan	ClIr Mandy Chilcott	0.010	0.000	0.000	New
Corporate Costs	Low	NS-TSIGP-2223-03	Reduce travel budget	Reduced travel budget given new ways of working.	Jason Vaughan	ClIr Mandy Chilcott	0.002	0.000	0.000	New
Corporate Costs	Low	NS-TSIGP-2223-04	Reduce central redundancy budget	Centralised redundancy budget reduced with redundancy costs being picked up within services.	Jason Vaughan	ClIr Mandy Chilcott	0.500	0.000	0.000	New
Corporate Costs Total							0.562	0.000	0.000	
Other unachievable savings							(0.170)			
Overall Total							3.918	0.748	0.548	

Additional Financial Requirements

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Directorate	Title	Description	Director	Portfolio Holder	2022/23 £m	2023/24 £m	2024/25 £m
Adults	Change in legislation	Fair Cost of Care.	Mel Lock	Cllr David Huxtable	1.686	0.000	0.000
Adults	Demand/ demography	Demographic growth.	Mel Lock	Cllr David Huxtable	5.159	3.452	3.458
Adults	Demand/ demography	Increased demand.	Mel Lock	Cllr David Huxtable	1.500	0.000	0.000
Adults	Demand/ demography	Void Beds - empty rooms within Supported Living.	Mel Lock	Cllr David Huxtable	0.200	0.000	0.000
Adults	Inflation (general)	Provider inflation.	Mel Lock	Cllr David Huxtable	8.147	9.320	9.822
Adults Total					16.692	12.771	13.280
Children's	Change in legislation	New legislation will remove payseats income on vehicles with over 22 seats	Julian Wooster	Cllr Frances Nicholson	0.304	0.000	0.000
Children's	Change in legislation	Use of unregulated independent or semi-independent accommodation (under 16) prohibited	Julian Wooster	Cllr Frances Nicholson	0.225	0.236	0.248
Children's	Demand/ demography	Additional demand and a need to increase the age range of support from 0-13yrs to 0-16yrs in order to cover full age range	Julian Wooster	Cllr Frances Nicholson	0.050	0.000	0.000
Children's	Demand/ demography	Additional traded and statutory capacity for SEND	Julian Wooster	Cllr Frances Nicholson	0.193	0.000	0.000
Children's	Demand/ demography	Adopt South West formula review	Julian Wooster	Cllr Frances Nicholson	0.025	0.000	0.000
Children's	Demand/ demography	Adopt Southwest increased demand	Julian Wooster	Cllr Frances Nicholson	0.014	0.000	0.000
Children's	Demand/ demography	Change in demand for school transport	Julian Wooster	Cllr Frances Nicholson	0.110	0.194	0.185
Children's	Demand/ demography	Continued funding for an additional post supporting the Tribunal Process for the SEND Business Support team.	Julian Wooster	Cllr Frances Nicholson	0.000	0.024	0.000

Additional Financial Requirements

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Directorate	Title	Description	Director	Portfolio Holder	2022/23 £m	2023/24 £m	2024/25 £m
Children's	Demand/ demography	Continued funding for the two additional posts for the SEND Business Support team.	Julian Wooster	Cllr Frances Nicholson	0.000	0.051	0.000
Children's	Demand/ demography	Ilminster/Crewkerne School Reorganisation	Julian Wooster	Cllr Frances Nicholson	0.200	0.000	0.000
Children's	Demand/ demography	Increase in care days	Julian Wooster	Cllr Frances Nicholson	1.178	1.410	2.341
Children's	Demand/ demography	Increasing Numbers of Children with Complex Needs	Julian Wooster	Cllr Frances Nicholson	1.038	1.066	1.101
Children's	Demand/ demography	Placements Team additional hours	Julian Wooster	Cllr Frances Nicholson	0.007	0.000	0.000
Children's	Demand/ demography	SEND Transport	Julian Wooster	Cllr Frances Nicholson	1.130	0.478	0.476
Children's	Demand/ demography	Statutory SEN Team	Julian Wooster	Cllr Frances Nicholson	0.655	0.000	0.000
Children's	Demand/ demography	Population increase Children Looked After	Julian Wooster	Cllr Frances Nicholson	0.391	0.310	0.202
Children's	Demand/ demography	Population increase Children In Need and Child Protection Plans	Julian Wooster	Cllr Frances Nicholson	0.280	0.222	0.144
Children's	Demand/ demography	Section 17 Placements - Children In Need	Julian Wooster	Cllr Frances Nicholson	0.411	0.121	0.121
Children's	Inflation (contractual)	External Placements inflation	Julian Wooster	Cllr Frances Nicholson	1.128	0.722	0.913

Additional Financial Requirements

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Directorate	Title	Description	Director	Portfolio Holder	2022/23 £m	2023/24 £m	2024/25 £m
Children's	Inflation (contractual)	SEND Transport	Julian Wooster	Cllr Frances Nicholson	0.299	0.323	0.346
Children's	Inflation (contractual)	Transport contractual inflation	Julian Wooster	Cllr Frances Nicholson	0.490	0.495	0.494
Children's	Inflation (contractual)	Section 17 Placements - Children In Need	Julian Wooster	Cllr Frances Nicholson	0.027	0.020	0.030
Children's	Inflation (contractual)	NEETs, SEND mediation, Adopt South West and framework memberships	Julian Wooster	Cllr Frances Nicholson	0.098	0.116	0.120
Children's	Inflation (general)	Fees and Allowances	Julian Wooster	Cllr Frances Nicholson	0.150	0.153	0.162
Children's	Inflation (general)	Direct Payments and Homecare	Julian Wooster	Cllr Frances Nicholson	0.035	0.036	0.037
Children's	Policy/financing change	Realignment between DSG and LA funding sources that support statutory SEND services	Julian Wooster	Cllr Frances Nicholson	0.296	0.000	0.000
Children's	Policy/financing change	Realignment between DSG and LA funding sources that support statutory SEND services for School Improvement	Julian Wooster	Cllr Frances Nicholson	0.140	0.000	0.000
Children's	Policy/financing change	Realignment between DSG and LA funding sources that support statutory SEND duties	Julian Wooster	Cllr Frances Nicholson	0.675	0.000	0.000
Children's	Policy/financing change	Realignment between DSG and LA funding sources that support statutory SEND services for Children's Commissioning	Julian Wooster	Cllr Frances Nicholson	0.255	0.000	0.000
Children's	Growth	Increase capacity in the Schools Organisation Team by 1 FTE (part funded by capital)	Julian Wooster	Cllr Clare Paul	0.014	0.000	0.000
Children's Total					9.819	5.978	6.919

Additional Financial Requirements

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Directorate	Title	Description	Director	Portfolio Holder	2022/23 £m	2023/24 £m	2024/25 £m
ECI	Change in legislation	Property - Additional cleans of Corporate buildings	Paula Hewitt	Cllr Mandy Chilcott	0.162	(0.162)	0.000
ECI	Change in legislation	Property - increase Estates team to meet new valuations requirements	Paula Hewitt	Cllr Mandy Chilcott	0.065	0.000	0.000
ECI	Change in legislation	Removal of vegetation in advance of bridge inspections	Paula Hewitt	Cllr John Woodman	0.120	0.000	0.000
ECI	Change in legislation	Rights of Way - Deregulation Act 2015	Paula Hewitt	Cllr John Woodman	0.030	0.000	0.000
ECI	Change in legislation	Sub-National Transport Body Contribution	Paula Hewitt	Cllr John Woodman	0.038	0.000	0.000
ECI	Change in legislation	Transport Policy, Strategy & associated Technical Studies	Paula Hewitt	Cllr John Woodman	0.100	0.000	0.000
ECI	Demand/ demography	Education Business Partnership - Project Manager	Paula Hewitt	Cllr David Hall	0.028	0.000	0.000
ECI	Demand/ demography	Highway - Trees (Pollarding)	Paula Hewitt	Cllr John Woodman	0.060	0.000	0.000
ECI	Demand/ demography	Highway - Trees (Removal of Epicormic Growth)	Paula Hewitt	Cllr John Woodman	0.020	0.000	0.000
ECI	Demand/ demography	Increase in waste volumes (tonnages)	Paula Hewitt	Cllr David Hall	0.222	0.231	0.242
ECI	Demand/ demography	Library Services Reduction in Income	Paula Hewitt	Cllr David Hall	0.070	0.000	0.000
ECI	Demand/ demography	Project management - Major Road Network schemes to Capital Funding	Paula Hewitt	Cllr John Woodman	(0.015)	(0.010)	0.000
ECI	Demand/ demography	Property - loss of rental income (Early surrender of 5 leases)	Paula Hewitt	Cllr Mandy Chilcott	0.143	0.000	0.000
ECI	Demand/ demography	Ash dieback base budget reduction - Specific Reserve now set up	Paula Hewitt	Cllr John Woodman	(0.250)	0.000	0.000
ECI	Inflation (contractual)	Contractual price waste disposal contract	Paula Hewitt	Cllr David Hall	0.694	1.199	1.256

Additional Financial Requirements

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Directorate	Title	Description	Director	Portfolio Holder	2022/23 £m	2023/24 £m	2024/25 £m
ECI	Inflation (contractual)	Highway Lighting (Maintenance Contract)	Paula Hewitt	Cllr John Woodman	0.022	0.023	0.023
ECI	Inflation (contractual)	Highways Maintenance (Contract Inflation)	Paula Hewitt	Cllr John Woodman	0.076	0.078	0.080
ECI	Inflation (contractual)	Landfill Tax increase	Paula Hewitt	Cllr David Hall	0.026	0.046	0.048
ECI	Inflation (contractual)	Park and Ride	Paula Hewitt	Cllr John Woodman	0.167	0.000	0.000
ECI	Inflation (contractual)	Property - Inflation of cleaning contract for Corporate Estate	Paula Hewitt	Cllr Mandy Chilcott	0.015	0.000	0.000
ECI	Inflation (contractual)	Transport Contracts Consumer Price Index	Paula Hewitt	Cllr John Woodman	0.293	0.298	0.303
ECI	Inflation (contractual)	Additional energy costs per inflation rise - Property	Paula Hewitt	Cllr Mandy Chilcott	0.112	0.000	0.000
ECI	Inflation (contractual)	Additional energy costs per inflation rise - Highways	Paula Hewitt	Cllr John Woodman	0.403	0.000	0.000
ECI	Inflation (contractual)	Additional energy costs per inflation rise - Traffic Management	Paula Hewitt	Cllr John Woodman	0.029	0.000	0.000
ECI	Inflation (general)	Back out of budget within Planning Control	Paula Hewitt	Cllr David Hall	(0.025)	0.000	0.000
ECI	Inflation (general)	Highway - Lighting (Energy)	Paula Hewitt	Cllr John Woodman	0.008	0.008	0.008
ECI	Inflation (general)	Increase in internal insurance charges	Paula Hewitt	Cllr John Woodman	0.029	0.000	0.000
ECI	Inflation (general)	Other inflationary price increases	Paula Hewitt	Cllr David Hall	0.012	0.012	0.013
ECI	Inflation (general)	Property - inflation relating to premises costs (utilities and rates)	Paula Hewitt	Cllr Mandy Chilcott	0.000	0.103	0.111
ECI	Inflation (general)	Trading Standards inflation from DCC to run combined service	Paula Hewitt	Cllr David Hall	0.022	0.023	0.023

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Directorate	Title	Description	Director	Portfolio Holder	2022/23 £m	2023/24 £m	2024/25 £m
ECI	Policy/financing change	Replacement of lost LEP income	Paula Hewitt	David Hall	0.115	(0.115)	0.000
ECI	Growth	Additional Enforcement capacity	Paula Hewitt	David Hall	0.054	0.000	0.000
ECI Total					2.843	1.733	2.107
Customers, Digital & Workforce	Demand/demography	CSC Portal - Annual Licence and support charge	Chris Squire	Cllr Faye Purbrick	0.021	0.000	0.000
Customers, Digital & Workforce	Inflation (contractual)	Azure Cost (Microsoft Cloud Provision) increase	Chris Squire	Cllr Faye Purbrick	0.321	0.000	0.000
Customers, Digital & Workforce	Inflation (contractual)	SAP Licence Increase	Chris Squire	Cllr Faye Purbrick	0.153	0.000	0.000
Customers, Digital & Workforce Total					0.494	0.000	0.000
Finance & Governance	Change in legislation	Co-opted Members Allowances	Jason Vaughan	Cllr Mandy Chilcott	0.040	0.000	0.000
Finance & Governance	Demand/demography	Area Coroner	Jason Vaughan	Cllr Mandy Chilcott	0.088	0.000	0.000
Finance & Governance	Demand/demography	School Appeals additional support	Jason Vaughan	Cllr Mandy Chilcott	0.028	0.000	0.000
Finance & Governance	Inflation (contractual)	SWAP contractual Inflation	Jason Vaughan	Cllr Mandy Chilcott	0.010	0.011	0.011
Finance & Governance	Inflation (general)	Legal Counsel fees	Jason Vaughan	Cllr Mandy Chilcott	0.010	0.011	0.011
Finance & Governance	Inflation (general)	Legal Court fees	Jason Vaughan	Cllr Mandy Chilcott	0.006	0.006	0.006
Finance & Governance	Inflation (general)	Legal Disbursements	Jason Vaughan	Cllr Mandy Chilcott	0.003	0.003	0.003
Finance & Governance	Policy/financing change	Election & Member Development - removed a year later due to delay in elections	Jason Vaughan	Cllr Mandy Chilcott	0.000	(0.024)	0.000

Additional Financial Requirements

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Directorate	Title	Description	Director	Portfolio Holder	2022/23 £m	2023/24 £m	2024/25 £m
Finance & Governance	Policy/financing change	Scrutiny Review - policy and research support	Jason Vaughan	Cllr Mandy Chilcott	0.000	(0.032)	0.000
Finance & Governance	Policy/financing change	Replacement of lost LEP income	Jason Vaughan	Cllr Mandy Chilcott	0.032	0.000	0.000
Finance & Governance	Policy/financing change	Insurance Team base funding - previously funded through the Insurance Reserve	Jason Vaughan	Cllr Mandy Chilcott	0.245	0.000	0.000

Additional Financial Requirements

Appendix 3

Directorate	Title	Description	Director	Portfolio Holder	2022/23 £m	2023/24 £m	2024/25 £m
Finance & Governance Total					0.462	(0.025)	0.031
Corporate Costs	Inflation (general)	Increase audit fee budget based on actual costs	Jason Vaughan	Cllr Mandy Chilcott	0.030	0.000	0.000
Corporate Costs	Inflation (general)	Increase budget in line with average increase per year	Jason Vaughan	Cllr Mandy Chilcott	0.003	0.003	0.004
Corporate Costs	Policy/financing change	Resilience Budget for Business As Usual	Jason Vaughan	Cllr Mandy Chilcott	1.473	(1.473)	0.000
Non-Service Total					1.506	(1.470)	0.004
Accountable Bodies	Demand/demography	Resource requirement for management of new CDS contracts	Paula Hewitt	Cllr David Hall	0.158	0.108	0.000
Accountable Bodies Total					0.158	0.108	0.000
Grand Total					31.974	19.094	22.341

Name of Reserve	Description of Reserve	Estimated Balance as at 31/03/2022 £m	Estimated Use of Reserves 2022/23 £m	Estimated Balance as at 31/03/2023 £m	Estimated Use of Reserves 2023/24 £m	Estimated Balance as at 31/03/2024 £m	Estimated Use of Reserves 2024/25 £m	Estimated Balance as at 31/03/2025 £m
General Fund Reserves								
General Fund Reserves	Unrestricted funds held for general purposes and unexpected emergencies.	(23.0)	0.0	(23.0)	0.0	(23.0)	0.0	(23.0)
Total General Fund Reserves		(23.0)	0.0	(23.0)	0.0	(23.0)	0.0	(23.0)
Earmarked Reserves								
Resilience Reserves								
Social Care Transformation	To enable service transformation that delivers greater future operational savings.	(3.9)	1.4	(2.5)	1.0	(1.5)	0.0	(1.5)
Social Care Volatility Reserves	Resilience against future social care funding & demand.	(4.3)	0.0	(4.3)	0.0	(4.3)	0.0	(4.3)
Improving Lives Programme	An enabling fund to promote transformation across the Council.	(0.2)	0.2	0.0	0.0	0.0	0.0	0.0
Workforce Reserve	Resilience against workforce pressures.	(1.0)	0.2	(0.8)	0.0	(0.8)	0.0	(0.8)
Funding Volatility	Resilience against future funding changes.	(3.3)	0.0	(3.3)	0.0	(3.3)	0.0	(3.3)
Budget Equalisation Reserve	Enable smoothing of spend across years.	(4.9)	(2.9)	(7.8)	0.4	(7.4)	0.2	(7.2)
Capital Fund	To support significant unforeseen costs not allowable against capital schemes.	(2.4)	0.0	(2.4)	0.0	(2.4)	0.0	(2.4)
Total Resilience Reserves		(20.0)	(1.1)	(21.1)	1.4	(19.7)	0.2	(19.5)
Other Reserves								
Local Government Reorganisation	To support local government reorganisation in Somerset.	(10.0)	6.9	(3.1)	3.1	0.0	0.0	0.0
Trading Accounts	The cumulative surplus/deficits of the Council's trading accounts	(0.9)	0.0	(0.9)	0.0	(0.9)	0.0	(0.9)
Climate Emergency	Funding set aside for projects which support SCC's climate emergency strategy	(0.4)	0.0	(0.4)	0.0	(0.4)	0.0	(0.4)
West Somerset Opportunity Area	Programme funded by the Department for Education	(0.9)	0.0	(0.9)	0.0	(0.9)	0.0	(0.9)
Public Health	Ring-fenced underspends from the Council's Public Health budget	(3.2)	0.0	(3.2)	0.0	(3.2)	0.0	(3.2)
Prevention Fund	Preventative work including localised impact	(0.2)	0.0	(0.2)	0.0	(0.2)	0.0	(0.2)
Held for Infrastructure Developments	S106 / S38 / Commuted Sums	(2.5)	0.0	(2.5)	0.0	(2.5)	0.0	(2.5)
Ash die back	To fund the cost of ash die back in Somerset	(1.5)	0.5	(1.0)	0.3	(0.7)	0.3	(0.4)
Property Repairs & Maintenance	Funds set aside for Property Repairs and Maintenance	(0.2)	0.0	(0.2)	0.0	(0.2)	0.0	(0.2)
BSF Bridgwater - Equalisation Reserve	Set aside to meet future contract costs of the Councils PFI schools in Bridgwater.	(8.6)	0.0	(8.6)	0.0	(8.6)	0.0	(8.6)
Short Life Asset Fund	Funds set aside for the purchase of short life assets (e.g. laptops)	(3.0)	0.0	(3.0)	0.0	(3.0)	0.0	(3.0)
Insurance	As the Council largely self-insures, this reserve has been set aside for Incurred But Not Reported (IBNR), Municipal Mutual Insurances (MMI) levy and other insurance related balances.	(8.4)	(0.2)	(8.6)	0.0	(8.6)	0.0	(8.6)
Collection Fund Compensation	Funding received from MHCLG to fund the shortfall in Business Rates due to Covid-19	(5.9)	0.0	(5.9)	0.0	(5.9)	0.0	(5.9)
Covid-19 Funding	Covid-19 funding given for use against specific workstreams	(0.4)	0.0	(0.4)	0.0	(0.4)	0.0	(0.4)
Elections	Funds are set aside annually to contribute to the (usually) four yearly elections.	(1.0)	1.0	0.0	(0.3)	(0.3)	(0.3)	(0.6)
Other Children's Services	Ring-fenced funds for various children's services	(0.1)	0.0	(0.1)	0.0	(0.1)	0.0	(0.1)
Other ECI	Ring-fenced funds for various ECI services	(1.8)	0.0	(1.8)	0.0	(1.8)	0.0	(1.8)
Total Other Reserves		(49.0)	8.2	(40.8)	3.1	(37.7)	0.0	(37.7)
Total Earmarked Reserves		(69.0)	7.1	(61.9)	4.5	(57.4)	0.2	(57.2)

Name of Reserve	Description of Reserve	Estimated Balance as at 31/03/2022	Estimated Use of Reserves 2022/23	Estimated Balance as at 31/03/2023	Estimated Use of Reserves 2023/24	Estimated Balance as at 31/03/2024	Estimated Use of Reserves 2024/25	Estimated Balance as at 31/03/2025
Funds Held on Behalf of Other Bodies								
Somerset Rivers Authority	Funds held on behalf of SRA who are a separate decision making body. SCC holds as administering authority	(2.9)	0.0	(2.9)	0.0	(2.9)	0.0	(2.9)
Local Enterprise Partnership	Funds held on behalf of LEP who are a separate decision making body. SCC holds as accountable authority	(0.9)	0.9	0.0	0.0	0.0	0.0	0.0
Connecting Devon and Somerset	Funds held on behalf of Connecting Devon and Somerset and the superfast broadband project. SCC holds as accountable authority.	(0.3)	0.3	0.0	0.0	0.0	0.0	0.0
Somerset and South West Mutual Scheme	A staff absence scheme run solely for the benefit of its member schools. SCC holds funds as administering authority.	(0.4)	0.0	(0.4)	0.0	(0.4)	0.0	(0.4)
Business Rates Retention - County Wide	Funds held on behalf of districts who are a separate decision making body. SCC holds as administering authority.	(0.2)	0.0	(0.2)	0.0	(0.2)	0.0	(0.2)
Total Funds Held on Behalf of Other Bodies		(4.7)	1.2	(3.5)	0.0	(3.5)	0.0	(3.5)

Use of Reserves for Approval

Appendix 4b

Directorate	Service	Reserve Type	Reserve Category	Description	2022/23 £m	2023/24 £m	2024/25 £m
Adults Services	Adult Social Care	Resilience Reserves	Budget Equalisation Reserve	Use of reserves to Support Domiciliary Care costs.	0.858	0.000	0.000
	Mental Health	Resilience Reserves	Budget Equalisation Reserve	Use of reserves to Support Domiciliary Care costs.	0.078	0.000	0.000
	Learning Disabilities	Resilience Reserves	Budget Equalisation Reserve	Use of reserves to Support Domiciliary Care costs.	0.084	0.000	0.000
Children's Services	Children's Commissioning Central	Resilience Reserves	Budget Equalisation Reserve	Ongoing funding for school reorganisation project.	0.100	0.000	0.000
	Children's Commissioning Central	Resilience Reserves	Social Care Transformation	Further use of reserve to fund social care transformation.	1.350	1.013	0.000
	Education, Partnerships & Skills	Resilience Reserves	Budget Equalisation Reserve	Revenue budget for the costs associated with school reorganisation to cover staffing, legal fees, redundancy etc.	0.330	0.000	0.000
Economic & Community Infrastructure Services	Economy & Planning	Resilience Reserves	Budget Equalisation Reserve	Once-off funding to support procurement of a engineering consultancy services contract. Current contract is due to expire July 2023.	0.050	0.000	0.000
	Highways and Transport Commissioning	Resilience Reserves	Budget Equalisation Reserve	Funding to support new procurement of new highways term maintenance contract. Current contract due to end March 2024.	0.200	0.200	0.000
	Transporting Somerset	Resilience Reserves	Budget Equalisation Reserve	Additional Funding for Park and Ride retender.	0.200	0.000	0.000
	Transporting Somerset	Resilience Reserves	Budget Equalisation Reserve	To fund a network of services to provide access to Further Education.	0.179	0.000	0.000
	Highways	Resilience Reserves	Budget Equalisation Reserve	To fund removal of vegetation in advance of bridge inspections.	0.200	0.200	0.200
	Highways	Other Earmarked Reserves	Ash die back	Forecast use of ash die back reserve *see note.	0.500	0.250	0.250
Customers, Digital & Workforce	SCC Waste	Resilience Reserves	Budget Equalisation Reserve	Recycle More - repayment of funds.	(1.755)	0.000	0.000
	Customers & Communities	Resilience Reserves	Budget Equalisation Reserve	Funding for staff at the First Point of Contact in the Contact Centre due to increased demand for Adult Social Care services.	0.138	0.000	0.000
	Transformation & Change	Resilience Reserves	Improving Lives Programme	Funding of Improving Lives Programme - Behaviour & Culture managed within Transformation & Change Service.	0.170	0.000	0.000
Finance & Governance	Human Resources	Resilience Reserves	Workforce Reserve	Agreed draw on Workforce Reserve to fund an overspend within Learning & Development service.	0.200	0.000	0.000
	Democratic Services	Resilience Reserves	Budget Equalisation Reserve	Funding for additional Grade 11 supporting partnership work, elections planning, new virtual meetings and hybrid meetings.	0.038	0.000	0.000
	Democratic Services	Resilience Reserves	Budget Equalisation Reserve	Additional members costs relating to May 2022 elections.	0.752	0.000	0.000
Corporate Costs	Democratic Services	Other Earmarked Reserves	Elections	Due to postponement of Elections to May 2022 allocation in 2021/22 will be reversed and drawn down in 2022/23.	1.045	(0.253)	(0.253)
	Local Government Reorganisation	Resilience Reserves	Local Government Reorganisation	Forecast use of reserve for Local Government Reorganisation.	6.880	3.120	0.000
	Corporate Costs	Resilience Reserves	Budget Equalisation Reserve	Council Tax Surplus funding to Budget Equalisation Reserve for use as required in future years.	(4.391)	0.000	0.000
	Insurance	Other Earmarked Reserves	Insurance	To fund the requirement of cyber insurance within SCC.	(0.150)	0.000	0.000
Total Use of Reserves for Approval					7.056	4.530	0.197

Note:

It is requested that a £1.5m reserve is set up to fund the cost of ash die back. It is currently anticipated that this will be used over a number of years, but the approval is sought for the £1.5m to be drawn as required.

Use of Reserves for Funds Held on Behalf of Other Bodies - not for Decision Making

Directorate	Service	Reserve Type	Reserve Category	Description	2022/23 £m	2023/24 £m	2024/25 £m
Accountable Bodies	Connecting Devon & Somerset (CDS)	Funds Held by Other Bodies	Connecting Devon and Somerset	Funding to support the Connecting Devon and Somerset project.	0.302	0.000	0.000
Accountable Bodies	Local Enterprise Partnership	Funds Held by Other Bodies	Local Enterprise Partnership	Forecast draw to support the Local Enterprise Partnership.	0.910	0.000	0.000
Use of Reserves for Funds Held by Other Bodies					1.212	0.000	0.000

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Adults Services	£m	£m
2021/22 Original Budget		141.592
Removal Of Once Off Budgets for 2021/22	0.000	
In Year Permanent Virements	0.000	
		0.000
2021/22 Base Budget		141.592
Additional Funding Requirements:		
Inflation (Contractual and General)	8.147	
Demographic and other Demand Increases	6.859	
Other Funding Requirements	1.686	
Growth	0.000	
Total Additional Funding Requirements		16.692
Pay Award		1.009
Savings Previously Agreed		(0.628)
Prior Year Savings Not Delivered		0.000
New Savings Proposals		0.000
Use Of Reserves		1.019
Technical Adjustments		0.000
2022/23 Proposed Base Budget		159.684
Change £m		18.092
Change %		12.78%

Children's Services	£m	£m
2021/22 Original Budget		96.005
Removal Of Once Off Budgets for 2021/22	(3.211)	
In Year Permanent Virements	(0.063)	
		(3.274)
2021/22 Base Budget		92.731
Additional Funding Requirements:		
Inflation (Contractual and General)	2.227	
Demographic and other Demand Increases	5.683	
Other Funding Requirements	1.895	
Growth	0.014	
Total Additional Funding Requirements		9.819
Pay Award		2.113
Savings Previously Agreed		(1.276)
Prior Year Savings Not Delivered		0.690
New Savings Proposals		(0.816)
Use Of Reserves		1.780
Technical Adjustments		0.007
2022/23 Proposed Base Budget		105.048
Change £m		12.317
Change %		13.28%

Economic & Community Infrastructure	£m	£m
2021/22 Original Budget		73.107
Removal Of Once Off Budgets for 2021/22	(3.776)	
In Year Permanent Virements	0.000	
		(3.776)
2021/22 Base Budget		69.332
Additional Funding Requirements:		
Inflation (Contractual and General)	1.882	
Demographic and other Demand Increases	0.277	
Other Funding Requirements	0.630	
Growth	0.054	
Total Additional Funding Requirements		2.843
Pay Award		1.114
Savings Previously Agreed		(0.384)
Prior Year Savings Not Delivered		0.000
New Savings Proposals		(0.618)
Use Of Reserves		(0.426)
Technical Adjustments		0.000
2022/23 Proposed Base Budget		71.862
Change £m		2.530
Change %		3.65%

Customers, Digital & Workforce	£m	£m
2021/22 Original Budget		15.805
Removal Of Once Off Budgets for 2021/22	(0.601)	
In Year Permanent Virements	(0.062)	
		(0.663)
2021/22 Base Budget		15.142
Additional Funding Requirements:		
Inflation (Contractual and General)	0.473	
Demographic and other Demand Increases	0.021	
Total Additional Funding Requirements		0.494
Pay Award		0.868
Savings Previously Agreed		0.019
Prior Year Savings Not Delivered		0.154
New Savings Proposals		(0.322)
Use Of Reserves		0.508
Technical Adjustments		0.000
2022/23 Proposed Base Budget		16.863
Change £m		1.721
Change %		11.37%

Finance & Governance	£m	£m
2021/22 Original Budget		9.114
Removal Of Once Off Budgets for 2021/22	0.192	
In Year Permanent Virements	0.125	
		0.317
2021/22 Base Budget		9.431
Additional Funding Requirements:		
Inflation (Contractual and General)	0.029	
Demographic and other Demand Increases	0.116	
Other Funding Requirements	0.317	
Growth	0.000	
Total Additional Funding Requirements		0.462
Pay Award		0.493
Savings Previously Agreed		(0.030)
Prior Year Savings Not Delivered		0.017
New Savings Proposals		(0.063)
Use Of Reserves		1.835
Technical Adjustments		0.000
2022/23 Proposed Base Budget		12.145
Change £m		2.714
Change %		28.78%

Public Health (Excluding Grant)	£m	£m
2021/22 Original Budget		1.411
Removal Of Once Off Budgets for 2021/22	0.000	
In Year Permanent Virements	0.000	
		0.000
2021/22 Base Budget		1.411
Additional Funding Requirements:		
Inflation (Contractual and General)	0.000	
Demographic and other Demand Increases	0.000	
Other Funding Requirements	0.000	
Growth	0.000	
Total Additional Funding Requirements		0.000
Pay Award		0.025
New Savings Proposals		(0.100)
Use Of Reserves		0.000
Technical Adjustments		0.000
2022/23 Proposed Base Budget		1.336
Change £m		(0.075)
Change %		-5.30%

Corporate Costs	£m	£m
2021/22 Original Budget		(5.195)
Removal Of Once Off Budgets for 2021/22	1.000	
In Year Permanent Virements	0.000	
		1.000
2021/22 Base Budget		(4.195)
Additional Funding Requirements:		
Inflation (Contractual and General)	0.033	
Demographic and other Demand Increases	0.000	
Other Funding Requirements	1.473	
Growth	0.000	
Total Additional Funding Requirements		1.507
Pay Award		0.010
Savings Previously Agreed		0.000
Prior Year Savings Not Delivered		0.000
New Savings Proposals		(0.562)
Use Of Reserves		6.880
Technical Adjustments		(2.260)
2022/23 Proposed Base Budget		1.380
Change £m		5.575
Change %		-132.90%

All Services	£m	£m
2021/22 Original Budget		356.072
Removal Of Once Off Budgets for 2021/22	(10.887)	
In Year Permanent Virements	0.000	
		(10.887)
2021/22 Base Budget		345.185
Additional Funding Requirements:		
Inflation (Contractual and General)	12.792	
Demographic and other Demand Increases	13.114	
Other Funding Requirements	6.001	
Growth	0.068	
Total Additional Funding Requirements		31.974
Pay Award		5.633
Savings Previously Agreed		(2.298)
Prior Year Savings Not Delivered		0.861
New Savings Proposals		(2.480)
Use of Earmarked Reserves for Service Budget		12.808
Technical Adjustments		(13.037)
2022/23 Proposed Base Budget		378.646
Change £m		33.461
Change %		9.69%



Somerset County Council

Capital Strategy 2022/23– 2024/25

Capital Strategy Report 2022/23

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1. Background and Context

This capital strategy is a report for 2022/23, giving a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of local public services along with an overview of how associated risk is managed and the implications for future financial sustainability.

It addresses the capital components of the wider financial strategies adopted by the Authority. It identifies the links and relationships that need to be made in considering and implementing the Capital Programme to support the County Plan objectives. This is done through the Medium Term Financial Plan (MTFP) and alerts services to the governance and control framework within which the investment planning and delivery takes place.

This is the last budget setting for Somerset County Council, given the local Government Reorganisation in Somerset, and this is reflected in the strategy taken towards capital approvals capital. Firstly by reviewing priorities and slippage in the short-term to reduce the capital programme. Secondly it constrains new programme approvals to only those that are Health and Safety related, those with the highest priority, and those that are wholly externally funded being considered. This strategy therefore has a focus for 2022/23 but as decisions made this year on capital and treasury management will have financial consequences for many years into the future the potential implications for forward years are set out.

This report summarises the requirements of and compliance to both national regulatory and to local policy frameworks. Both the Prudential Code and Treasury Management Code have been revised during December 2021. The revised Codes include clarification and examples of what is and is not classified as prudent borrowing activity. These added principles are intended to protect the public purse and avoid misinterpretation of the Code's provisions. The focus is around strengthening the governance and transparency arrangements surrounding commercial activity as well as actively discouraging this activity funded by borrowing. The other edits include proposing of a liability benchmark to be adopted as a treasury management tool over the coming year and integration of Environmental, Social and Governance risks into the policy framework.

The Capital Programme is the term used for the Council's rolling plan of investment in both its own assets and those of its partners. The programme spans multi-years and contains a mix of individual schemes, many spanning more than one year. Some schemes will be specific investment projects while others may provide for an overarching schedule of thematic works e.g. "Highways".

Investing in assets can include expenditure on:

- Infrastructure such as highways, open spaces, coast protection;
- New build;
- Enhancement of buildings through renovation or remodelling;
- Major plant, equipment and vehicles;
- Capital contributions to other organisations enabling them to invest in assets that contributes to the delivery of the Council's priorities.

The Capital Programme is distinct from the Council's revenue budget which funds day-to-day services, but they are both linked and are managed together. This ensures they contribute to the Council's objectives set out in the County Plan to achieve the most beneficial balance of investment within the resources available.

There is a strong link with the Treasury Management Strategy¹ that provides a framework for the borrowing and lending activity of the Council supporting the historic investment programme. This capital strategy and the capital MTFP align to service planning and the corporate asset strategy. Asset information is overseen by the Corporate Property Group which manages the built estate as Corporate Landlord and additional (non-property information) is maintained by Services.

2. Capital Expenditure and Financing

Capital expenditure is where the Council spends money on assets, such as property or vehicles, that will be used for more than one year. In local government this includes spending on assets owned by other bodies, and loans and grants to other bodies enabling them to buy assets.

The Council has the ability to set a de-minimis level to capture only significant assets, however does not opt to do so. This allows the Council to review every item of expenditure and capitalise as appropriate.

- For details of the Council's policy on capitalisation, see the accounting policy (No.13 PPE) within the annual statement of accounts: [gov.uk/how-the-council-works/budgets-and-accounts/](https://www.gov.uk/how-the-council-works/budgets-and-accounts/)

¹ Treasury Management Strategy link: *to be added when approved at Full Council*

In 2022/23, the Council is planning capital expenditure of £107.728m. The following table shows our planned spend for the future:

Table 1: Estimates of Capital Expenditure

	2020/21 actual £m	2021/22 forecast £m	2022/23 budget £m	2023/24 budget £m	2024/25 budget £m
Capital Expenditure	122.091	173.773	109.244	45.902	16.159

This table includes both the current approved capital programme and the proposed 2022/23 programme due to be put to Full Council on 23rd February 2022. For example, the 2022/23 budget of £109.244m is made up of £72.162m current programme and £37.082m 2022/23 proposed new schemes.

Service managers bid annually to include projects in the Council’s capital programme. Bids are collated by corporate finance who calculate the financing cost (which can be nil if the project is fully externally financed). The bids are appraised against a set criterion including a comparison of service priorities against the affordability of the financing costs. The Senior Leadership Team undertakes a final review before the draft capital programme is then presented to relevant Scrutiny Committee(s) prior to its consideration by the Cabinet in February for recommendation to Council in February each year.

For full details of the Council’s 2022/23 capital programme, see section 16 of the main 2022/23 MTFP report and appendix 9 of the papers to Full Council on 23rd February 2022.

All capital expenditure must be financed, either from external sources (government grants and other contributions such as S106 and CIL), the Council’s own resources (revenue, reserves and capital receipts) or debt (borrowing, leasing and Private Finance Initiative). The planned financing of the above expenditure is as follows:

Table 2: Capital financing

	2020/21 actual £m	2021/22 forecast £m	2022/23 budget £m	2023/24 budget £m	2024/25 budget £m
External sources	81.219	134.144	65.008	15.925	10.222
Own resources:					
Capital receipts	1.172	6.468	2.484	1.432	0.000
Revenue / Reserves	1.291	0.704	1.060	0.000	0.000
Debt	39.219	32.457	40.692	28.545	5.937
TOTAL	122.901	173.773	109.244	45.902	16.159

Debt is only a temporary source of finance, since loans and leases must be repaid, and this is therefore replaced over time by other financing, usually from revenue which is known as minimum revenue provision (MRP). Planned MRP budgets are as follows:

Table 3: MRP for the repayment of debt

	2020/21 actual £m	2021/22 forecast £m	2022/23 budget £m	2023/24 budget £m	2024/25 budget £m
Own resources	3.620	4.382	5.329	6.286	7.254

- The Council's full minimum revenue provision statement is available in appendix 9 of the 2022/23 MTFP papers to Full Council on 23rd February 2022.

The Council's cumulative outstanding amount of debt finance is measured by the capital financing requirement (CFR). This increases with new debt-financed capital expenditure and reduces with MRP, lease principal repayments and capital receipts used to replace debt. The CFR is expected to increase by £34.044m during 2022/23. Based on the above figures for expenditure and financing, the Council's estimated CFR is as follows:

Table 4: Prudential Indicator: Estimates of Capital Financing Requirement

	31.03.2021 actual £m	31.03.2022 forecast £m	31.03.2023 budget £m	31.03.2024 budget £m	31.03.2025 budget £m
TOTAL CFR	458.106	484.976	520.020	549.949	547.740

Asset disposals: When a capital asset is no longer needed, it may be sold so that the proceeds, known as capital receipts, can be spent on new assets or to repay debt. Repayments of capital grants, loans and investments also generate capital receipts. The Council plans to receive £5.150m of capital receipts in the current financial year.

Table 5: Capital receipts

	2020/21 actual £m	2021/22 forecast £m	2022/23 budget £m
TOTAL asset sales	6.047	5.150	5.000

Department for Levelling Up, Housing and Communities (DLUHC) have issued a 'flexible use of capital receipts' directive. This allows transformation projects which will save revenue budget to be funded from capital receipts. This directive was issued in 2016 and as part of Government announcements in February 2021 this is extended to March 2026. The authority's use of receipts under this directive is a total of £17.267m to March 2020. The Authority has not applied the directive since, however this additional flexibility remains available. An Efficiency Strategy will be required if this flexibility is recommended and would require full Council approval.

3. Treasury Management

Treasury management is the activity of keeping sufficient but not excessive cash available to meet the Council's spending needs, while managing the risks involved. Surplus cash is invested until required, while a shortage of cash will be met by borrowing, to avoid excessive credit balances or overdrafts in the bank current account. The Council typically runs a cash surplus in the short term, particularly at the start of the financial year, as revenue income is received before it is spent.

Due to decisions taken in the past, the Authority currently has long term borrowing of £324.550m at an average interest rate of 4.66%. The authority continues to maximise the use of the cash held before taking costly external debt, this is referred to as internal borrowing. It is anticipated the level of internal borrowing at 31/03/2022 will be £75.4m.

The budget for debt interest paid in 2022/23 is £15.378m, based on an average debt portfolio of £364.550m at an average interest rate of 4.21%. The budget for Treasury and strategic investment income in 2022/23 is £1.360m, based on an average investment portfolio of £220m at an average return of 0.7%. (These figures are net of balances held on behalf of external investors i.e. the Local Enterprise Partnership).

Borrowing strategy: The Council's main objectives when borrowing continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio. It strives to achieve as low but more certain cost of finance while retaining flexibility should plans change in future. These objectives are often conflicting, and the Council therefore seeks to strike a balance between cheaper short-term loans (currently available at around 0.10%) and long-term fixed rate loans where the future cost is known but is higher (currently 1.5 to 2.5%).

Projected levels of the Council's total outstanding debt (which comprises of borrowing and Private Financing Initiatives (PFI) liabilities, are shown below, compared with the capital financing requirement (with reference to table 4 above).

Table 6: Prudential Indicator: External Debt and the Capital Financing Requirement

	31.3.2021 actual £m	31.3.2022 forecast £m	31.3.2023 budget £m	31.3.2024 budget £m	31.3.2025 budget £m
Short term debt	7.220	10.000	10.000	10.000	10.000
Long term debt *	334.173	332.099	325.814	312.993	288.701
Assumed debt not yet taken	0.000	0.000	40.000	80.000	120.000
PFI & leases	42.533	39.872	38.669	37.350	36.031
Total external borrowing	383.926	381.971	414.483	440.343	454.732
Capital Financing Requirement	458.106	484.976	529.020	549.949	547.740

*(reduces for MRP set aside & actual debt repayments)

Statutory guidance is that debt should remain below the capital financing requirement, except in the short-term. As can be seen from table 6, the Council expects to comply with this in the medium term.

Affordable borrowing limit: The Council is legally obliged to set an affordable borrowing limit (also termed the authorised limit for external debt) each year. In line with statutory guidance, a lower "operational boundary" is also set as a warning level should debt approach the limit.

Table 7: Prudential Indicators: Authorised limit and operational boundary for external debt

	2020/21 limit £m	2021/22 limit £m	2022/23 limit £m	2023/24 limit £m	2024/25 limit £m
Authorised limit – borrowing	399.570	397.572	451.924	485.927	509.649
Authorised limit – PFI and leases	55.533	52.872	51.301	49.989	49.677
Authorised limit – total external debt	455.103	450.444	503.225	535.916	559.326
Operational boundary – borrowing	369.570	367.572	406.924	440.927	464.649
Operational boundary – PFI and leases	47.533	44.872	43.301	41.989	40.677
Operational boundary – total external debt	417.103	412.444	450.225	482.916	505.326

**There is a change to the accounting standards for leasing, due for adoption 1st April 2022 having been deferred by 1 year as announced by CIPFA in November 2020. The impact of this will be to bring all material leases greater than one year onto the authority's balance sheet, thus creating additional borrowing liability, this is estimated to be £6.7m. Any new leases being entered during 2022/23 will also effect the limits and an estimate of this has been allowed for separately within the Authorised borrowing Limit.*

4. Investment Strategy

Treasury investments: is the management of the Council's cash flows, borrowing and treasury investments, and the associated risks. The Council has significant debt and treasury investment portfolios and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of financial risk are therefore central to the Council's prudent financial management.

Investments made for service reasons or for the purpose of generating a positive income (net of costs), known as non-treasury investments, are not considered to be part of treasury management.

This capital strategy contains the prudential indicators approved by the Council. The Treasury management strategy contains further details on treasury investments criteria and governance. There are also 3 Treasury management indicators that are set out in section 4 of the Treasury Management Strategy for the adoption by the Council.

- the Treasury Management Strategy can be found as part of the 2022/23 MTFP papers to Full Council on 23rd February 2022.

Risk management: No treasury management activity is without risk. The successful identification, monitoring and control of risks are the prime criteria by which the effectiveness of its treasury management activities will be measured. The main risks to the Council's treasury activities are:

- Credit and Counterparty Risk (security of investments)
- Liquidity Risk (inadequate cash resources)
- Market or Interest Rate Risk (fluctuations in price / interest rate levels)
- Refinancing Risk (impact of debt maturing in future years)
- Legal & Regulatory Risk.

The Authority's policy on treasury investments is to prioritise security and liquidity over yield; that is to focus on minimising risk rather than maximising returns in accordance with DLUHC guidance. Cash that is likely to be spent in the near term is invested securely, for example with the government, other local authorities or selected high-quality banks, to minimise the risk of loss. Money that will be held for longer terms is invested more widely, to balance the risk of loss against the risk of receiving returns below inflation. Both near-term and longer-term investments may be held in pooled funds, where an external fund manager makes decisions on which particular investments to buy and the Council may request its money back at short notice. The strategy includes some prudential indicators which manage risk in setting the boundaries.

Governance: Decisions on treasury management investment and borrowing are delegated to the Director of Finance & Governance and staff, who must act in line with the annual treasury management strategy approved by Full Council each year. In formulating the Treasury Management Strategy, and the setting of Prudential

Indicators, Somerset County Council (SCC) adopts the Treasury Management Framework and Policy recommended by CIPFA, see **appendix A** of the Treasury Management Strategy.

Further governance is provided by the comprehensive Treasury Management Practices (TMP's) which set out the main categories of risk that may impact on the achievement of Treasury Management objectives.

A mid-year and an annual outturn report on treasury management activity are presented to Full Council. The audit committee is responsible for scrutinising treasury management decisions.

Treasury (Commercial) investments: Describing the Council's approach to non-treasury investment is a requirement of the DLUHC.

With central government financial support for local public services declining, the Council explored the options of investing in non-treasury investments purely or mainly for financial gain. With financial return being the main objective, with this comes higher risk on commercial investment than with treasury investments. Borrowing to invest purely for commercial income gain is strongly discouraged by Treasury, to the point the PWLB is explicit in not being used for this sole purpose. The revision to the Prudential Code, 2021, also tightens the regulatory controls on this type of activity. Given both considerations the Authority does not plan to make this type of investment and therefore does not have a current Investment Strategy.

As it remains an option available to the Authority, a policy paper was endorsed at Cabinet on 18th December 2019, the full paper can be found here;

<http://democracy.somerset.gov.uk/ieListDocuments.aspx?CIId=134&MIId=740&Ver=4>

This sets out the regulatory boundaries, options available and outlines the appropriate governance be put in place should any of the arrangements be taken forward.

5. Other long-term liabilities

In addition to debt of £383.926m detailed above, the Council is committed to making future payments to cover its pension fund deficit. The deficit reported in the 2020/21 accounts was £993.554m (as at 31/03/2021). It has also set aside £11.194m (as at 31/03/2021) as a provision to cover risks of insurance claims, business rate appeals and other legal claims. The Council is also at risk of having to pay for contingent

liabilities but has not put aside any money because of the low risk and uncertainties around potential value.

Governance: Decisions on incurring new discretionary liabilities will initially be considered by service managers for discussion with the relevant director. If it is recommended that the liability may be undertaken then the relevant director will consult with the Chief Finance Officer (S151 Officer), Monitoring Officer and County Solicitor before any recommendation is made to the Senior Leadership Team prior to any decisions taken. Depending on the extent of the liability envisaged, it may be necessary to make a formal decision through a democratic process. The risk of liabilities crystallising and requiring payment is monitored by corporate finance and reported quarterly to audit committee. New liabilities exceeding £500m are reported to Cabinet and Full Council for approval.

- Further details on provisions and contingent liabilities are on pages 145 and 158 of the 2020/21 statement of accounts:

<http://www.somerset.gov.uk/information-and-statistics/financial-information/budgets-and-accounts/>

6. Revenue Budget Implications

Although capital expenditure is not charged directly to the revenue budget, interest payable on loans and MRP are charged to revenue, offset by any investment income receivable. The net annual charge is known as financing costs; this is compared to the net revenue stream i.e. the amount funded from Council Tax, business rates and general government grants.

Table 8: Prudential Indicator: Proportion of financing costs to net revenue stream

	2020/21 actual	2021/22 forecast	2021/23 budget	2023/24 budget	2024/25 budget
Financing costs (£m)	23.907	24.621	25.735	26.810	27..841
Proportion of net revenue stream	6.63%	6.59%	6.43%	6.57%	6.75%

- Further details on the revenue implications of capital expenditure can be found in section 16 of the main 2022/23 MTFP report to Full Council on 23rd February 2022.

Sustainability: Due to the long-term nature of capital expenditure and financing, the revenue budget implications of expenditure incurred in the next few years will extend into the future years. The Director of Finance & Governance is satisfied the proposed capital programme is prudent, affordable and sustainable. This follows full challenge of all capital bids against set criteria of affordability and service need.

Only schemes that will have fully approved funding in place are considered as part of the capital programme and the cost impact of borrowing forms part of the revenue medium term financial planning.

7. Knowledge and Skills

The Council employs professionally qualified and experienced staff in all positions with responsibility for making capital expenditure, borrowing and investment decisions. For example, the Director of Finance & Governance and section 151 Officer will always be a qualified accountant with substantial experience and there is a range of significant experience and expertise within the Treasury Team. Where necessary, the Council pays for junior staff to study towards relevant professional qualifications, for example CIPFA.

Where the Council needs additional resources, external validation of officers work or where Council staff do not have the knowledge and skills required, use is made of external advisers and consultants that are specialists in their field. The Council currently employs Arlingclose Limited as treasury management advisers. This approach is more cost effective than employing additional resources directly and ensures that the Council has access to knowledge and skills commensurate with its risk appetite.

Somerset County Council - Efficiency Strategy

1. Flexible Use of Capital Receipts

Central Government outlined in December 2015 that local authorities would be able under certain circumstances to utilise capital receipts for revenue expenditure for certain purposes. These include for example:

- Sharing back-office and administrative services with one or more other council or public sector bodies.
- Investment in service reform feasibility work, e.g. setting up pilot schemes.
- Funding the cost of service reconfiguration, restructuring or rationalisation (staff or non-staff), where this leads to ongoing efficiency savings or service transformation.
- Collaboration between local authorities and central government departments to free up land for economic use.
- Sharing Chief-Executives, management teams or staffing structures.
- Aggregating procurement on common goods and services where possible, either as part of local arrangements or regional procurement hubs.
- Driving a digital approach to the delivery of more efficient public services and how the public interacts with constituent authorities where possible.
- Setting up commercial or alternative delivery models to deliver services more efficiently and bring in revenue (for example, selling services to others).
- Integrating public facing services across two or more public sector bodies to generate savings or to transform service delivery.
- Improving systems and processes to tackle fraud and corruption.

Further guidance was released in March 2016 which outlined a simpler approach to allow authorities to utilise receipts if the spend resulted in an ongoing saving. The guidance is clear however that expenditure should be once-off and the flexibility cannot be utilised for ongoing expenditure.

The Government announced as part of the 2018/19 Finance Settlement that the flexibility would extend to 2021/22 (a further three years). A further extension was announced in 2021 but the details have yet to be published regarding whether there will be any changes in criteria.

The current requirement states that the strategy should list each project that plans to make use of the capital receipts flexibility (in this case implementation of Local Government Reorganisation). All use of flexible receipts will therefore be linked to the on-going savings plans of £18.5m outlined in the Local Government Reorganisation Business Case, The Strategy should report the impact on the local authority's Prudential Indicators for the

forthcoming and subsequent years. The strategy in future years will monitor the performance of the savings delivered. The Strategy must be approved by Full Council. A revised strategy may be replaced by another during the year.

2. Savings Which Meet the Criteria

The Business case for Local Government Reorganisation in Somerset outlined ongoing savings of £18.5m with once-off implementation costs of £16.5m. The budget for 2022/23 does not forecast the use of this flexibility at present but approval of this Strategy would enable the Director of Finance and Governance to utilise the flexibility as the Council transitions to the new Unitary in 2023. Any use of the flexibility will be reported through either budget monitoring or in the annual outturn report.

3. The Capital Receipts to be Used this Purpose

Capital receipts from the disposal of property, plant, and equipment received in the years in which the flexibility is offered can be used for this purpose. This may impact on the amount of borrowing required and the impact will be outlined if the flexibility is utilised. It is recommended that the decision for the use of each receipt is delegated to the Director of Finance and Governance unless it results in an unplanned impact on the Council's debt or Prudential Indicators which would require approval by Cabinet on the basis that any additional financial impact could be found within existing budgets.

Ref	Portfolio Holder	Service	Scheme	Description	Category	Bids				Funding		
						2022/23 (£m)	2023/24 (£m)	2024/25 (£m)	Total (£m)	Borrowing	External Funds	Total (£m)
Criteria - Fully Funded External Capital Projects												
C22-015	Cllr John Woodman	ECI - Highway Operations	Highways Basic Need	Capital investment in structural maintenance such as surface dressing and resurfacing is the most cost-effective way of preventing roads deteriorating and avoiding much more costly reactive works to rectify safety defects such as potholes or total reconstruction. As Highway Authority we have a duty under the Highways Act 1980 to maintain the highway network and Basic Need is funded through the DFT.	Health & Safety / Statutory	24.154	0.000	0.000	24.154	0.000	24.154	24.154
C22-016	Cllr John Woodman	ECI - Highway Operations	Rights of Way - Basic Need	There are over 6000km of public rights of way across Somerset comprising 4700+ bridges and 36,000+ other structures and assets (stiles, gates, signposts, etc). The extensive network requires a significant capital investment programme to ensure that the network remains available, safe and easy to use for the public. The path network can play a key role in changing travel preferences, economic regeneration and improving health and wellbeing.	Health & Safety / Statutory	0.510	0.000	0.000	0.510	0.000	0.510	0.510
C22-018	Cllr John Woodman	ECI - Highway Operations	Highway Lighting - Basic Need	Highway Lighting currently maintain and pay energy costs for a total of 57,143 illuminated highways assets in Somerset. The assets are made up of 50,282 street lights, 1733 illuminated bollards, 4,733 illuminated signs and 395 Belisha Beacons/Beacon post lights. The Highway Lighting Team have currently replaced 31,859 (55.75%) of our illuminated assets with LEDs.	Health & Safety / Statutory	0.550	0.000	0.000	0.550	0.000	0.550	0.550
C22-020	Cllr John Woodman	ECI - Highway Operations	Local Transport Improvement Schemes – Local Safety Scheme Programme	The majority of the schemes are generated through the Road Safety Team as a result of their review of collision sites and deliver accident and casualty reduction benefits which can be quantified as an economic benefit. The allocation of specific funding for safety schemes in addition to the SIS programme will enable the County Council to continue to improve highway safety and accessibility in local communities across Somerset, and address particular sites where safety is a key issue and identified through collision analysis.	Health & Safety / Statutory	0.650	0.000	0.000	0.650	0.000	0.650	0.650
C22-022	Cllr John Woodman	ECI - Highway Operations	Highways Structures Recovery	Maintaining Somerset’s bridges and other highway structures to make them safe, serviceable and reliable is vital to the economy and social wellbeing of our communities.	Health & Safety / Statutory	1.000	0.000	0.000	1.000	0.000	1.000	1.000
C22-038a	Cllrs Mandy Chilcott / Frances Nicholson / Clare Paul	ECI - Property	Schools Condition Programme - External Funding	The Council has a statutory duty to ensure sufficient provision of new places. In addition, schools must be maintained in an appropriate condition. This funding is to ensure schools building are safe and functional and that their condition does not detract from teaching and learning, or lead to unplanned school closures.	Health & Safety / Statutory	1.831	1.169	0.000	3.000	0.000	3.000	3.000
C22-039	Cllr David Hall	ECI - SWP	SWP - Photovoltaics (PV)	Section 5 of SWP’s Business Plan 2021-26 focuses on decarbonising our operations, highlighting that whilst what we do (i.e. recycling, decarbonising residual waste treatment etc) is a much more significant impact on our carbon footprint than how we do it, it is still crucial for us to continuously improve in this area.	Climate Change	0.100	0.000	0.000	0.100	0.000	0.100	0.100

Ref	Portfolio Holder	Service	Scheme	Description	Category	Bids				Funding		
						2022/23 (£m)	2023/24 (£m)	2024/25 (£m)	Total (£m)	Borrowing	External Funds	Total (£m)
C22-040	Cllr David Hall	ECI - SWP	SWP - Electric RCV	Action 5.3 of our Business Plan set out that we would work with our vehicle suppliers (primarily Romaquip for recycling vehicles and Dennis Eagle for refuse vehicles) to trial electric vehicles in Somerset. We remain in dialogue with Romaquip about trialling a vehicle in Somerset and are keen that Somerset is the first in England to trial an electric Romaquip. However, our focus has been on exploring e-RCVs given that we want to be well placed to explore alternative fuelled refuse vehicles when we come to a partial re-fleet in 2024 - our 23 2016 plate refuse vehicles.	Climate Change	0.390	0.000	0.000	0.390	0.000	0.390	0.390
C22-041	Cllrs Mandy Chilcott / Frances Nicholson	ECI - Property	Homes for Children	Secured match funding to support the previous year's proposal to purchase several residential properties for short term placements which at present are solely reliant on third party providers often at significant distances out of county.	Health & Safety / Statutory		1.100	0.000	1.100	0.000	1.100	1.100
Fully Externally Funded Capital Projects						29.185	2.269	0.000	31.454	0.000	31.454	31.454
Criteria - Health & Safety/Partially Funded												
C22-017	Cllr John Woodman	ECI - Highway Ops	Traffic Signals Recovery Programme	There are currently 292 Traffic Signals sites across Somerset (in commission on 15th June 2021). 131 of those are currently past their design life of 15 years old, and although we have secured capital investment over the next two years 2021/2 and 2022/3, we are only looking to refurbish 10-15 sites per annum and the number of sites past their design life increases by 48% over the next 5 years. The number of sites in a critical state increases from 131 to 194 in less than 5 years and we would need to complete in excess of 19 sites a year to stand still and over 20 sites a year to start to address the backlog and commence a recovery programme.	Health & Safety / Statutory	2.200	0.000	0.000	2.200	0.451	1.749	2.200
Health & Safety/Partially Funded						2.200	0.000	0.000	2.200	0.451	1.749	2.200
Criteria - Health & Safety												
C22-004	Cllr John Woodman	ECI - Fleet	Fleet Gritter Replacement	The scheme is needed to replace the Gritter Fleet of 23 vehicles on a 10 year replacement cycle to ensure that the strategic road network across Somerset is kept open during severe weather events to support and maintain the health & safety of road users and to support the local economy.	Health & Safety / Statutory	0.552	0.000	0.000	0.552	0.552	0.000	0.552
C22-005	Cllr John Woodman	ECI - Fleet	Fleet Vehicle Replacement Programme (8 year)	The scheme is needed to replace life expired vehicles in SCC's vehicle fleet, which includes a range of vehicles including cars, vans, people carriers, MPV's Minibuses and other ancillary vehicles. The current policy is to replace vehicles every eight years.	Health & Safety / Statutory	0.392	0.000	0.000	0.392	0.392	0.000	0.392
C22-008	Cllr David Hall	ECI - Commissioning	Heritage Conservation, Management and Enhancement	SCC, working with the South West Heritage Trust (SWHT), delivers conservation, management and enhancement of the public realm/highway and other sites around the county. Using SCC Capital Funding to support match funding from other sources, important public realm works are carried out each year to protect, improve and enhance Somerset's historic built environment; notably in market towns and villages and in the wider countryside. A capital funding allocation of £50,000 for 2022/23 and beyond will support schemes that enhance the local environment and help to develop local awareness and pride of place. Investing in historic places attracts people, business and spending. The conservation and enhancement of heritage assets makes a positive contribution to local economic vitality and helps to develop sustainable communities.	Statutory	0.055	0.000	0.000	0.055	0.055	0.000	0.055

Ref	Portfolio Holder	Service	Scheme	Description	Category	Bids				Funding		
						2022/23 (£m)	2023/24 (£m)	2024/25 (£m)	Total (£m)	Borrowing	External Funds	Total (£m)
C22-023	Cllrs John Woodman / David Hall	ECI - Other	Illegal Encampments Mitigation (Physical Measures)	The number of unauthorised encampments in Glastonbury has increased significantly over the last 24 months. This brings a number of challenges to the wider Glastonbury community and an increase in illegal and dangerous parking and anti-social behaviour. A multi-agency group, led by SCC has been established to look at the measures we can implement to discourage the occupants of these unauthorised encampments. A long term, fully funded strategy is in development with the aim of discouraging unauthorised encampments in Glastonbury and across Somerset.	Health & Safety / Statutory	0.143	0.000	0.000	0.143	0.143	0.000	0.143
C22-024	Cllrs Mandy Chilcott / David Hall	ECI - Property	Wellington Library Optimisation	The existing Wellington Library has significant building condition issues, it is not fully accessible for customers and visitors. The 1st and 2nd floors are neither accessible nor have acceptable fire safety standards for accommodation. In addition, there are significant structural issues with the rear workshop/workroom which must be addressed within the next 12-18 months. Options to relocate the library to another suitable site in Wellington have been exhausted. Property and library management have therefore concluded that it is now time to invest capital into the current building to address the condition and accessibility issues, and whilst investing, create a building that is fit for purpose for the future, enabling us to deliver more than a single service from the building, working with complementary Council and partner services considering the future of local government over the coming years.	Health & Safety / Statutory	0.309	0.591	0.000	0.900	0.900	0.000	0.900
C22-025	Cllrs Mandy Chilcott / Frances Nicholson	ECI - Property	Homes for Children with Disabilities	standard of accommodation, geographical location and therefore effectiveness of SCC provision as a respite option to meet needs and identified outcomes is mixed and requires a comprehensive review alongside a wider review of how, as a system, Somerset is able to meet the respite needs of our children and young people with complex needs and disabilities requiring specialist care. The responsibility to provide suitable respite and residential accommodation for children with disabilities will not be directly affected by the outcome of the review of the local government structure in Somerset and it is prudent to seek capital funding at this stage in recognition of the investment that will be required to produce better outcomes for the children and their families whilst reducing the cost of maintaining the service.	Health & Safety / Statutory	0.075	1.275	0.150	1.500	1.500	0.000	1.500
C22-033	Cllr Mandy Chilcott	ECI - Property	Corporate Building Condition Programme	Funding required to address poor building condition issues across the corporate estate, to ensure buildings are safe and functional and remain operational. It is based on a complete re-survey of the corporate estate in 2020 and only includes funding for those issues identified as being urgent, poor or necessary. The profile is based on the estimated year of need from those surveys. Existing levels of capital approval are insufficient to address a growing backlog of condition issues, which will grow to unsustainable levels year on year.	Health & Safety / Statutory	0.900	1.260	0.240	2.400	2.400	0.000	2.400
C22-035	Cllrs Mandy Chilcott / David Hall	ECI - Property	SW Heritage Trust Building Condition Programme	Funding is to address poor building condition issues across the SW Heritage Trust estate (specifically the Brick & Tile Museum, The Museum of Somerset, the Rural Life Museum and the Somerset Heritage Centre), for which the County Council retains some liability to fund. It is required to ensure buildings are safe and functional and remain operational. It is based on a complete re-survey of the estate in 2020 and only includes funding for those issues identified as being urgent, poor or necessary. The profile is based on the estimated year of need from those surveys. Existing levels of capital approval are insufficient to address a growing backlog of condition issues, which will grow to unsustainable levels year on year.	Health & Safety / Statutory	0.160	0.200	0.040	0.400	0.400	0.000	0.400

Ref	Portfolio Holder	Service	Scheme	Description	Category	Bids				Funding		
						2022/23 (£m)	2023/24 (£m)	2024/25 (£m)	Total (£m)	Borrowing	External Funds	Total (£m)
C22-036	Cllrs Mandy Chilcott / Frances Nicholson / Clare Paul	ECI - Property	Outdoor Education Centre Building Condition Programme	This funding is to address poor building condition issues at the two Outdoor Education Centres which currently are operated by SSE. With respect to the responsibility for condition and maintenance, they are currently treated as part of the Corporate Estate but due to the nature of the way in which they are funded and operated have been identified and presented separately for the purposes of securing funding. Funding is required to ensure buildings are safe and functional and remain operational. The request is based on a complete re-survey of the estate in 2020 and only includes funding for those issues identified as being urgent, poor or necessary. The profile is based on the estimated year of need from those surveys. Existing levels of capital approval are insufficient to address a growing backlog of condition issues, which will grow to unsustainable levels year on year.	Health & Safety / Statutory	0.200	0.866	0.134	1.200	1.200	0.000	1.200
C22-038b	Cllrs Mandy Chilcott / Frances Nicholson / Clare Paul	ECI - Property	Schools Condition Programme - SCC Funded	The Department for Education (DfE) provides an annual capital grant to support this activity. However, there is a major and growing shortfall in funding between the level of need and the grant funding received. In 20/21 the highest priority condition issues identified totalled £9.3m against a grant allocation of £3.3m; a backlog maintenance requirement which will grow to unsustainable levels year on year. In order to ensure an effective condition programme can be delivered to address the growing backlog of unaddressed high priority items, this request is based on the need identified in the most recent condition surveys.	Health & Safety / Statutory	0.000	3.957	0.366	4.323	4.323	0.000	4.323
Health & Safety						2.786	8.149	0.930	11.865	11.865	0.000	11.865
Total Bids That Meet Criteria						34.171	10.418	0.930	45.519	12.316	33.203	45.519
Criteria - Priority Schemes												
C22-021	Cllr John Woodman	ECI - Highway Ops	Local Transport Improvement Schemes – Member Requests Programme (Small Improvement Schemes)	The Local Transport Small Improvement Schemes is a programme of minor highway improvements put forward by local members to address traffic and transport issues in their area. Schemes range from accessibility improvements to the provision of footways, crossings and traffic calming. Scheme and project proposals are assessed for their deliverability and for their general value for money in terms of being able to deliver realistic local transport improvements. The schemes are considered against the general aims of the overarching themes of the council's Local Transport Plan (Future Transport Plan), this enables a comparison to be made of the range of benefits of each scheme (road safety, sustainable travel choices, congestion issues and equality of accessibility).	Policy	1.000	0.000	0.000	1.000	1.000	0.000	1.000

Ref	Portfolio Holder	Service	Scheme	Description	Category	Bids				Funding		
						2022/23 (£m)	2023/24 (£m)	2024/25 (£m)	Total (£m)	Borrowing	External Funds	Total (£m)
C22-006	Cllr John Woodman	ECI - Fleet	Fleet Vehicle Replacement Programme (8 year) Alternative EV and associated Charging Infrastructure	<p>This is an alternative bid to replace a large percentage of the current diesel/petrol vehicles with electric vehicle replacements 88% in 2022/23, 56% in 23/24 and 94 % in 24/25. The reason for not achieving 100% each year is in relation to uncertainty about whether there will be EV alternatives in the market for certain vehicles at this time.</p> <p>In order to be able to trial the suitability of these EV cars and vans for our Services and, over the next 3-5 years transition the majority of our fleet to EV's, we need to develop and install a suitable charging infrastructure across our depots and premises to be able to charge our corporate vehicles either overnight or during the day. There are a range of different chargers available ranging from slow/standard 7-22kw chargers which take up to 12 hours for a full charge, to 50-150 kw rapid and ultra-rapid chargers which can fully charge a vehicle in a couple of hours. These chargers' range in price from £700-800 for the slow chargers up to £5,000 for rapid chargers. There can also be considerable costs for grid enablement works to bring a suitable electricity supply from the nearest sub-station to the charging point. For example, the cost of reinforcing the grid to install 6 new chargers at County hall was quoted at £12,000 by Western Power Distribution in 2020.</p>	Climate Change	0.911	0.000	0.000	0.911	0.911	0.000	0.911
C22-037	Cllrs Mandy Chilcott / Frances Nicholson / Clare Paul	ECI - Property	Matched funding to support estate de-carbonisation	<p>Following successful bids for funding in 20/21 and 21/22 to the public sector decarbonisation scheme (PSDS) for a number of properties, it is proposed that investment funding is agreed to enable further bids for grants to decarbonise our buildings (whether through the PSDS scheme or other similar schemes). This funding would provide a flexible facility to support bids for grants, alongside condition or other funding where appropriate. If successful, grant funding will enable us to continue to address condition issues and reduce carbon emissions from our estate at the same time; for example, by replacing failed boilers with low carbon alternative heating systems in conjunction with building fabric upgrades. To date, the grant funding streams available through central government only fund part of the total cost of estate decarbonisation projects and so a flexible match funding investment will increase our chances of further successful bidding in 2022/23.</p>	Climate Change	1.000	0.000	0.000	1.000	1.000	0.000	1.000
Priority Schemes						2.911	0.000	0.000	2.911	2.911	0.000	2.911
Total Bids that Meet Criteria or Priority						37.082	10.418	0.930	48.430	15.227	33.203	48.430

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		Proposed Capital Programme 22/23 Budget and Profiled Expenditure							
Directorate	Service Area	Current Programme Budget	2022/23 Proposed Schemes	Total Proposed Budget	2022/23	2023/24	2024/25	2025/26 Onwards	Estimated Scheme Variance
		£m	£m	£m	£m	£m	£m	£m	£m
Adult Services and Learning Disabilities	Adult Social Care	3.2	0.0	3.2	0.0	0.0	3.1	0.0	-0.1
	Learning Disabilities	0.1	0.0	0.1	0.1	0.0	0.0	0.0	0.0
	Total	3.3	0.0	3.3	0.1	0.0	3.1	0.0	-0.1

		Proposed Capital Programme 22/23 Budget and Profiled Expenditure							
Directorate	Service Area	Current Programme Budget	2022/23 Proposed Schemes	Total Proposed Budget	2022/23	2023/24	2024/25	2025/26 Onwards	Estimated Scheme Variance
		£m	£m	£m	£m	£m	£m	£m	£m
Children and Young People	Children's Residential	2.6	2.6	5.2	2.5	2.5	0.2	0.0	0.0
	Children Looked After	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Special Education Needs	0.3	0.0	0.3	0.2	0.1	0.0	0.0	0.0
	Schools Access Initiative	1.4	0.0	1.4	0.5	0.4	0.4	0.1	0.0
	Community Services	0.1	0.0	0.1	0.0	0.0	0.0	0.0	-0.1
	Early Years	1.5	0.0	1.5	1.1	0.2	0.0	0.2	0.0
	Schools Services	49.8	8.3	58.1	26.6	21.2	8.1	2.1	0.0
Total		55.7	10.9	66.6	31.0	24.4	8.7	2.3	-0.1

		Proposed Capital Programme 22/23 Budget and Profiled Expenditure							
Directorate	Service Area	Current Programme Budget	2022/23 Proposed Schemes	Total Proposed Budget	2022/23	2023/24	2024/25	2025/26 Onwards	Estimated Scheme Variance
		£m	£m	£m	£m	£m	£m	£m	£m
Corporate and Support Services	Corporate ICT Investment	0.9	0.0	0.9	0.6	0.2	0.0	0.0	-0.1
	Total	0.9	0.0	0.9	0.6	0.2	0.0	0.0	-0.1

		Proposed Capital Programme 22/23 Budget and Profiled Expenditure							
Directorate	Service Area	Current Programme Budget	2022/23 Proposed Schemes	Total Proposed Budget	2022/23	2023/24	2024/25	2025/26 Onwards	Estimated Scheme Variance
		£m	£m	£m	£m	£m	£m	£m	£m
Economic and Community Infrastructure - Economic Development	Business Growth Fund	1.8	0.0	1.8	1.3	0.5	0.0	0.0	0.0
	Wells Technology Enterprise Centre	0.4	0.0	0.4	0.0	0.0	0.0	0.0	-0.4
	Wiveliscombe Enterprise Centre	0.1	0.0	0.1	0.0	0.0	0.0	0.0	-0.1
	Taunton Digital Innovation Centre	6.6	0.0	6.6	6.6	0.0	0.0	0.0	0.0
	Chard Grow On Spaces	0.7	0.0	0.7	0.7	0.0	0.0	0.0	0.0
	Total		9.6	0.0	9.6	8.6	0.5	0.0	0.0

		Proposed Capital Programme 22/23 Budget and Profiled Expenditure							
Directorate	Service Area	Current Programme Budget	2022/23 Proposed Schemes	Total Proposed Budget	2022/23	2023/24	2024/25	2025/26 Onwards	Estimated Scheme Variance
		£m	£m	£m	£m	£m	£m	£m	£m
Economic and Community Infrastructure - Highways	Bridge Structures	5.0	1.0	6.0	4.0	1.2	0.8	0.0	0.0
	Road Structures	1.0	24.2	25.1	25.1	0.0	0.0	0.0	0.0
	Traffic Control	3.6	2.2	5.8	5.8	0.0	0.0	0.0	0.0
	Integrated Transport	1.6	0.0	1.6	1.7	0.0	0.0	0.0	0.1
	Small Improvement Member Schemes	0.0	1.0	1.0	1.0	0.0	0.0	0.0	0.0
	Small Improvement Safety Schemes	1.5	0.7	2.2	2.2	0.0	0.0	0.0	0.0
	Highway Lighting	0.0	0.6	0.6	0.6	0.0	0.0	0.0	0.0
	Rights of Way	0.7	0.5	1.2	1.2	0.0	0.0	0.0	0.0
	Total		13.4	30.1	43.4	41.6	1.2	0.8	0.0

		Proposed Capital Programme 22/23 Budget and Profiled Expenditure							
Directorate	Service Area	Current Programme Budget	2022/23 Proposed Schemes	Total Proposed Budget	2022/23	2023/24	2024/25	2025/26 Onwards	Estimated Scheme Variance
		£m	£m	£m	£m	£m	£m	£m	£m
Economic and Community Infrastructure - Highway Major Projects	M5 Junction 25 Improvements	0.7	0.0	0.7	0.6	0.1	-1.0	0.0	-1.0
	Toneway Corridor Capacity Improvements	2.4	0.0	2.4	2.4	0.0	0.0	0.0	0.0
	Trenchard Way Residual Works	0.7	0.0	0.7	0.7	0.0	0.0	0.0	0.0
	Major Road Network	2.0	0.0	2.0	0.2	1.8	0.0	0.0	0.0
	Various Other Schemes	0.0	0.0	0.0	0.5	0.0	0.0	0.0	0.5
	Total		5.8	0.0	5.8	4.4	1.9	-1.0	0.0

		Proposed Capital Programme 22/23 Budget and Profiled Expenditure							
Directorate	Service Area	Current Programme Budget	2022/23 Proposed Schemes	Total Proposed Budget	2022/23	2023/24	2024/25	2025/26 Onwards	Estimated Scheme Variance
		£m	£m	£m	£m	£m	£m	£m	£m
Economic and Community Infrastructure - Property	Property Services	8.3	4.9	13.2	8.3	4.1	0.8	0.0	0.0
	Total	8.3	4.9	13.2	8.3	4.1	0.8	0.0	0.0

		Proposed Capital Programme 22/23 Budget and Profiled Expenditure							
Directorate	Service Area	Current Programme Budget	2022/23 Proposed Schemes	Total Proposed Budget	2022/23	2023/24	2024/25	2025/26 Onwards	Estimated Scheme Variance
		£m	£m	£m	£m	£m	£m	£m	£m
Economic and Community Infrastructure - Other Services	Traveller Incursions (Physical Measures)	0.0	0.1	0.1	0.1	0.0	0.0	0.0	0.0
	Fleet Management	1.7	1.9	3.5	3.5	0.0	0.0	0.0	0.0
	Heritage Services	0.1	0.1	0.1	0.1	0.0	0.0	0.0	0.0
	Library Services	0.7	0.0	0.7	0.5	0.2	0.0	0.0	0.0
	Somerset Waste Partnership	3.7	0.5	4.2	0.5	0.0	0.0	0.0	-3.7
	Total	6.1	2.6	8.6	4.7	0.2	0.0	0.0	-3.7

		Proposed Capital Programme 22/23 Budget and Profiled Expenditure							
Directorate	Service Area	Current Programme Budget	2022/23 Proposed Schemes	Total Proposed Budget	2022/23	2023/24	2024/25	2025/26 Onwards	Estimated Scheme Variance
		£m	£m	£m	£m	£m	£m	£m	£m
Total SCC Capital Programme		103.0	48.4	151.4	99.3	32.4	12.4	2.3	-5.0

		Proposed Capital Programme 22/23 Budget and Profiled Expenditure							
Directorate	Service Area	Current Programme Budget	2022/23 Proposed Schemes	Total Proposed Budget	2022/23	2023/24	2024/25	2025/26 Onwards	Estimated Scheme Variance
		£m	£m	£m	£m	£m	£m	£m	£m
SCC Accountable Body Status	Broadband Project (CDS)	25.9	0.0	25.9	8.1	10.3	6.8	0.0	-0.7
	HoTSW Local Enterprise Partnership	2.9	0.0	2.9	2.7	0.2	0.0	0.0	0.0
	Somerset Rivers Authority	0.2	0.0	0.2	0.2	0.0	0.0	0.0	0.0
	SCC Accountable Body Status Total	28.9	0.0	28.9	11.0	10.4	6.8	0.0	-0.7

		Proposed Capital Programme 22/23 Budget and Profiled Expenditure							
Directorate	Service Area	Current Programme Budget	2022/23 Proposed Schemes	Total Proposed Budget	2022/23	2023/24	2024/25	2025/26 Onwards	Estimated Scheme Variance
		£m	£m	£m	£m	£m	£m	£m	£m
Total Capital Programme		131.9	48.4	180.3	110.2	42.8	19.3	2.3	-5.6

Minimum Revenue Provision Statement 2022/23

Where the Authority finances capital expenditure by debt, it must put aside resources to repay that debt in later years. The amount charged to the revenue budget for the repayment of debt is known as Minimum Revenue Provision (MRP). Under Regulation 27 of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 [as amended], local authorities are required to charge a Minimum Revenue Provision (MRP) to their revenue account in each financial year. Before 2008, the 2003 Regulations contained details of the method that local authorities were required to use when calculating MRP. This has been replaced by the current Regulation 28 of the 2003 Regulations, which gives local authorities flexibility in how they calculate MRP, providing the calculation is 'prudent'. In calculating a prudent provision, local authorities are required to have regard to statutory guidance (issued by the Secretary of State).

An underpinning principle of the local authority financial system is that all capital expenditure must be financed either from capital receipts, capital grants (or other contributions) or eventually from revenue income. The broad aim of prudent provision is to require local authorities to put aside revenue over time to cover their Capital Financing Requirement (CFR). In doing so, local authorities should align the period over which they charge MRP to one that is commensurate with the period over which their capital expenditure provides benefits (often referred to as 'useful economic life').

The guidance requires the Authority to approve an Annual MRP Statement each year and recommends several options for calculating a prudent amount of MRP.

Having reviewed the options suggested by the guidance and considered the historic information available to the authority for previous years capital expenditure funded from un-supported borrowing, the Authority proposes to continue an MRP policy based on two distinct components:

1. An element based on the period the capital expenditure provides benefit to the authority, as per the maximum useful economic lives (UEL) in the table below:

ASSET CLASS	MAXIMUM UEL
Freehold Land	999 years
Freehold Buildings	99 years (dependant on specific-asset information provided by the Council's RICS qualified valuation team)
Leased Land	Length of lease term or asset UEL, whichever is lower
Leased Buildings	Length of lease term or asset UEL, whichever is lower
Plant & Equipment (owned)	10 years
Plant & Equipment (leased)	Length of lease term or asset UEL, whichever is lower
IT	7 years
Intangible (software licences)	Length of licence term
Vehicles	8 years
Infrastructure	64 years
Heritage	999 years
Assets Held for Sale	Dependant on the asset class prior to being reclassified as held for sale

- ❖ For un-supported loans funded capital expenditure prior to 1st April 2018 there was no direct link between individual assets and their funding types, so it has not been possible for the authority to analyse the CFR (as at 31st March 2018) by specific loans-funded assets. It is the Council's intention to apportion the CFR balance (as at 31st March 2018) of £366.115m over the weighted average life (based on the useful economic lives) of the Council's entire asset portfolio – as reported in the 17/18 published accounts.
- ❖ Any capital expenditure funded from un-supported borrowing post 1st April 2018 will have a direct link to the benefit being received (asset) on the accounting system, it is therefore the Council's intention to put aside revenue

for this element of the CFR on an asset by asset basis – having considered the useful economic lives in the table above.

Paragraph 40 of the statutory guidance suggests that the MRP should normally commence in the financial year following the one in which the expenditure was incurred; so capital expenditure incurred during 2022/23 will not be subject to a MRP charge until 2023/24.

2. An additional element to ensure the authority has enough put aside to meet the repayment dates of the loans when they fall due.

Paragraph 14 of the statutory guidance identifies a concern over an authorities' ability to fully provide for its debt based on current levels of MRP. As relying on continuing access to PWLB to repay debt when it falls due does not represent a prudent approach, we are continuing to make an additional MRP payment, to date £3.6m, over and above the MRP charge identified in point 1. This additional amount is planned to ensure we have enough put aside to meet the repayment dates of existing debt instruments when they fall due. This has been confirmed by a detailed review of the current debt maturity profile. We will continue to monitor the MRP and repayment profile of the Council's debt instruments, and if future borrowing creates a potential shortfall, we will increase the additional MRP accordingly to ensure significant provision is put aside.

Based on the Authority's estimated Capital Financing Requirement on 31st March 2022 of £529.020, the budget for 2022/23 MRP has been set as follows:

	2022/23 MRP £m
<u>Capital Expenditure</u>	
Capital expenditure before 01.04.2018	1.039
Capital expenditure incurred 2018/19 to 2020/21	2.144
Capital expenditure estimated for 2021/22	1.146
Additional prudent provision	1.000
Total	5.329

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1.0 Background

- 1.1 A new unitary council will come into existence from 1 April 2023 and all of the financial resources and commitments from the predecessor councils will transfer to the new Somerset Council at this date. It is important, therefore, that decisions and actions taken in the existing councils are made against the background of avoiding adverse financial pressures for the new Council where possible.
- 1.2 It is important that the financial pressures for the new Council are minimised to give the best possible start and that any residual financial pressures are identified at the earliest opportunity. In that way, effective financial planning can begin during 2022/23 for 2023/24 and beyond.
- 1.3 It is envisaged that the Secretary of State may issue a Direction under Section 24 Local Government and Public Involvement in Health Act 2007 after the Structural Change Order (SCO) is enacted. The purpose of such a Direction is to protect the finances and interests of the new Unitary Council. This has previously allowed the Secretary of State to direct that a relevant authority may not without the written consent of a person or persons specified to:-
- (a) dispose of any land if the consideration payable for the disposal exceeds £100,000;
 - (b) enter into any capital contract under which the consideration exceeds £1m or which includes a term allowing the consideration payable to be varied;
 - (c) enter into any non-capital contract under which the consideration exceeds £100,000;
 - (d) commit existing financial reserves by a specified amount.
- 1.4 The s24 Direction cannot be issued until after the SCO comes into force. DLUHC officers have recommended that the 5 Somerset councils come together with a voluntary protocol.
- 1.5 Each Council has a Section 151 Officer who has responsibility for the stewardship of the Council's finances. Their duty is obviously to their employing Council. However, they also have a wider fiduciary duty concerning public funds. This Protocol is the product of discussion at Somerset LGR Finance Workstream – the group consisting of the five S151 officers and their deputies - and represents the proposed protocol for the 5 Somerset Councils.
- 1.6 It is suggested that the LGR Finance workstream formally takes on the key role of ensuring application of this protocol once agreed and assisting with

negotiations with DLUHC on any Section 24 Direction.

2.0 Principles

2.1 It is proposed that all Councils sign up to these principles during the transition period and that they come into effect from April 2022 and apply to the 2022/23 financial year.

- Councils remain responsible for taking their own day to day decisions for spending on service delivery within the revenue and capital budgets for 2022/23 agreed by each Council;
- All five councils are committed to ensuring that the new Council is in the best possible financial position on vesting day in the interests of future taxpayers;
- Councils should not enter into any new financial or asset-related commitments (beyond those specifically agreed within their approved budgets), or create any new liabilities on behalf of the new Council - subject to agreed limits of **£100,000 for revenue** and **£1m capital**;
- Key areas covered by this protocol would include purchase, disposal and transfer of assets, new contracts and extension of contracts with significant on-going financial commitments (but not routine items like care packages), write off of debts / loans, new capital schemes (including those with on-going financial commitments) and use of reserves above those already approved
- That this protocol to control spending needs to be agile to avoid introducing delays and risks to decision making. It also needs to be able to adequately provide for unforeseen emergencies

2.2 As this protocol is in advance of a Section 24 Direction, it is voluntary and non-binding upon the constituent members. However, it creates an environment and framework that should provide confidence that all five councils can all operate functionally until vesting day while safeguarding the new council and our shared taxpayers. It may be that this protocol can continue for the period after a SCO has been enacted should the Secretary of State choose not to introduce a Section 24 Direction.

2.3 For the purposes of this Protocol "any new commitments" are deemed to be those that arise in addition to any existing approved 2022/23 revenue and capital budgets.

3.0 Implementation of this Finance & Assets Protocol

- 3.1 This protocol requires the Section 151 Officer of each Council to report into the LGR Finance Workstream on any matters of concern or areas that may “breach” the principles set out in this document. This will ensure that all councils and Section 151 Officers have a clear understanding of the overall financial picture and associated risks. Areas of contention will be reported onwards to the LGR CEO Programme Board should that be deemed necessary and ultimately to the LGR Joint Committee if required.
- 3.2 A high level review of the 2022/23 budgets for the five existing Councils has been conducted as part and parcel of the work being undertaken by the LGR Finance Workstream. This work is an essential first step in establishing the parts that will subsequently combine to produce the new Council’s draft budget for 2023/24.
- 3.3 It is recognised that there may be situations that arise that will need practical application of flexibilities whilst remaining within the spirit of this Protocol. Examples of this may include emergency response, unforeseen additional costs on capital schemes (where there is already commitment to deliver) and opportunities to bid for external funding, including where there may be some form of contribution from one or more of the councils. Rather than try to legislate for all possible eventualities, this Protocol will rely upon the principles set out in this document, alongside the suggested thresholds, as the basis for discussion where there are such scenarios. Trying to determine a set of “hard rules” for all scenarios is likely to be impractical, if not impossible, and an escalation approach has been set out above should it be required.
- 3.4 It is also recommended that each Council includes a section in all of their future key decision reports on the financial implications of the decision for the new Council.

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Treasury Management Strategy Statement 2022-23

Cabinet Member(s): Cllr Mandy Chilcott – Cabinet Member for Resources

Local Member(s) and Division: All

Lead Officer: Jason Vaughan – Director of Finance & Governance (Section 151 Officer)

Author: Alan Sanford – Principal Investment Officer

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1. Summary / Background

- 1.1.** The Council recognises that effective treasury management underpins the achievement of its business and service objectives and is essential for maintaining a sound financial reputation. It is therefore committed to driving value from all of its treasury management activities and to employing suitable performance measurement techniques, within the context of effective risk management.

This report brings together the requirements of the Chartered Institute of Public Finance and Accountancy (CIPFA) Treasury Management in the Public Services Code of Practice Revised 2017 Edition (CIPFA TM Code), and the CIPFA Prudential Code for Capital Finance in Local Authorities: Revised 2017 Edition (CIPFA Prudential Code).

New CIPFA Treasury Management and Prudential Codes were published in December 2021, too late to be wholly incorporated into this year's written strategy. More details of their implementation are given in section 11 'Introduction and Background' below.

Whilst most of the requirements of the 2018 Ministry of Housing, Communities and Local Government (MHCLG) Investment Guidance are no longer relevant to Treasury Management Investments (it now overwhelmingly refers to non-treasury investments), it does adhere to MHCLG guidance to prioritise Security, Liquidity and Yield, in that order.

Somerset is undergoing a Local Government Reorganisation (LGR), with the new Council coming into effect on 1st April 2023. This will mean bringing together the debt and investment portfolios of the 5 current Councils. In order to do this in the most effective and efficient manner, actions may be taken during 2022-23 with the best interests of the continuing Council in mind, as well as purely those of Somerset County Council.

The Council currently holds £324.55m of debt as part of its strategy for funding previous years' capital programmes. Of this, £159.05m is Public Works Loan Board (PWLB) debt, £108m is Lender Option Borrower Option (LOBO) debt, and a further £57.5m of fixed rate bank loans. As at 31st December 2021 the

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average rate paid on all debt was 4.66%.

Investment balances for 2021-22 to the 31st December 2021 have ranged between £261m (6th April) to £358m (25th July), averaging £313m. The average includes just over £114m of cash held on behalf of others during the period. £114.86m was being held as at 31st December 2021 on behalf of others, including entities where the Council is the accountable/administering body. An average rate of 0.54% has been achieved, yielding income in excess of £1.27m. Within this figure £45m is invested in Pooled Funds, £15m with the Churches, Charities, Local Authorities (CCLA) Property Fund, £15m with a Royal London Investment Grade Credit Fund, and £15m with the M&G Corporate Bond Fund.

2. Recommendations

2.1. The Cabinet is asked to endorse the following and recommend approval by Council on 23 February 2022:

1. To adopt the Treasury Borrowing Strategy (as shown in Section 2 of the report).
2. To approve the Treasury Investment Strategy (as shown in Section 3 of the report) and proposed Lending Counterparty Criteria (attached at **Appendix B** to the report).
3. To adopt the Prudential Treasury Indicators in section 4.
4. To note **Appendix A**, that is adopted as part of the Councils Financial regulations.
5. To note the current Treasury Management Practices (TMPs) attached at **Appendix D** to the report.

3. Reasons for recommendations

3.1 Under new CIPFA guidance the Treasury Management Strategy (TMS) can be delegated to a committee of the Council under certain conditions. However, it is seen as a key element of the overall Capital Strategy and as that must be presented to the Full Council, it is regarded as appropriate that the TMS should be part of that process.

4. Other options considered

4.1. None. The adoption of the TMS is a regulatory requirement.

5. Links to County Vision, Business Plan and Medium-Term Financial Strategy

5.1. Effective Treasury Management provides support to the range of business and service level objectives that together help to deliver the Somerset County Plan.

6. Consultations and co-production

6.1. None. The adoption of the TMS is a regulatory requirement.

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7. Financial and Risk Implications

- 7.1.** The budget for investment income in 2022-23 is £1.36m, based on an average investment portfolio of £220m at an average return of 0.7% (these figures are net of balances held on behalf of external investors i.e. the Local Enterprise Partnership). The budget for debt interest paid in 2022-23 is £15.378m, based on an average debt portfolio of £364.55m at an average interest rate of 4.21%. If actual levels of investments or borrowing, or actual interest rates, differ from the forecast, performance against budget will be correspondingly different.
- 7.2.** The TMS is the Council's document that sets out strategy and proposed activities to conduct Treasury Management activity while mitigating risks. **Appendix D**, the Treasury Management Practices document gives detailed explanation of the policies and procedures specifically used in treasury risk management.

8. Legal and HR Implications

- 8.1.** Treasury Management must operate within specified legal and regulatory parameters as set out in the summary, and in more detail in the TMPs.
- 8.2.** There are no HR implications.

9. Other Implications

9.1. Equalities Implications

There are no equalities implications.

9.2. Community Safety Implications

There are no community safety implications.

9.3. Sustainability Implications

There are no sustainability implications.

9.4. Health and Safety Implications

There are no health and safety implications.

9.5. Health and Wellbeing Implications

There are no health and wellbeing implications.

9.6. Social Value

Not applicable

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10. Scrutiny comments / recommendations:

10.1. The Audit Committee is the body responsible for ensuring effective scrutiny of the treasury management strategy and policies.

11 Introduction and Background

Treasury management is the management of the Council's cash flows, borrowing and treasury investments, and the associated risks. The Council has significant debt and treasury investment portfolios and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of financial risk are therefore central to the Council's prudent financial management.

Investments held for service purposes or for commercial profit, collectively referred to as non-treasury investments, are considered in a separate report, the Investment Strategy.

Treasury risk management at the Council is conducted within the framework of the CIPFA Treasury Management in the Public Services: Code of Practice 2017 Edition (the CIPFA Code) which requires the Council to approve a treasury management strategy before the start of each financial year. This report fulfils the Council's legal obligation under the Local Government Act 2003 to have regard to the CIPFA Code.

As noted in 1.1, new CIPFA Treasury Management and Prudential Codes were published in December 2021, too late to be wholly incorporated into this year's written strategy. However, SCC Treasury Management will operate within the letter and the spirit of the revised Codes. Given that LGR in Somerset will see the new unitary Somerset Council starting in April 2023 it is considered more appropriate to defer until 2023-24 when the overall position for the new Council can be clearly set out.

The foreword of the Prudential Code states that the new code takes immediate effect, except that Authorities may defer introducing the revised reporting requirements until the 2023/24 financial year. It particularly highlights that the requirement that local authorities must not borrow to invest primarily for financial return applies with immediate effect.

Within the new code, the new section, 'Prudence in borrowing and investment' is the key change in the code.". It states "legitimate examples of prudent borrowing" as:

- Financing capital expenditure primarily related to the delivery of a local authority's functions.
- Temporary management of cash flow within the context of a balanced budget.
- Securing affordability by removing exposure to future interest rate rises.

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- Refinancing current borrowing, including adjusting levels of internal borrowing, to manage risk, reduce costs or reflect changing cash flow circumstances.
- Other treasury management activity that seeks to prudently manage treasury risks without borrowing primarily to invest for financial return.

The Prudential Code determines that certain acts or practices are not prudent activity for a local authority and incur risk to the affordability of local authority investment; therefore, in order to comply with the Prudential Code,

- An authority must not borrow to invest primarily for financial return.
- It is not prudent for local authorities to make any investment or spending decision that will increase the capital financing requirement, and so may lead to new borrowing, unless directly and primarily related to the functions of the authority; and where any financial returns are either related to the financial viability of the project in question or otherwise incidental to the primary purpose.”

Unlike the Prudential Code, there is no mention of the date of initial application in the TM Code, and the guidance notes have yet to be published; however, SCC will follow the same process as the Prudential Code, i.e. defer introducing the revised reporting requirements until the 2023/24 financial year but following the revised code (when guidance enables and clarifies) immediately.

Under Section 3 of the LGA 2003 (duty to determine affordable borrowing limit), a Local Council must have regard to the CIPFA Prudential Code. This code requires the setting of a number of Prudential Indicators, benchmarks within which Treasury and Investment Management, and Capital Financing are managed. The setting of Prudential Indicators for Treasury Management requires Authorities to recognise key implications of their borrowing and investment strategies. These relate to the affordability of overall borrowing limits, the maturity structure of borrowing, and longer-term investments.

In formulating the Treasury Management Strategy, and the setting of Prudential Indicators, Somerset County Council (SCC) adopts the Treasury Management Framework and Policy recommended by CIPFA. These can be found in **Appendix A**.

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The current TMPs are attached for information as **Appendix D** to this report and set out the main categories of risk that may impact on the achievement of Treasury Management objectives. No treasury management activity is without risk. The successful identification, monitoring and control of risks are the prime criteria by which the effectiveness of its treasury management activities will be measured. The main risks to the Council's treasury activities are:

- Credit and Counterparty Risk (security of investments)
- Liquidity Risk (inadequate cash resources)
- Market or Interest Rate Risk (fluctuations in price / interest rate levels)
- Refinancing Risk (impact of debt maturing in future years)
- Legal & Regulatory Risk.

The schedules to the TMPs provide details of how these risks are actively managed.

External Context

Economic background: The ongoing impact on the UK from coronavirus, together with higher inflation, higher interest rates, and the country's trade position post-Brexit, will be major influences on the Authority's treasury management strategy for 2022/23.

The Bank of England (BoE) increased Bank Rate to 0.25% in December 2021 while maintaining its Quantitative Easing programme at £895 billion. The Monetary Policy Committee (MPC) voted 8-1 in favour of raising rates, and unanimously to maintain the asset purchase programme.

Within the announcement the MPC noted that the pace of the global recovery was broadly in line with its November Monetary Policy Report. Prior to the emergence of the Omicron coronavirus variant, the Bank also considered the UK economy to be evolving in line with expectations, however the increased uncertainty and risk to activity the new variant presents, the Bank revised down its estimates for Q4 GDP growth to 0.6% from 1.0%.

Inflation was projected to be higher than previously forecast, with CPI likely to remain above 5% throughout the winter and peak at 6% in April 2022. The labour market was generally performing better than previously forecast and the BoE now expects the unemployment rate to fall to 4% compared to 4.5% forecast previously; but notes that Omicron could weaken the demand for labour.

UK CPI for November 2021 registered 5.1% year on year, up from 4.2% in the previous month. Core inflation, which excludes the more volatile components, rose to 4.0% y/y from 3.4%. The most recent labour market data for the three months to October 2021 showed the unemployment rate fell to 4.2% while the employment rate rose to 75.5%.

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In October 2021, the headline 3-month average annual growth rate for wages was 4.9% for total pay and 4.3% for regular pay. In real terms, after adjusting for inflation, total pay growth was up 1.7% while regular pay was up 1.0%. The change in pay growth has been affected by a change in composition of employee jobs, where there has been a fall in the number and proportion of lower paid jobs.

Gross domestic product (GDP) grew by 1.3% in the third calendar quarter of 2021 according to the initial estimate, compared to a gain of 5.5% q/q in the previous quarter, with the annual rate slowing to 6.6% from 23.6%. The Q3 gain was modestly below the consensus forecast of a 1.5% q/q rise. During the quarter activity measures were boosted by sectors that reopened following pandemic restrictions, suggesting that wider spending was flat. Looking ahead, while monthly GDP readings suggest there had been some increase in momentum in the latter part of Q3, Q4 growth is expected to be soft.

GDP growth in the euro zone increased by 2.2% in calendar Q3 2021 following a gain of 2.1% in the second quarter and a decline of -0.3% in the first. Headline inflation has been strong, with CPI registering 4.9% year-on-year in November, the fifth successive month of inflation. Core CPI inflation was 2.6% y/y in November, the fourth month of successive increases from July's 0.7% y/y. At these levels, inflation is above the European Central Bank's target of 'below, but close to 2%', putting some pressure on its long-term stance of holding its main interest rate of 0%.

The US economy expanded at an annualised rate of 2.1% in Q3 2021, slowing sharply from gains of 6.7% and 6.3% in the previous two quarters. In its December 2021 interest rate announcement, the Federal Reserve continue to maintain the Fed Funds rate at between 0% and 0.25% but outlined its plan to reduce its asset purchase programme earlier than previously stated and signalled they are in favour of tightening interest rates at a faster pace in 2022, with three 0.25% movements now expected.

An economic and interest rate forecast provided by Arlingclose is attached at **Appendix C**.

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Internal Context

As at 31st December 2021 the external long-term debt portfolio of SCC stood at just over £324m as in **table 1** below.

Table 1 – Debt Portfolio

	Balance on 31-03-2020	Debt Matured / Repaid	New Borrowing	Balance on 31-12-2021	Increase/ Decrease in Borrowing
	£m	£m	£m	£m	£m
Short Term Borrowing	0.00	0.00	0.00	0.00	0.00
PWLB	159.05	0.00	0.00	159.05	0.00
LOBOs	108.00	0.00	0.00	108.00	0.00
Fixed Rate Loans	57.50	0.00	0.00	57.50	0.00
Total Borrowing	324.55	0.00	0.00	324.55	0.00

The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while useable reserves and working capital are the underlying resources available for investment.

Statutory guidance is that debt should remain below the CFR, except in the short-term. The Council expects to comply with this in the medium term.

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The investment portfolio set out in **Tables 2-4** below, at the same time stood at just under £302m, although as at 31st December 2021 just over £114m was cash held on behalf of other entities, primarily where SCC is the accountable / administering body.

Table 2 – Investments as at 31st December 2021

	Balance as at 31-03-2021 £m	Rate of Return at 31-3-2021 %	Balance as at 31-12- 2021 £m	Rate of Return at 31-12-2021 %
Short-Term Balances (Variable)	75.63	0.04	79.92	0.08
Comfund (Fixed)	160.00	0.39	177.00	0.25
Pooled Funds	40.00	2.87	45.00	2.72
Total Investments	275.63	0.66	301.92	0.54

Table 3 - Investment balances by type

	31 March 2021 £m	31 December 2021 £m	Change
Money Market Funds / Call Accounts	45.63	39.92	-5.71
Notice Bank Accounts	40.00	95.00	+55.00
Time Deposits - Banks	20.00	35.00	+15.00
Time Deposits - LAs	130.00	87.00	-43.00
Pooled Funds	40.00	45.00	+5.00
Total Investments	275.63	301.92	+26.29

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Table 4 - Breakdown of investment balances by source

	31 March 2021 £m	31 December 2021 £m	Change
ENPA / SWC	0.04	-0.19	-0.23
Organisations in the Comfund	7.22	8.05	+0.83
LEP – Growth Deal Grant	41.69	56.83	+15.14
Earmarked Revenue Reserves – Held as Accountable Body	11.55	6.57	-4.98
NHS CCG Prepayments	31.60	43.60	+12.00
Total Externals	92.10	114.86	+22.76
SCC	183.53	187.06	+3.53
Total	275.63	301.92	+26.29

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In **table 5** below, as shown in the Capital Strategy, the 'Assumed debt not yet taken' row indicates that £40m of new borrowing could be needed by the end of March 2023 to finance the capital plan. Timings of actual capital expenditure linked to the capital plan are not totally predictable. By continuing the passive borrowing strategy currently pursued, and with additional funding currently being held, external borrowing will be minimised, and as in 2021-22, may not be necessary at all.

Table 5 - External Debt and the Capital Financing Requirement

	31.3.2021 actual £m	31.3.2022 forecast £m	31.3.2023 budget £m	31.3.2024 budget £m	31.3.2025 budget £m
Short term debt	7.220	10.000	10.000	10.000	10.000
Long term debt *	334.173	332.099	325.814	312.993	288.701
Assumed debt not yet taken	0.000	0.000	40.000	80.000	120.000
PFI & leases	42.533	39.872	38.669	37.350	36.031
Total external borrowing	383.926	381.971	414.483	440.343	454.732
Capital Financing Requirement	458.106	484.976	519.020	539.949	537.740

*Reduces for Minimum Revenue Provision (MRP) & debt repayment

SCC has a projected cash income in excess of £700m for 2022-23.

These factors represent significant cash flow, and debt and investment portfolio management for the Council's Officers. In the current financial and economic environment and taking into account potential influencing factors, it is imperative that the Council has strategies and policies in place to manage flows and balances effectively. The strategies and policies herein state the objectives of Treasury Management for the year and set out the framework to mitigate the risks to successfully achieve those objectives.

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12 Borrowing Strategy

The Council's need to borrow for capital purposes is determined by the capital programme. Council Members are aware of the major projects identified by the 4-year capital medium-term financial plan (MTFP). The Council currently holds £324.55m of loans, as part of its strategy for funding previous years' capital programmes. The balance sheet forecast in the table above shows that the Council may have a need to borrow up to £40m by the end of 2022-23.

A continuation of the passive borrowing strategy currently pursued is deemed most prudent, primarily reducing cash balances as capital spend is actually incurred before taking any borrowing. By doing this, and with additional funding currently being held, external borrowing will be minimised, and as in 2021-22, may not be necessary at all.

In reality, not all proposed expenditure will be incurred during 2022-23, as some projects may not even get started, and others may span more than 1 year. Also, historically, there has been significant 'slippage' in the capital programme, and it is likely the COVID-19 crisis will increase the chances of this through 2022-23.

Objectives: The Council's chief objective when borrowing money is to strike an appropriately low risk balance between securing low interest costs and achieving certainty of those costs over the period for which funds are required. The flexibility to renegotiate loans should the Council's long-term plans change is a secondary objective.

The Council will adhere to MHCLG guidance, which states "Authorities must not borrow more than or in advance of their needs purely in order to profit from the investment of the extra sums borrowed".

Strategy: Given the significant cuts to public expenditure and in particular to local government funding, the Council's borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio. With short to medium-term interest rates currently much lower than long-term rates, it is likely to be more cost effective in the short-term to either use internal resources, or to borrow short to medium-term loans instead, i.e. from Local Authorities for 1-3 years, or from the Public Works Loan Board (PWLb) for 5-20 years.

By doing so, the Council can reduce net borrowing costs (despite foregone investment income) and reduce overall treasury risk. The benefits of internal or short to medium-term borrowing will be monitored regularly against the potential for incurring additional costs by deferring borrowing into future years when long-term borrowing rates are forecast to rise modestly. Arlingclose will assist the Council with this 'cost of carry' and breakeven analysis. Its output may determine whether the Council borrows additional sums at long-term fixed rates in 2022-23 with a view to keeping future interest costs low, even if this causes additional cost in the short-term.

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The Council has previously raised most of its long-term borrowing from the PWLB or via LOBOs with banks. Current policy is not to take further LOBO loans. PWLB loans are no longer available to local authorities planning to buy investment assets primarily for yield; the Authority intends to avoid this activity in order to retain its access to PWLB loans. The Council will continue to assess alternatives to borrowing long-term loans from other sources including banks, pension funds and local authorities, and may wish to investigate the possibility of issuing bonds and similar instruments, in order to lower interest costs and reduce over-reliance on one source of funding in line with the CIPFA Code.

The Council may also arrange forward starting loans, where the interest rate is fixed in advance, but the cash is received in later years. This would enable certainty of cost to be achieved without suffering a cost of carry in the intervening period.

The use of Call Accounts and Money Market Funds (MMFs) will continue for short-term liquidity; however, it may be appropriate and/or necessary to borrow short-term (1 week to 3 months) to cover cash flow fluctuations. Where this is deemed advantageous, short-term funds will be obtained from the money market using the services of a panel of money market brokers.

Sources of borrowing: Approved sources of borrowing are cited in the TMPs. Since PWLB rates were reduced in December 2020, commercial lenders' offerings are less attractive than previously, but this option will still be sought and considered. It is envisaged that any new borrowing will be in the short to medium-term periods (up to 25 years), as this is most compatible with the current maturity profile. Interest rates for these maturities are expected to remain low as the continued economic uncertainty necessitates low interest rates for longer. A smaller amount of longer-dated borrowing may also be deemed appropriate when considering the overall portfolio.

Variable rate loans currently mitigate the cost of carry. Shorter-dated Equal Instalment of Principal (EIP) loans are cheaper than loans paid on maturity and are repaid systematically in equal instalments over their life. Both will be actively considered, as will shorter dated loans (1-3 years) from other Local Authorities.

No new borrowing will be in the form of LOBOs. SCC will continue with the current policy not to accept any option to pay a higher rate of interest on its' LOBO loans and will exercise its own option to repay the loan should a lender exercise an option. SCC will also investigate opportunities to repay where a lender is looking to exit the LOBO by selling the loan. This would be undertaken in conjunction with our treasury advisors. SCC may utilise cash resources for repayment or may consider replacing any loan(s) by borrowing from other sources. Depending on prevailing rates and the amount to be repaid, new loans might be taken over a number of maturities. The 'Maturity Structure of Borrowing' indicators have been set to allow for this contingency strategy.

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Debt rescheduling: The PWLB allows authorities to repay loans before maturity and either pay a premium or receive a discount according to a set formula based on current interest rates relative to the rate of the loan. Other lenders may also be prepared to negotiate premature redemption terms. The Council may take advantage of this and replace some loans with new loans, or repay loans without replacement, where this is expected to lead to an overall cost saving or a reduction in risk. Officers continually monitor repayment rates and calculate premiums to identify opportunities to repay or reschedule PWLB loans.

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13 Treasury Investment Strategy

In 2018, the MHCLG issued revised Statutory Guidance on Local Government Investments (3rd Edition). It states *“Investments made by local authorities can be classified into one of two main categories:*

- *Investments held for treasury management purposes; and*
- *Other investments.*

“Where local authorities hold treasury management investments, they should apply the principles set out in the Treasury Management Code. They should disclose that the contribution that these investments make to the objectives of the local authority is to support effective treasury management activities. The only other element of this Guidance that applies to treasury management investments is the requirement to prioritise Security, Liquidity and Yield in that order of importance”.

The changes made to the 3rd edition of this Guidance reflect changes in patterns of local authority behaviour. Some local authorities have been investing in non-financial assets, with the primary aim of generating profit. Others are entering very long-term investments or providing loans to local enterprises or third sector entities as part of regeneration or economic growth projects that are in line with their wider role for regeneration and place making.

The new CIPFA codes were designed to deal with investments specifically held primarily for yield (non-Treasury investments). Previously this did not include the use of Pooled Funds, but it now seems as if they may fall into the non-Treasury investment category. SCC and our advisors Arlingclose would argue that they are very much used as a Treasury investment by SCC, matching our reserve requirements and debt liabilities. Whilst the situation at present would appear to be unclear, this strategy, (including currently held Pooled Funds) applies only to investments held for treasury purposes. Any non-treasury investments are dealt with in a separate Investment Strategy (separate agenda item).

The Council's treasury investments can be divided into two areas. Money that is invested to help smooth anticipated monthly cash flow movements, and funds which have been identified as not being immediately required (core balances), which can be invested over a longer timeframe. Total balances for 2021-22 to the end of December 2021 have ranged between £261m to £358m, averaging £313m to the 31st December 2021. These balances include just over £114m of cash held on behalf of other entities.

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If a passive borrowing strategy is adopted, i.e. internal borrowing to fund capital expenditure, investment levels will decrease. If Arlingclose's 'cost of carry' and breakeven analysis determines that the Council borrows additional sums at medium-term fixed rates in 2022-23 with a view to keeping future interest costs low, investment balances could possibly be higher.

Objectives: The CIPFA Code requires the Council to invest its funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. The Council's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income. Where balances are expected to be invested for more than one year, the Council will aim to achieve a total return that is equal or higher than the prevailing rate of inflation, in order to maintain the spending power of the sum invested.

Negative interest rates: Under current economic scenarios, there is still a possibility that the Bank of England could set its Bank Rate at or below zero, which is likely to feed through to negative interest rates on all low risk, short-term investment options. This situation already exists in many other European countries. In these circumstances, security will be measured as receiving the contractually agreed amount at maturity, even though this may be less than the amount originally invested.

Strategy: The Council as at 31st December 2021 has £301.92m of investments (£187m net of external bodies), of which the £45m invested in Pooled Funds (£15m with the Churches, Charities, Local Authorities (CCLA) Property Fund, £15m with a Royal London Investment Grade Credit Fund, and £15m with the M&G Corporate Bond Fund), is for a period longer than 13 months. Given that the Council holds balances and reserves that are by their nature more strategic and longer-term, it seems appropriate to mitigate the risk of existing and forecast low (negative in real terms) interest rates, and risks posed by unsecured bank deposits, by more closely matching longer-term strategic investments to longer-term strategic balances held. The Council therefore aims to hold these more secure and/or higher yielding asset classes during 2022-23. Whilst the revised CIPFA Code may suggest that all investments held for yield should be considered for sale before any new borrowing is taken, (Pooled Funds are deemed to come under this description in the new codes), we believe it appropriate at this time to continue to hold them.

Business models: Under the new IFRS 9 standard, the accounting for certain investments depends on the Council's "business model" for managing them. The Council aims to achieve value from its internally managed treasury investments by a business model of collecting the contractual cash flows and therefore, where other criteria are also met, these investments will continue to be accounted for at amortised cost.

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Implementation: The Section 151 Officer (Director of Finance & Governance) under delegated powers will undertake the most appropriate form of investments in keeping with the investment objectives, income and risk management requirements and Prudential Indicators. The Director of Finance & Governance in turn delegates responsibility for implementing policy to Treasury Management Officers. This is done by using only the agreed investment instruments, and credit criteria below and in **appendix B**. As is current procedure, the use of a new instrument or counterparty would be proposed in conjunction with the Council's Treasury Advisors, Arlingclose and specifically authorised by the Section 151 Officer (Director of Finance & Governance).

Approved Investments: The list below shows currently approved instruments, with a brief description of current and potential investment instrument characteristics underneath.

- Business Reserve Accounts and term deposits.
- Deposits with other Local Authorities.
- Low Volatility Net Asset Value (LVNAV) Money Market Funds
- The Debt Management Office (DMO)
- Variable Net Asset Value (VNAV) Money Market Funds.
- Gilts and Treasury Bills.
- Certificates of Deposit with Banks and Building Societies
- Commercial Paper
- Use of any public or private sector organisation that meets the creditworthiness criteria rather than just banks and building societies.
- Building Societies – Including unrated Societies with better creditworthiness than their credit rated peers.
- Corporate Bonds – Can offer access to high credit rated counterparties, such as utility, supermarket, and infrastructure companies.
- Covered Bonds and Reverse Repurchase Agreements (Repos) present an opportunity to invest short-term with banks on a secured basis and hence be exempt from bail-in
- Pooled Funds. These funds allow the Council to diversify into asset classes other than those above, without the need to own and manage the underlying investments. Bond, equity and property funds offer enhanced returns over the longer term but are more volatile in the short term. Their values change with market prices, so will be considered for longer investment periods. It would be the Council's intention to be invested in longer-dated Bond Funds, Equity Funds, or Property Funds for at least 3-5 years.

Banks unsecured: Accounts, deposits, certificates of deposit and senior unsecured bonds with banks and building societies, other than multilateral development banks. These investments are subject to the risk of credit loss via a bail-in should the regulator determine that the bank is failing or likely to fail.

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Banks secured: Covered bonds, reverse repurchase agreements and other collateralised arrangements with banks and building societies. These investments are secured on the bank's assets, which limits the potential losses in the unlikely event of insolvency, and means that they are exempt from bail-in.

Government: Loans, bonds and bills issued or guaranteed by national governments, regional and local authorities and multilateral development banks. These investments are not subject to bail-in, and there is generally a lower risk of insolvency, although they are not zero risk. Investments with the UK Central Government may be made in unlimited amounts for up to 50 years.

Corporates: Loans, bonds and commercial paper issued by companies other than banks and registered providers. These investments are not subject to bail-in but are exposed to the risk of the company going insolvent.

Registered providers: Loans and bonds issued by, guaranteed by or secured on the assets of registered providers of social housing and registered social landlords, formerly known as housing associations. These bodies are tightly regulated by the Regulator of Social Housing (in England), the Scottish Housing Regulator, the Welsh Government and the Department for Communities (in Northern Ireland). As providers of public services, they retain the likelihood of receiving government support if needed.

Pooled Funds: Shares or units in diversified investment vehicles. These funds have the advantage of providing wide diversification of investment risks, coupled with the services of a professional fund manager in return for a fee. Short-term Money Market Funds that offer same-day liquidity and very low or no volatility will be used as an alternative to instant access bank accounts, while pooled funds whose value changes with market prices and/or have a notice period will be used for longer investment periods.

Bond, equity and property funds offer enhanced returns over the longer term but are more volatile in the short term. These allow the Council to diversify into other asset classes without the need to own and manage the underlying investments.

Pooled funds would be the likely vehicles to diversify into more longer-term strategic investments but pose risks to both Security (of market value of investment), and to Liquidity of SCC investments. Because the value of pooled fund investments is subject to market fluctuations, there is a possibility that at any given time, the value of the Council's investment could be less than the original sum. However, there would be no realised loss until such time as the investment was sold. Currently there is a statutory override on accounting treatment that means nominal market losses at year-end do not need to be taken through the Income and Expenditure account if certain criteria are met. This might not always be the case in the future.

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This risk is mitigated by taking a longer-term view of any investment, initially at least for 3 to 5-years. This would help to smooth any volatility in market values. Current accounting treatment (runs until 31st March 2023) may mitigate the reputational risk of reporting a loss in the I & E, as a 'Pooled Funds Adjustment Account' reserve will hold any unrealised losses (or gains) in capital value.

As Pooled Funds become a greater part of the overall portfolio, investments would be diversified among asset classes so that risks to any specific asset class would be limited.

Liquidity risk—Typically, Pooled Funds are extremely liquid, but by mitigating the risk of capital loss (by having to sell at a price lower than the initial sum invested), Investment would potentially lock away capital for 3 to 5-years plus. The Section 151 Officer will mitigate liquidity risk by determining the level of prudent investment, with reference to the level of core balances and reserves, commensurate with that timeframe.

Upside risk is that income returns are positive and significantly above today's cash investment rates. There may also be potential for capital growth.

Real estate investment trusts: Shares in companies that invest mainly in real estate and pay the majority of their rental income to investors in a similar manner to pooled property funds. As with property funds, REITs offer enhanced returns over the longer term, but are more volatile especially as the share price reflects changing demand for the shares as well as changes in the value of the underlying properties. Investments in REIT shares cannot be withdrawn but can be sold on the stock market to another investor.

Approved counterparties – Credit Rated: SCC maintains a restricted list of financial institutions to be used as counterparties, and in accordance with the credit criteria set out in appendix B. Any proposed additions to the list must be approved by the Section 151 Officer (Director of Finance & Governance).

Approved counterparties – Non-Credit Rated: As investment decisions are never made solely based on credit ratings, and some institutions may not have ratings at all, account will be taken of any relevant credit criteria in appendix B, and any other relevant factors including advice from our treasury advisors for the approval of individual institutions. Again, this will be specifically authorised by the Section 151 Officer (Director of Finance & Governance).

Credit rating: SCC has constructed and will maintain a counterparty list based on the criteria set out in **Appendix B**. The minimum credit quality is proposed to be set at A- or equivalent. The credit standing of institutions (and issues if used) will be monitored and updated on a regular basis.

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The Council will continuously monitor counterparties creditworthiness. All three credit rating agencies' websites will be visited frequently, and all ratings of proposed counterparties will be subject to verification on the day of investment (MHCLG guidance states that a credit rating agency is one of Standard & Poor's, Moody's Investor Services Ltd, and Fitch Ratings Ltd). All ratings of currently used counterparties will be reported to the regular treasury management meeting, where proposals for any new counterparties will be discussed.

New counterparties must be approved by the Section 151 Officer (Director of Finance & Governance) before they are used. Any changes to ratings that put the counterparty below the minimum acceptable credit quality whilst we have a deposit, or a marketable instrument will be brought to the attention of the Section 151 Officer (Director of Finance & Governance) immediately, and an appropriate response decided on a case-by-case basis. Sovereign credit ratings will be monitored and acted on as for financial institution ratings. Investment limits are set by reference to the lowest published long-term credit rating from the three rating agencies mentioned above. Where available, the credit rating relevant to the specific investment or class of investment is used, otherwise the counterparty credit rating is used.

Other information on the security of investments: The Council understands that credit ratings are good, but not perfect predictors of investment default. Full regard will therefore be given to other available information on the credit quality of the organisations in which it invests, including those outlined below.

- Credit Default Swaps and Government Bond Spreads.
- GDP and Net Debt as a Percentage of GDP for sovereign countries.
- Likelihood and strength of Parental Support.
- Banking resolution mechanisms for the restructure of failing financial institutions, i.e. bail-in.
- Market information on corporate developments and market sentiment towards the counterparties and sovereigns.
- Underlying securities or collateral for 'covered instruments'.
- Other macroeconomic factors

It remains the Council's policy to suspend or remove institutions that still meet criteria, but where any of the factors above give rise to concern. Also, when it is deemed prudent, the duration of deposits placed is shortened or lengthened, depending on counterparty specific metrics, or general investment factors.

The extent of these restrictions will be in line with prevailing financial market conditions. If these restrictions mean that insufficient commercial organisations of high credit quality are available to invest the Council's cash balances, then the surplus will be deposited with the UK Government via the Debt Management Office or invested in government treasury bills for example, or with other local authorities. This will cause a reduction in the level of investment income earned but will protect the principal sum invested.

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Investment limits: Investment limits are set out in **appendix B**. In setting criteria in **appendix B**, account is taken of both expected and possible balances, the availability and accessibility of the various instruments to be used, and their security, liquidity, and yield characteristics.

Liquidity management: The Council uses purpose-built cash flow forecasting software to determine the maximum period for which funds may prudently be committed. The forecast is compiled on a prudent basis to minimise the risk of the Council being forced to borrow on unfavourable terms to meet its financial commitments. Limits on long-term investments are set by reference to the Council's medium-term financial plan and cash flow forecast.

14 Treasury Management Prudential Indicators

The Council measures and manages its exposures to treasury management risks using the following indicators.

The Authorised Limit and Operational Boundary are Prudential Indicators and are authorised by Full Council as part of the Capital Strategy. They are included here for information only. The 'Maturity Structure of Borrowing', 'Principal sums invested for periods longer than a year', and 'Credit Risk' Indicators are specific Treasury Management Indicators and are to be adopted as per the recommendations set out in this paper.

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Authorised limit and Operational Boundary: The Council is required to set an authorised limit and an operational boundary for external debt. The authorised limit is the maximum external debt (net of investments) that may be incurred in the specified years. The operational boundary differs from the authorised limit in that it is based on expectations of the maximum external debt according to probable, not all possible events. It is consistent with the maximum level of external debt projected in the Capital Strategy. In order that the preceding borrowing strategy can be carried out, the following Prudential Indicators have been proposed to Council in the Capital Strategy, along with Capital plans and the rationale behind the figures. They are shown again here to give the full picture. (These figures are rounded to nearest million)

	2022-23	2023-24	2024-25
	£m	£m	£m
Authorised limit			
Borrowing	452	486	510
Other Long-Term Liabilities	51	50	50
Total	503	536	560
Operational boundary			
Borrowing	407	441	465
Other Long-Term Liabilities	43	42	41
Total	450	483	506

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Maturity Structure of Borrowing: The Council has set for the forthcoming year, both the upper and lower limits with respect to the maturity structure of its borrowing. The calculation is the amount of projected borrowing maturing in each period, expressed as a percentage of the total projected borrowing. CIPFA Code guidance for the 'maturity structure' indicator states that the maturity of LOBO loans should be treated as if their next option date is the maturity date. The 'maturity structure of borrowing' indicators have been set with regard to this, and having given due consideration to proposed new borrowing, current interest rate expectations, and the possibility of rescheduling or prematurely repaying loans outlined in the borrowing strategy. The bands and limits remain as for 2021-22. They are: -

	Upper Limit	Lower Limit
Under 12 months	50%	15%
>12 months and within 24 months	25%	0%
>24 months and within 5 years	25%	0%
>5 years and within 10 years	20%	0%
>10 years and within 20 years	20%	5%
>20 years and within 30 years	20%	0%
>30 years and within 40 years	45%	15%
>40 years and within 50 years	15%	0%
>50 years	5%	0%

Principal sums invested for periods longer than a year: The purpose of this indicator is to control the Council's exposure to the risk of incurring losses by seeking early repayment of its investments.

The prime policy objectives of local authority investment activities are the security and liquidity of funds, and authorities should avoid exposing public funds to unnecessary or unquantified risk. Authorities should consider the return on their investments; however, this should not be at the expense of security and liquidity. It is therefore important that authorities adopt an appropriate approach to risk management with regards to their investment activities. As the strategy is looking to diversify more into pooled funds, it is the Council's intention to be invested in these for periods of 3-5 years plus. Therefore, a prudential indicator of £75m is deemed necessary for year 1, with similar levels in years 2 and 3 as the investments are to be retained.

	2022-23	2023-24	2024-25
	£m	£m	£m
Prudential Limit for principal sums invested for periods longer than 1 year	75	75	75

The sums indicated in this indicator do not include any investment in non-Treasury Investments covered by a separate Investment Strategy.

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Credit Risk Indicator: The Council has adopted a voluntary measure of its exposure to credit risk by monitoring the value-weighted average credit rating / credit score of its in-house investment portfolio. This is calculated by applying a score to each investment (AAA=1, AA+=2, etc.) and taking the arithmetic average, weighted by the size of each investment. Unrated investments are assigned a score based on their perceived risk (in conjunction with Arlingclose) and will be calculated quarterly.

Credit risk indicator	Target
Portfolio average credit rating (score)	A (6.0)

15 Other Matters

The CIPFA Code requires the Council to include the following in its treasury management strategy.

Derivative Instruments: The code requires that the Council must explicitly state whether it plans to use derivative instruments to manage risks. The general power of competence in Section 1 of the Localism Act 2011 removes much of the uncertainty over local authorities' use of standalone financial derivatives (i.e. those that are not embedded into a loan or investment). However, the Council does not intend to use derivatives.

Should this position change, the Council may seek to develop a detailed and robust risk management framework governing the use of derivatives, but this change in strategy will require Full Council approval.

External Service Providers: The code states that external service providers should be reviewed regularly and that services provided are clearly documented, and that the quality of that service is controlled and understood.

The Council recognises, as per CIPFA guidance, that, "the overall responsibility for treasury management must always remain with the Council". So as not to place undue reliance on treasury advisors and other external services, the council has always sourced its own information, performed its own analysis of market and investment conditions, and the suitability of counterparties. It continues to do so through embedded practices, thereby maintaining the skills of the in-house team to ensure that services provided can be challenged, and that undue reliance is not placed on them.

Member Training: All public service organisations should be aware of the growing complexity of treasury management in general, and its application to the public services in particular. Modern treasury management, and particularly non-treasury investments demand appropriate skills.

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The new Investment Strategy demands a greater level of understanding and involvement by members, and that document sets out the specific requirements for that purpose; However, there should still be an appropriate level of skills and understanding applied to the Treasury Management Strategy.

All Council Members receive introductory training, which includes an overview of the treasury management function. Council Officers would be able and willing to provide a more detailed level of training, if Councillors thought that there would be no conflict of interest.

Through contacts with the CIPFA Treasury Management Forum and its independent Treasury Advisors, SCC could also facilitate training via an independent third party. Officers also have contacts within a number of money market brokers and fund managers who could provide training.

As and when needed, information sheets could be prepared and made available to help keep members abreast of current developments.

Markets in Financial Instruments Directive II (MiFID II): As a result of the second Markets in Financial Instruments Directive (MiFID II), from 3rd January 2018 local authorities were automatically treated as retail clients but could "opt up" to professional client status, providing certain criteria was met. This included having an investment balance of at least £10 million and the person(s) authorised to make investment decisions on behalf of the Council have at least a year's relevant professional experience. In addition, the regulated financial services firms to whom this directive applies have had to assess that that person(s) have the expertise, experience and knowledge to make investment decisions and understand the risks involved. Each regulated Financial Services firm undertakes a separate assessment with ongoing compliance.

The Council continues to meet the conditions to opt up to professional status and has done so in order to maintain its erstwhile MiFID II status prior to January 2018. As a result, the Council will continue to have access to products including money market funds, pooled funds, treasury bills, bonds, shares and to financial advice.

16 Background papers

Local Government Act 2003 – Guidance under section 15(1)(a) 3rd Edition, effective from 1 April 2018.

The CIPFA 'Treasury Management in the Public Services' Code of Practice 2017 Edition, and The CIPFA 'Treasury Management in the Public Services' Code of Practice Revised Edition 2021.

The CIPFA Prudential Code for Capital Finance in Local Authorities: 2017 Edition, and. The CIPFA Prudential Code for Capital Finance in Local Authorities: Revised Edition 2021.

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

Report Sign-Off

		Signed-off
Legal Implications	Honor Clarke	17/01/2022
Governance	Scott Wooldridge	21/01/2022
Corporate Finance	Jason Vaughan	17/01/2022
Human Resources	Chris Squire	02/02/2022
Property	Paula Hewitt / Oliver Woodhams	02/02/2022
Procurement / ICT		
Senior Manager	Stephen Morton	17/01/2022
Commissioning Development	Sunita Mills / Ryszard Rusinek	17/01/2022
Renewal Board		
Local Member		
Cabinet Member	Cllr Mandy Chilcott - Cabinet Member for Resources	14/01/2022
Opposition Spokesperson	Cllr Liz Leyshon	27/01/2022
Scrutiny Chair	Cllr Anna Groskop - Place Scrutiny	Sent 17/01/2022
Audit Committee	Cllr Mike Lewis	27/01/2022

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Treasury Management Policy Statement

Introduction and Background

- 1.1 The Council adopts the key recommendations of CIPFA's Treasury Management in the Public Services: Code of Practice (the code), as described in Section 5 of the Code
- 1.2 The Council will create and maintain, as the cornerstones for effective treasury and investment management:
 - A treasury management policy statement stating the policies, objectives and approach to risk management of its treasury management activities
 - Suitable treasury management practices (TMPs) setting out the manner in which the organisation will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities
 - Investment management practices (IMPs) for investments that are not for treasury management purposes.

The content of the policy statement, TMPs and IMPs will follow the recommendations contained in Sections 6, 7 and 8 of the TM Code, subject only to amendment where necessary to reflect the particular circumstances of this organisation. Such amendments will not result in the organisation materially deviating from the TM Code's key principles.

- 1.3 The Council (ie Full Council) will receive reports on its treasury and investment management policies, practices and activities, including, as a minimum, an annual strategy and plan in advance of the year, a mid-year review and an annual report after its close in the form prescribed in its TMPs and IMPs.
- 1.4 The Council delegates responsibility for the implementation and regular monitoring of its treasury management policies and practices to Cabinet and for the execution and administration of treasury management decisions to the Section 151 Officer, who will act in accordance with the organisation's policy statement, TMPs and IMPs, and if they are a CIPFA member, CIPFA's Standard of Professional Practice on treasury management.
- 1.5 This organisation nominates the Audit Committee] to be responsible for ensuring effective scrutiny of the treasury management strategy and policies.

Policies and Objectives of Treasury Management Activities

2.1 The Council defines its treasury management activities as:

“The management of the organisation’s borrowing, investments and cash flows, including its banking, money market and capital market transactions, the effective control of the risks associated with those activities and the pursuit of optimum performance consistent with those risks.”

2.2 This Council regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the organisation, and any financial instruments entered into to manage these risks.

2.3 This Council acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving value for money in treasury management, and to employing suitable performance measurement techniques, within the context of effective risk management.

2.4 The Council’s borrowing will be affordable, sustainable and prudent and consideration will be given to the management of interest rate risk and refinancing risk. The source from which the borrowing is taken, and the type of borrowing should allow the Council transparency and control over its debt.

2.5 The Council’s primary objective in relation to investments remains the security of capital. The liquidity or accessibility of the Council’s investments followed by the yield earned on investments remain important but are secondary considerations.

Appendix B

SCC Lending Counterparty Criteria 2022-23

The following criteria will be used to manage counterparty risks to Somerset County Council investments for new deposits / investments from the time that the new Treasury Management Strategy is passed by Full Council at its meeting in February 2022.

Please note that the limits in this appendix apply only to Treasury Management Investments, not to those detailed in the Separate Investment Strategy.

Where deposits held were made under previous criteria, there will be no compulsion to terminate those deposits to meet new criteria, where a penalty would be incurred.

Deposits

Any Financial Institution that is authorised by the Prudential Regulation Authority to accept deposits in the UK, or is a UK Building Society can be lent to, subject to the rating criteria below at the time of the deposit.

Unrated Building Societies

Unrated Building Societies as identified by Treasury Advisors can be used, with a maximum of £1m per Society and a maximum maturity of 1 year.

Marketable Instruments – Any bank, other organisation, or security whose credit ratings satisfy the criteria below: -

Rating of Counterparty or Security

Deposits or instruments of less than 13 months duration (refer to long-term ratings)

Fitch A- or above

S&P A- or above

Moody's A3 or above

The maximum deposit / investment amount for any authorised counterparty or security that has as a minimum at least two ratings of the three above will be £20m. This is approximately 5.6% of maximum balance, 6.4% of average balance for the year to 31st December 2021-22. The % may be significantly less if borrowing up to the CFR is taken early in the year.

The maximum deposit / investment amount for any authorised counterparty or security that has as a minimum - Fitch AA-, S&P AA-, and Moody's Aa3, will be £25m. This is approximately 7.0% of maximum balance, 8.0% of average balance for the year to 31st December 2021-22. The % may be significantly less if borrowing up to the CFR is taken early in the year.

Deposits or instruments of more than 13 months duration (refer to long-term ratings)

Fitch AA- or above

S&P AA- or above

Moody's Aa3 or above

The maximum deposit / investment amount for more than 13 months for any authorised counterparty or security that has as a minimum at least two ratings of the three above will be £10m. This figure is to be included in the overall figure above.

The allowed deposit amounts above are the single maximum per counterparty at any one time, and that counterparty or security must be rated as above or better by at least two of the three agencies. Short-term ratings will be monitored and considered in relative rather than absolute terms.

It remains the Council's policy to suspend or remove institutions that still meet criteria, but where any of the other factors below give rise to concern. Also, when it is deemed prudent, the duration of deposits placed is shortened or lengthened, depending on counterparty specific metrics, or general investment factors. Where deposits held were made under previous criteria, there will be no compulsion to terminate those deposits to meet new criteria, where a penalty would be incurred.

Operational Bank Accounts

As the Council's current bankers, Nat West are currently within the minimum criteria. If they should fall below criteria, the instant access Call Account facility may still be used for short-term liquidity requirements and business continuity arrangements. This will generally be for smaller balances where it is not viable to send to other counterparties or in the event of unexpected receipts after the daily investment process is complete. Money will be placed in the instant access Nat West call account overnight.

Public Sector Bodies

Any UK Local Authority or Public Body will have a limit of £15m and a maximum maturity of 5 years.

The UK Government, including Gilts, T-Bills, and the Debt Management Office (DMADF) will be unlimited in amount and duration.

Due to the Local Government Reorganisation, it will be appropriate to consider the potential borrowing and investment needs of the other Somerset Councils. If they needed short-term borrowing, it may be possible and appropriate for SCC to cover that need. For this reason, there will be no limit on the lending to the other 4 Somerset Councils.

The table below gives a definition and approximate comparison of various ratings by the three main agencies: -

Definitions of Rating Agency Ratings

	Fitch		Moody's		S&P	
Short-Term	F1+	Exceptionally strong	P-1	Superior	A-1+	Extremely strong
	F1	Highest quality			A-1	Strong
	F2	Good quality	P-2	Strong	A-2	Satisfactory
	F3	Fair quality	P-3	Acceptable	A-3	Adequate
	B	Speculative	NP	Questionable	B and below	Significant speculative characteristics
	C	High default risk				
	(+) or (-)		(1,2, or 3)		(+) or (-)	
Long-Term	AAA	Highest quality	Aaa	Exceptional	AAA	Extremely strong
	AA	V High quality	Aa	Excellent	AA	Very strong
	A	High quality	A	Good	A	Strong
	BBB	Good quality	Baa	Adequate	BBB	Adequate capacity
	BB	Speculative	Ba	Questionable	BB and below	Significant speculative characteristics
	B	Highly Speculative	B	Poor		
	CCC	High default risk	Caa	Extremely poor		

Financial Groups

For Financial Groups (where two or more separate counterparties are owned by the same eventual parent company) investments can be split between entities, but an overall limit equal to the highest rated constituent counterparty within the group will be used.

Country Limits

Excluding the UK, there will be a limit of £30m. This is approximately 8.4% of maximum balance, 9.6% of average balance for the year to 31st December 2021-22. The % may be significantly less if borrowing up to the CFR is taken early in the year.

Money Market Funds

With regulatory changes now effected, previously titled Constant Net Asset Value (CNAV) Money Market Funds have been converted into Low Volatility Net Asset Value (LVNAV) funds. Any LVNAV Fund used must be rated by at least two of the main three ratings agency, and must have the following, (or equivalent LVNAV) ratings.

Fitch AAmmf

Moody's Aaa-mf

Standard & Poor's AAAM

Subject to the above, deposits can be made with the following limits: -

The lower of £15m or 0.5% of the total value for individual Funds.

No more than 50% of total deposits outstanding are to be held in LVNAV MMFs.

VNAV and other Pooled Funds

Currently, not all Variable Net Asset Value (VNAV) Funds carry a rating. Many VNAV bond funds are not rated. Equity, multi-asset and property funds are also not credit rated.

Whilst it is not currently the Council's intention to invest further in Pooled Funds during 2022-23. The decision to invest in a particular asset class or fund will be primarily based on the liability benchmark, and specifically whether the duration of debt and the necessary level of reserves supports longer-term investments. Secondly, it will consider the evaluation of the risk/reward characteristics including volatility, expected income return and potential for capital growth. Diversification of asset classes/funds and the overall level of investment will be determined by the Section 151 Officer with reference to the level of core balances and reserves. As potential investment would lock away capital for 3 to 5-years plus, the level of prudent investment would be commensurate with the level of core balances and reserves available for/during that timeframe.

Fluctuations in SCC cash balances, and particularly cash balances net of external bodies is difficult to predict over a 3 to 5-year timeframe. Furthermore, the amalgamation of the five Council's portfolios due to LGR will determine strategy in longer-term assets. The Section 151 Officer will determine a suitable level of longer-term investment with reference to the level of core balances and reserves, it may be that a % of core balances and reserves is deemed the most appropriate limit for Pooled Funds, but in any case, this will not exceed £60m in total (Including current Pooled Fund investments of £25m), or £15m in any one fund.

Other Indicators

The Council will continue to use a range of indicators, not just credit ratings. Among other indicators to be taken into account will be:

- Credit Default Swaps and Government Bond Spreads.
- GDP, and Net Debt as a Percentage of GDP for sovereign countries.
- Likelihood and strength of Parental Support.
- Banking resolution mechanisms for the restructure of failing financial institutions, i.e. bail-in.
- Share Price.
- Market information on corporate developments and market sentiment towards the counterparties and sovereigns.
- Underlying securities or collateral for covered instruments.
- Other macroeconomic factors

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Arlingclose Economic Outlook & Interest Rate Forecast

Interest rate forecast:

The MPC will want to build on the strong message it delivered this month by tightening policy despite Omicron uncertainty.

Arlingclose therefore expects Bank Rate to rise to 0.50% in Q1 2022, but then remain there. Risks to the forecast are initially weighted to the upside, but becoming more balanced over time. The Arlingclose central forecast remains below the market forward curve.

Gilt yields will remain broadly flat from current levels. Yields have fallen sharply at the longer end of the yield curve, but expectations of a rise in Bank Rate have maintained short term gilt yields at higher levels.

Easing expectations for Bank Rate over time could prompt the yield curve to steepen, as investors build in higher inflation expectations.

The risks around the gilt yield forecasts vary. The risk for short-and-medium-term yields is initially on the upside but shifts lower later. The risk for long-term yields is weighted to the upside.

The table below highlights the forecast for key benchmark rates

	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24
Official Bank Rate													
Upside risk	0.00	0.00	0.25	0.25	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Arlingclose Central Case	0.25	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Downside risk	0.00	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25
3-month money market rate													
Upside risk	0.05	0.05	0.25	0.35	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Arlingclose Central Case	0.25	0.55	0.55	0.60	0.60	0.60	0.60	0.65	0.65	0.65	0.65	0.65	0.65
Downside risk	0.00	-0.25	-0.25	-0.30	-0.30	-0.30	-0.30	-0.35	-0.35	-0.35	-0.35	-0.35	-0.35
5yr gilt yield													
Upside risk	0.00	0.35	0.45	0.55	0.55	0.55	0.55	0.55	0.55	0.50	0.50	0.45	0.45
Arlingclose Central Case	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.65	0.70	0.75	0.75
Downside risk	-0.10	-0.20	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.30	-0.35	-0.40	-0.40
10yr gilt yield													
Upside risk	0.10	0.25	0.35	0.40	0.45	0.50	0.50	0.50	0.50	0.50	0.55	0.55	0.55
Arlingclose Central Case	0.80	0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.90	0.90	0.95	0.95
Downside risk	-0.10	-0.25	-0.30	-0.35	-0.35	-0.35	-0.35	-0.35	-0.35	-0.40	-0.40	-0.40	-0.40
20yr gilt yield													
Upside risk	0.30	0.40	0.45	0.45	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Arlingclose Central Case	1.00	1.05	1.10	1.10	1.10	1.10	1.15	1.15	1.15	1.20	1.20	1.20	1.20
Downside risk	-0.15	-0.30	-0.35	-0.40	-0.40	-0.40	-0.40	-0.40	-0.40	-0.45	-0.45	-0.45	-0.45
50yr gilt yield													
Upside risk	0.25	0.30	0.40	0.45	0.45	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Arlingclose Central Case	0.70	0.75	0.80	0.85	0.90	0.95	1.00	1.05	1.05	1.10	1.10	1.15	1.15
Downside risk	-0.15	-0.30	-0.35	-0.40	-0.40	-0.40	-0.40	-0.40	-0.40	-0.45	-0.45	-0.45	-0.45

PWLB Standard Rate (Maturity Loans) = Gilt yield + 1.00%

PWLB Certainty Rate (Maturity Loans) = Gilt yield + 0.80%

PWLB Infrastructure Rate (Maturity Loans) = Gilt yield + 0.60%

Underlying assumptions:

- The global recovery from the pandemic has entered a more challenging phase. The resurgence in demand has led to the expected rise in inflationary pressure, but disrupted factors of supply are amplifying the effects, increasing the likelihood of lower growth rates ahead. The advent of the Omicron variant of coronavirus is affecting activity and is also a reminder of the potential downside risks.
- Despite relatively buoyant activity survey data, official GDP data indicates that growth was weakening into Q4 2021. Other data, however, suggested continued momentum, particularly for November. Retail sales volumes rose 1.4%, PMIs increased, and the labour market continued to strengthen. The end of furlough did not appear to have had a significant impact on unemployment. Wage growth is elevated.
- The CPI inflation rate rose to 5.1% for November and will rise higher in the near term. While the transitory factors affecting inflation are expected to unwind over time, policymakers' concern is persistent medium term price pressure.

- These factors prompted the MPC to raise Bank Rate to 0.25% at the December meeting. Short term interest rate expectations remain elevated.
- The outlook, however, appears weaker. Household spending faces pressures from a combination of higher prices and tax rises. In the immediate term, the Omicron variant has already affected growth – Q4 and Q1 activity could be weak at best.
- Longer-term government bond yields remain relatively low despite the more hawkish signals from the BoE and the Federal Reserve. Investors are concerned that significant policy tightening in the near term will slow growth and prompt the need for looser policy later. Geo-political and coronavirus risks are also driving safe haven buying. The result is a much flatter yield curve, as short-term yields rise even as long-term yields fall.
- The rise in Bank Rate despite the Omicron variant signals that the MPC will act to bring inflation down whatever the environment. It has also made clear its intentions to tighten policy further. While the economic outlook will be challenging, the signals from policymakers suggest their preference is to tighten policy unless data indicates a more severe slowdown.

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Somerset County Council

County Council

– 23 February 2022

Report of the Monitoring Officer

Cabinet Member: All

Division and Local Member: N/A

Lead Officer & Author: Scott Wooldridge - Monitoring Officer and Strategic Manager for Governance & Democratic Services

Contact Details: 01823 357628 or 01823 359043

1. Summary

- 1.1 This report sets out proposals for decisions on appointments and constitutional matters, the proposed scale of fees and charges for the May 2022 elections, proposals relating to revised Contract Procedure Rules and Standing Orders and a proposed revised Members Code of Conduct.

2. Recommendation(s)

2.1 Council is recommended to:-

Preparing for the May 2022 elections

- (1) **Approve the scale of fees and charges for the elections on 5 May 2022 as set out in Appendix 1 and to delegate authority to the Returning Officer to agree any subsequent variations.**

Proposed revised Contract Procedure Rules and Standing Orders

- (2) **Approve the revised Contract Procedure Rules and Standing Orders as set out in Appendix 2; including the updated approach to assessing the Most Economically Advantageous Tender of 60% price, 30% quality and 10% social value.**

Proposed revised Members Code of Conduct

- (3) **Agree the adoption of the revised Members Code of Conduct as set out in Appendix 3 for implementation from 6 May 2022 following the elections;**
- (4) **Agree that the revised Code of Conduct is incorporated into the Council's Constitution from 6 May 2022;**
- (5) **Authorise the Monitoring Officer to develop and promote a Member Development programme to support the implementation**

- of the revised Code of Conduct;**
- (6) Agree that the revised Code of Conduct is promoted with Somerset Association of Local Councils (SALC) for adoption by City, Town and Parish Councils for implementation from 6 May 2022;**
 - (7) Endorse the Monitoring Officer to review and make any appropriate amendments to the Council’s complaints procedures for handling allegations about potential breaches of the Members Code of Conduct with reference to the LGA Guidance.**

Proposed additional meeting of the County Council

- (8) Agree to hold a meeting of the County Council on Wednesday 27 April 2022 to approve the minutes of Committee meetings and other procedural matters before the elections are held in May 2022**

3. Background

3.1 May 2022 elections – scale of fees and charges

The Government has set out its proposals for the election of 110 councillors to Somerset County Council to be held on 5 May 2022 and to serve a five year term of office. Subject to the Government’s approval of its Structural Changes Order (expected in early March 2022), for 2022/23 the 110 councillors will have responsibility for all current County Council services and oversee the local government reorganisation to establish a single unitary council on 1 April 2023.

From 1 April 2023, the 110 councillors of the new Somerset Council will assume responsibility for all local government functions for Somerset, including those of the current four district councils. District Councils will remain until 31 March 2023 and the councillors serving those councils will continue in their roles until that date.

The Government has also set out its proposals for all current parish, town and city councils’ elections to be brought forward from May 2023 to 5 May 2022. These elections are administered by the four district councils.

- 3.1.1** The election preparations continue in partnership with the four district councils to ensure that legal requirements are met and the democratic processes are effectively supported. The Council’s Constitution sets out that the Returning Officer for the elections is the County Council’s Chief Executive.

The Chief Executive is the Returning Officer for the County Council elections. The role of the Returning Officer is a personal responsibility independent and separate from their duties as an employee of the Council. The Returning

Officer may appoint one or more persons to discharge all or any of his/her functions as Deputy Returning Officers to ensure the effective management of the scheduled elections.

- 3.1.2 The County Returning Officer is responsible for:
- the nomination process for candidates and political parties;
 - provision and notification of polling stations;
 - appointment of Presiding Officers and polling clerks;
 - appropriate administration and security of polling stations;
 - preparation of all ballot papers;
 - the actual count and declaration of results;
 - issue, receipt and counting of postal ballot papers;
 - all candidates' election expenses returns;
 - presentation of final account; and
 - reclamation of funding from external bodies as prescribed.

In two-tier areas the County Returning Officer role is traditionally undertaken by the County Council Chief Executive who then further delegates and empowers some of the above responsibilities to officers within the District Councils through the appointment of Deputy Returning Officers.

- 3.1.3 When considering the 2022 County Council elections the impact of the on-going Covid-19 Pandemic must be considered, Officers would like to take this opportunity to reassure the Council that robust preparation and appropriate mitigation measures are in place to ensure the election adheres to all legal requirements whilst safeguarding both elections staff and voters.

- 3.1.4 Section 35 of The Representation of the People Act 1983 requires the Council to appoint an officer of the Council to be the Returning Officer in local elections. It is the Returning Officer's duty to organise and conduct elections.

The Representation of the People Act 1983 makes provision for a scale of expenses to be fixed for the purpose of determining the Returning Officer's expenditure. Provision has been made within the County Council's 2022/23 budget for meeting the anticipated cost of the scheduled 2022 elections.

- 3.1.5 Agreeing the scale of fees and charges for County Council elections is a responsibility of the Council. There has been a longstanding delegation to the County Returning Officer to finalise the scale of fees for the administration and management of the elections.

The fees include a fee for staff to attend training required to ensure that Electoral Commission standards are met. The scale also includes provision for

a role of Polling Station Inspector.

Clearly managing the administration of an election during a global pandemic presents a significant undertaking and will bring additional risks and appropriate mitigations. Ongoing advice for local authorities is being provided by the Electoral Commission and the Government. Nevertheless, as assurance we do have the experience of administering the Avon and Somerset Police and Crime Commissioner elections in May 2021 during the pandemic.

3.1.6 Key dates for the May 2022 elections are:

Publish notice of election – 21 March 2022

Publish statement of persons nominated – 6 April 2022

Close of postal vote applications – 19 April 2022

Polling Day – Thursday 5 May 2022

Count of votes and declarations of results for 110 councillors – Friday 6 May 2022

3.1.7 The Council is recommended to agree the scale of fees and charges set out in Appendix 1 and also delegate authority to the County Returning Officer to finalise any further potential changes to the scale of fees and charges following completion of the negotiations with the district councils and discussions with the electoral commission.

3.1.8 Constitution and Standards Advisory Board considered the proposals on 9 February and the Board was minded to support the proposal that the Monitoring Officer recommends to Full Council the proposed fees and charges as set out in Appendix 1 and the delegation to the Returning Officer.

3.2.1 **Contract Procedure Rules and Standing Orders**

The Contract Procedure Rules and Standing Orders (the Rules) are made under Section 135 of the Local Government Act. Their purpose is to provide a framework for the making of contracts for the supply of goods or materials or for the execution of works that ensures Somerset County Council's approach complies with the relevant national legislation, in particular the Public Contract Regulations 2015. The Rules also help ensure the provision for securing competition in the procurement process.

- 3.2.2 This most recent review of the Rules has resulted in some minor updates, changes to reflect the legislative impact of leaving the European Union, together with a more detailed revision to the evaluation of the Most Economically Advantageous Tender through the procurement process.
- 3.2.3 The attached updated version of the Rules reflects current regulations and working practices, until such time the Procurement Bill is published and becomes law, potentially later 2022 or early 2023.
- 3.2.4 These Rules will also need to be reviewed as part of the Somerset Local Government Reorganisation so that the new Unitary Council has a single Contract Procedure Rules and Standing Orders for the purposes of entering into contracts post vesting day, from 1 April 2023.
- 3.2.5 The Rules reflect public procurement law which regulates the purchasing by public sector bodies and certain utility sector bodies of contracts for goods, works or services. The relevant Regulations in England, Wales and Northern Ireland have until recently been the Public Contracts Regulations 2015 (PCR 2015).
- 3.2.6 The Contract Procedure Rules and Standing Orders were last updated in April 2020. The focus of the update was to make minor changes, primarily to align to the then revised Scheme of Delegation. The changes in the Scheme of Delegation were put in place at that time as part of work to ensure that decisions could be taken, and services continue to operate effectively, during the initial period of the COVID-19 pandemic.
- 3.2.7 Since that time PCR 2015 has been superseded by the Public Procurement (Amendment etc.) (EU Exit) Regulations 2020, essentially made to remove certain EU specific references from the Procurement Regulations.
- 3.2.8 These EU Exit Regulations are considered to be an interim position, as the Government's Green Paper: Transforming Public Procurement is expected to result in a new Procurement Bill later this year that will apply to all contracting authorities in England (and to contracting authorities carrying out reserved functions in Scotland, Wales and Northern Ireland).

3.2.9 The new Procurement Bill was announced in the Queen's Speech in May 2021, stating it will be introduced in the next (current) session of the UK Parliament and is currently awaited.

3.2.10 Whilst a detailed review of the Rules has been undertaken, the outcomes is mostly minor changes with one more detail revision to the evaluation of the Most Economically Advantageous Tender. The update Rules have included internal consultation with relevant officers such as Strategic Commissioners and Legal Services

3.2.11 Summary of the main amendments

The proposed updated set of the Rules in Appendix 2 reflects the main parameters within which Procurement activity is currently undertaken by Somerset County Council, however commissioning officers continue to be advised to engage with procurement at the earliest opportunity as the requirements for each procurement are individual.

3.2.12 Areas of The Rules that have been updated are;

- terminology updated to reflect the exit from the European Union, and procuring entities are required to publish notices on the new UK e-notification service called Find a Tender (FTS) instead of in the OJEU - see definitions and throughout the document
- revised definition of the term 'Best Value' and how this is determined - see definitions
- clarification of the definition of grants, excluded from the procurement regulations - see definitions
- reference to Strategic Commissioning Group and the role it plays in the commissioning cycle - Section 12
- amendments to the lower value procurement thresholds - Section 14;
 - up to £25,000 - recommend three written quotes, minimum one written quote ensuring Best Value
 - over £25,000 up to £50,000 - minimum of three written quotes
- reference to compliance with the Local Government Transparency Code 2015 - Section 16

- expanded consideration of Social Value and how this is taken account of it the procurement process including the determination of the most economically advantageous tender - Section 27
- updated section on Contract Management to provide further guidance under Supplier Resilience - Section 43
- greater clarification of the application of waivers - Section 44
- reintroduced specific reference to the pension fund and that some exclusions apply in this instance - Section 45.

3.2.13 Most Economically Advantageous Tender

As part of the Public Services (Social Value) Act 2012, before commencing the procurement process Somerset County Council is required to consider how the economic, social and environmental well-being of the county may be improved through the procurement of the services or goods. The aim of the Act is to ensure that as part of the commissioning and procurement processes, consideration is given to the wider impact of the delivery of the services and goods. It allows a council to consider as part of the tender process how suppliers go beyond the basic contract terms and secures wider benefits for the community.

3.2.14 This has been best practice since the introduction of the Social Value Act, however, advances have recently been made at a national level in providing guidance to measuring social value, and therefore a revised approach is proposed to reflect this.

3.2.15 Cabinet agreed the revised Social Value policy at its meeting on 14 February 2022.

3.2.16 Social Value is referred to in Section 16 as a relevant Policy. However, Section 27 regarding the Most Economically Advantageous Tender is where the Rules provide a mechanism to assess social value through the procurement process.

3.2.17 In selecting a preferred supplier, the Council must comply with the general principles of proportionality, mutual recognition, transparency, non-discrimination and equal treatment. In doing so all contract awards must be based on the Most Economically Advantageous Tender (the "MEAT").

- 3.2.18 The MEAT is identified using a price-quality ratio, previously this has been 70% price and 30% quality. It is proposed this is changed under the revised Rules to 60% price, 30% quality and 10% social value, where social value is now a separate consideration when previously it was within the quality evaluation.
- 3.2.19 The revised Social Value Policy agreed by the Cabinet provides a framework for effectively measuring the social value element with the application of the Themes, Outcomes and Measures model for evaluating social value (Appendix Two). This will apply to all procurements of a total value over £100,000 due to the type of procurement process followed below this threshold.
- 3.2.20 The National Social Value Measurement Framework themes outcomes and measures – or TOMs for short – is a method of reporting and measuring social value to a consistent standard at a national level and it is proposed that TOMs will be adopted as the model for measuring social value in Somerset.
- 3.2.21 Officers will then need to ensure our approach for each individual procurement over £100,000 is;
- relevant and proportionate for what is being purchased
 - one that will work within that particular market
 - modelled before publication to ensure it meets the above requirements and does not result in any reporting anomalies.
- 3.2.22 In adopting TOMs, we will be able to consistently measure the social value we achieve through the procurement process, report back locally and nationally, compare our performance to others and follow up with providers if they do not deliver their social value commitments made through the procurement process. We will be able to use the corporate benefits tracker to monitor and review progress, learning from the application of the model to continue to maximise the benefits from the procurement process.

3.2.23 Thresholds

Section 38 details the thresholds for the approval to award a Contract, Framework Agreement or Dynamic Purchasing System. These have been updated to reflect the current Officer Scheme of Delegation, as follows;

Total Contract Value	Approval to award
Over £250,000	Only the Chief Executive and/or Directors and Deputy/Assistant Directors within the Senior Leadership Team
Up to £250,000	All Strategic Managers and officers at Grade 6 or above
Up to £50,000	All Service Managers and Officers at Grade 8 or above
Up to £10,000	Officer scale 11 or above
Up to £500	All Council officers

3.2.24 One change to the Rules is regarding the procurement process for low value contracts to provide greater clarity at the lower value end of the procurement thresholds as follows;

- up to £25,000 - recommend three written quotes, minimum one written quote ensuring Best Value
- over £25,000 up to £50,000 - minimum of three written quotes.

3.2.25 This change allows for lower value purchases up to £25,000 to be made without the need to always obtain three quotes as, whilst this is preferable, making it a strict requirement has led to practical difficulties as often it has proved challenging to obtain three quotes at the lower value of expenditure and officers expertise is often best relied upon to ensure low value contracts are delivering Best Value for the council.

3.2.26 These proposals link to the County Business Plan 2021/22 outcome of meeting the Council's challenge of *sustainability, quality and focus - effective and resilient delivery* through the provision of an effective set of rules. These Rules will help to guide decision makers in the procurement process.

3.2.27 Legal Services have been engaged in the drafting of the revised Rules and have made contributions to the re-drafting. Through the Strategic Commissioning Group and Governance Board the draft changes have been consulted with strategic commissioners and amendments reflect their feedback.

3.2.28 Constitution and Standards Advisory Board considered the proposals on 9 February and the Board was minded to support the proposal that the Monitoring Officer recommends to Full Council the revised Contract Procedure Rules as set out in Appendix 2; including the updated approach to assessing the Most Economically Advantageous Tender of 60% price, 30% quality and 10% social value..

3.2.29 Implications

There are no additional financial, HR or Legal implications to the proposed amendments to the Contract Procedure Rules and Standing Order, the document itself aims to minimise the legal risks to the council associated with procurement activities. There are no equalities implications.

3.3.1 **Proposed revised Members Code of Conduct**

The current standards regime was introduced by the Localism Act, 2011 and the operation of the Council's arrangements for members' conduct is fundamental to the Council's compliance with the requirements of the Localism Act 2011 and by promoting good ethics the Council is demonstrating its core values as contained in the seven principles of public life: selflessness, integrity, objectivity, accountability, openness, honesty and leadership.

3.3.2 Following the Committee on Standards in Public Life's report into [Local Government Ethical Standards](#) (reported previously to the Committee), the Local Government Association (LGA) undertook consultation in Summer 2020 and issued a Model Code of Conduct for Elected Members in May 2021.

3.3.3 The opportunity has been taken to review the County Council's Members Code of Conduct with the benefit of the LGA's Model Code as part of the Local Government Reorganisation work in collaboration with the Monitoring Officers of the four district councils. The aim has been to recommend a Members Code of Conduct to come into effect from 6 May 2022 following the elections and to support the transition towards the new Somerset Council.

- 3.3.4 The role of councillor in all tiers of local government is a vital part of our country's system of democracy. In voting for a local councillor, the public is imbuing that person and position with their trust. As such, it is important that councillors can be held accountable and all adopt the behaviours and responsibilities associated with the role. The conduct of an individual councillor affects the reputation of all councillors.
- 3.3.5 The role of councillor should be one that people aspire to and want to participate with and we should strive to continue to attract individuals from a range of backgrounds and circumstances who understand the responsibility they take on and are motivated to make a positive difference to their local communities.
- 3.3.6 The county and district councils in Somerset already have a comprehensive Code of Conduct written by the Monitoring Officers in 2012 which covers most of the issues covered in the new LGA Code. However, the Somerset Code has not been updated significantly since 2012 and there are some issues that are not covered such as social media, harassment and disrespectful behaviour from the public.
- 3.3.7 In response to the work undertaken by the Committee for Standards in Public Life relating to ethical governance, (findings published in January 2019), the Local Government Association consulted widely in 2020 and published in 2021 its Model Code for Elected Members for adoption by all tiers of Councils.
- 3.3.8 All five Somerset Monitoring Officers were last year investigating the possibility of adopting the LGA Model Code of Conduct in their councils but efforts to take a consistent approach across Somerset, together with the decision on Local Government Reorganisation, meant that the focus moved to the code of conduct for the transitional council and new unitary.
- 3.3.9 It is recommended that a new code is in place for the elections in May 2022 and training on that Code can then form part of the member induction process. In the circumstances, a review has been conducted to establish the position in other Councils and whether they are choosing to move to the LGA Code. It is clearly not possible to check the position in every local authority but a simple search to identify those councils that had been reviewing their Code of Conduct in the last 18 months identified the following. In addition, the opportunity was taken to look at some other unitary councils. The position is as follows: -

Name of Council	LGA or other Code recommended for adoption?
Arun	LGA
Harrogate	Other
Blaby	LGA
Leicester CC and all other councils in	LGA (or proposing to adopt LGA)

their area	
North Herts	LGA
Rushcliffe BC	LGA
Shropshire	LGA
Three Rivers	LGA
York	LGA
Bristol	Other (adopted prior to LGA Code)
Cornwall	Other (March 2021)
Dorset	Other (adopted prior to LGA Code)
Northamptonshire	LGA
Wiltshire	Other (adopted prior to LGA Code)
Durham	Other (wef March 2021)

3.3.10 There are many councils that have not yet adopted the LGA Code and as it is not mandatory. As the Model Code is voluntary, councils do have a discretion as to whether or not to adopt the Code in its entirety or to adopt elements of the Model Code to amend or update any existing arrangements.

3.3.11 **Options considered**

In light of the timescales we are working to the only viable options are considered to be:

1. Adopting the LGA Code with or without amendments.
2. Continuing with our existing Code and adopting amendments to pick up issues such as social media and harassment.

3.4.11 Option 1 - the LGA Model Code

Whilst moving to the new Model LGA Code of Conduct is not a mandatory requirement, and arguably it places only a few additional requirements on Members, a national single code for all elected members, with clear wording and additional guidance, working examples and explanatory text is something that needs to be seriously considered.

3.3.12 The Model LGA Code has the benefit of written guidance that sits behind it. This guidance provides both those subject to the Code and those charged with assessing complaints, clear expectations and a commonly understood interpretation. This is something which has not been provided since the introduction of the Localism Act. If adopted, it will mean that we will no longer have to refer to the now out-of-date Standards Board for England Guidance.

Benefits of adopting the LGA Code are considered to be: -

- Greater consistency of approach to standards cases;
- Addresses specific areas of concern raised such as additional provisions regarding social media;
- Has been prepared following national consultation;
- Covers most of the elements that you would expect within the Code and beyond most basic models and can be adopted as a whole or in part;
- provides short guidance below each obligation under the main provisions of the Code, to aid understanding;
- provides a model that can be rolled out to the City, Town and Parish Councils in Somerset (albeit it will be a matter for those councils to adopt);
- The LGA have stated that they will keep it under review so that it remains fit for purpose (thereby meeting the Standards in Public life Best Practice recommendation 15 in relation to an annual review);
- The LGA have developed the more detailed Guidance which will aid interpretation;
- Training can be commissioned as part of the induction of new members in May;
- The Council will not have to undertake its own specific work on reviewing its Code annually. This would amount to an almost ongoing consultation on changes.

Disadvantages of adopting the LGA Code are: -

- The Somerset Councils have already produced our own Code which is tried and tested.
- Three versions of the code have been produced by the LGA already since December 2020. There are minor differences, there has been no formal explanation provided as to why these changes have been made and this creates uncertainty;
- Not all local councils may adopt it in Somerset, still causing some inconsistencies across the tiers of government;
- There is not wholesale support for this Code and local authorities are not necessarily rushing to adopt it;
- It remains to be seen whether it will become a code of choice for local authorities.

3.3.13 Option 2 – the existing Members Code of Conduct

The existing Code was based on the Mandatory Code in place prior to the Localism Act. This Code is tried and tested and understood by members. It has not, however, been substantially reviewed since it was drafted in 2012 and therefore requires updating to reflect modern issues such as use of social media.

Benefits of updating and adopting our existing Code are considered to be:

-

- Tried and tested
- Covers most of the elements that you would expect within the Code and beyond most basic models
- Based on previous statutory model code
- Wealth of Standards for England guidance that we can refer to, albeit somewhat out of date
- Longstanding councillors know and understand it.
- Already adopted by many Town and Parish Councils
- Has already been the subject of significant training for members
- Training can be commissioned as part of the induction of new members in May.

Disadvantages of adopting/adapting our existing Code are: -

- Drafted in 2012 so out of date
- Does not cover some key issues such as social media and harassment
- No specific guidance and former Standards for England guidance is out of date
- Best practice recommendation to review annually will be onerous.
- Does not provide the level of explanation that the LGA Code provides
- Working towards one common Code will aid interpretation and consistency
- Towns/Parishes more likely to adopt the LGA Code if this is to be supported by NALC

3.3.14 Option recommended – LGA Model Code with local amendments

On balance, whilst the LGA version is not perfect, as part of a package with Guidance and annual review, it is considered preferable to remaining with our own bespoke approach. It offers an opportunity to reach out to local councils more effectively and give them greater and more consistent support through a national model. Whilst our Code is comprehensive, it is out of date and requires work. We also have no up-to-date guidance and our existing Code does not benefit from the annual review process to be conducted by the LGA.

3.3.15 Clearly the main benefit of adopting the LGA Model Code is to have a more consistent approach using a model that has been fully consulted on by the LGA. It is therefore recommended that any changes for local circumstances are kept to a minimum. However, there are some omissions from the document (shown in blue in Appendix 1) that it is felt should be rectified as follows: -

- A new clause 6.2 clarifying that councillors should not take part in the scrutiny of any decision in which they have been involved.

- A new clause 7B requiring councillors to consider any advice of the S151 and Monitoring Officer.
- Clarification in 8.2 that the obligation not to intimidate any person will include complainants and witnesses in the administration of any investigation or proceedings.
- Deletion of the word “significant” in 9.6 regarding registration of gifts that are refused and adding a requirement to register their refusal within 28 days, where the value of the gift offered is estimated to be at least £50. This ensures consistency with the approach in relation to gifts that are accepted.
- Amending Appendix B so that you must update interests within 28 days of any change. This is not currently covered. Further amendment to section 9 in relation to non-registerable interests.
- Adding a new Appendix D which gives guidance on bias and predetermination. This is currently covered in the Somerset Code and omitted from the LGA Code.

3.3.16 It is therefore recommended, that the County Council adopts the LGA Model Code with local variation as set out in this report and for this to come into effect on 6 May 2022 for the transitional County Council to operate ahead of the new Somerset Council.

3.3.17 It is also recommended that the District Councils consider adopting the same Code by September 2022 so that all Somerset councils can align their Code of Conduct and complaints procedures by the end of the calendar year. This will ensure that all complaints that are received from September 2022 onwards are dealt with using the same Code and with a consistent process. This will enable a smoother transition to the new unitary.

3.3.18 City, Town and Parish Councils

Adoption of the Model Code is voluntary and therefore there is no requirement on Parish and Town Councils to adopt the same. However to offer greater clarity and consistency to these local councillors, work could be undertaken with these local councils to proactively promote the adoption of the Model Code as adopted by the County Council.

3.3.19 We would need to start this work from February with the Somerset Association for Local Councils and with local councils so that they have time to adopt the new Code should they wish to do so, in time for the elections. Alternatively the proposals could be considered by local councils at their annual meetings after the elections.

3.3.20 By undertaking such action, the response to complaints received would be assisted as currently local councils have differing local codes which makes adjudication of complaints against the Code complex and very often time consuming. By example, in Sedgemoor two thirds of the local councils have adopted the Somerset Association for Local Councils Code and one third have adopted the existing Somerset Members Code of Conduct.

3.3.21 Code of Conduct Complaints Procedures

The County Council has complaints procedures in place for considering and determining any allegations about a member breaching the Code of Conduct.

3.3.22 Following the introduction of the Model Code, in September 2021 the LGA has produced guidance on the handling of complaints to assist Monitoring Officers to carry out investigations into allegations and to assist councillors in understanding the process.

3.3.23 Ahead of the May 2022 it is proposed that the Monitoring Officer reviews and makes any appropriate amendments to the Council's complaints procedures for handling allegations about potential breaches of the Members Code of Conduct with reference to the LGA Guidance. The principles of fairness, proportionality, transparency and impartiality still apply.

3.3.26 Consultation

The proposals set out in this report have been consulted with the Constitution and Standards Advisory Board on 9 February and the Board was supportive.

The LGR Joint Committee was consulted on 4 February and is supportive of the proposed revised Members Code of Conduct.

3.3.27 Implications

The Equality Act 2010 places specific duties on Local Authorities. Having a clear and concise Code of Conduct which clearly prohibits unlawful discrimination gives the public confidence in Members and the Council as a whole.

The Council is required to establish, publish and promote a Code of

Conduct for Elected Members. The adoption of the proposed LGA Model Code of Conduct with local amendments is voluntary but its adoption would substantially update the existing Code of Conduct which is based on the Model Code launched in July 2012.

This report complies with all legal requirements. The only risk to the Council would result from the Council failing to fulfil its legal obligations as set out in the report through any decisions taken or not taken at this meeting.

3.6.1 Proposed additional meeting of the County Council

Following the County Council meeting on 23 February 2022 the next scheduled meeting is after the County Council elections in May 2022. The minutes of the February County Council meeting and several other committees (currently operating as Advisory Boards and therefore unable to agree the minutes of former committee meetings) need to be agreed ahead of the elections.

3.6.2 In addition, there is the need for the 2021/22 annual reports from the Pensions, Audit and the three Scrutiny Committees to be received along with the annual reports from the Leader of the Council and the Cabinet Member for Resources to be received by the Council ahead of the elections.

3.6.3 An additional meeting also provides an opportunity for the Council to thank those Members of the Council not standing for re-election on 5 May 2022 for their many years of service to the Council and to the public of Somerset and to pay special tribute to the contribution of a number of long serving members and in particular the former Chairs of the Council that have served between 2017-2022.

3.6.4 It is therefore proposed that the Council agrees to hold an additional meeting on Wednesday 27 April 2022 at 10am.

In January 2022, the Council agreed that its committees would not meet until after the May Annual General Meeting and instead it agreed to put in place virtual Advisory Boards with Officers given additional delegated powers to take any appropriate decisions that the committees would previously have taken. However, Full Council meetings still need to be held face to face and as formal public meetings under the Local Government Act 1972.

4. Background Papers

4.1 Council's Constitution

Committee appointments

Monitoring Officer committee appointments report to Council in May 2021

Preparing for the May 2022 elections

Regulation Committee 8 December 2016 – appointment of Returning Officer and **scale of fees and charges for county council elections in 2017**

Proposed revised Members Code of Conduct

LGA website – [Guidance on Local Government Association Model Councillor Code of Conduct | Local Government Association](#)

[Local Government Association Model Councillor Code of Conduct 2020 | Local Government Association](#)

Civility in public life - <https://www.local.gov.uk/civility-public-life-16-december-2019>

Local Government Ethical Standards report - <https://www.gov.uk/government/publications/local-government-ethical-standards-report>

Somerset County Council Members Code of Conduct (published within the Constitution)

APPENDIX 1
ADMINISTRATIVE COUNTY OF SOMERSET

**2022 SCALE OF EXPENSES which may be incurred in
relation to the Election of County Councillors**

A – FOR SERVICES OF DEPUTY RETURNING OFFICERS

To each Deputy Returning Officer for all necessary services:-

1. **Contested Elections**

A fee of **£226.84** for each contested election of a County Councillor, provided that such fee shall be increased by **£117.62** in the case of a Deputy acting for not more than one election on the same day.

2. **Uncontested Election**

A fee of **£57.14** for each uncontested election.

To each Deputy Returning Officer separately appointed by the County Returning Officer for the counting of the votes at a contested election, a fee of **£57.14** for the first election plus **£28.60** for each additional contested election.

B – CLERICAL ALLOWANCES

1. **Contested Election**

A Clerical allowance of **£350.00** for each contested election of a County Councillor, provided that such fee shall be increased by **£120.00** in the case of a Deputy acting for not more than one election on the same day.

2. **Uncontested Election**

A Clerical allowance of **£100.00** for each uncontested election.

C – DISBURSEMENTS

1. **In a Contested Election**

(1.1) For the employment of clerks in) **£2.00** per postal vote
connection with the despatch)
and opening of postal voters')
ballot papers.)

- (1.2) For the printing and production of postal voting documentation Actual and necessary cost
- (1.3) For all postal voting postages Actual and necessary cost
- (2) For the presiding officer employed at a polling station, to include all expenses other than any travelling expenses authorised by this scale £240.00 or £260.00 where County Council and other elections are held together. In addition, for undertaking compulsory training an expense of £35 is paid.
- (3) For the Poll Clerk employed at a polling station to include all expenses other than any travelling expenses authorised by this scale £160.00 or £175.00 where County Council and other elections are held together. In addition, for undertaking compulsory training an expense of £35 is paid.
- (4) For each person employed in counting votes to include all expenses £24.00 for the first hour and £12.00 per half hour or part half hour thereafter.
- (5) For the employment of a supervisory counting assistant a sum of £40.00 for the first hour or part thereof and £20.00 per half hour or part thereafter.
- (6) For each Polling Station Inspector to include all expenses other than any travelling expenses authorised by this scale £300. In addition for attending compulsory training an expense of £35 is paid.
- (7) Travelling expenses of Deputy Returning Officers, and those employed by the DRO other than election day staff.)
) NJC Casual User Scale
) for vehicles not
) exceeding
- (8) Travelling expenses of presiding officers, poll clerks and counting staff including any expenses incurred in those cases where presiding officers or poll clerks are responsible for the transport of the boxes to or from the polling stations.)
) 45p per mile
)
- (9) For printing and providing Actual and necessary cost.

ballot papers.

- | | | |
|-------|---|------------------------------------|
| (10) | For printing and providing notices and other documents required in and about the election or poll and costs of publishing same. | Actual and necessary cost. |
| (11a) | For the preparation and revision of Poll Cards. | £2.05 per 100 cards. |
| (11b) | For the printing of Poll Cards | Actual and necessary cost |
| (11c) | Delivery of Poll Cards. | Actual and necessary cost. |
| (12) | For the hire of any building or room for the purpose of the election and for expenses for heating, lighting and cleaning any building or room. | Actual and necessary cost. |
| (13) | For adapting any building or room for the purpose of the election and restoring it to fit condition for its normal use, including the fitting up of voting compartments and the hire of necessary furniture where this is not otherwise obtainable. | Actual and necessary cost. |
| (14) | For use of Polling Screens owned by District Councils. | £15.00 per Polling Station. |
| (15) | For use of Election Equipment at Polling Stations owned by District Councils. | £22.00 per Polling Station. |
| (16) | For the conveyance of ballot boxes, ballot papers, polling screens etc., in those cases where the cost of transport is not included in the travelling | Actual and necessary cost. |

expenses of presiding officers
and poll clerks under C(1)7.

- | | | |
|------|---|----------------------------|
| (17) | For copies of the Register of Electors. | Actual and necessary cost. |
| (18) | For general stationery, postages, telemessages, telephone expenses, bank charges and other incidental expenses. | Actual and necessary cost. |
| (19) | For the provision of PPE, safety screens etc | Actual and necessary cost. |

2. **In an Uncontested Election**

For all necessary preliminary work.	Actual and necessary cost.
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Chief Executive and County Returning Officer
Somerset County Council
County Hall
Taunton

January 2022

Contract Procedure Rules and Standing Orders

For the Supply of Goods, Provision of
Services and Execution of Works

Made on 9 February 2022 under Section 135 of the Local Government Act 1972

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Contract Procedure Rules and Standing Orders for the Supply of Goods, Provision of Service and Execution of Works

SECTION A: **PRELIMINARY**

1. Definitions

- 1.1. In these Contract Procedure Rules and Standing Orders the following words and expressions will have the following meanings assigned to them:

Defined term	Definition
Award Criteria	Shall mean the criteria by which the Contract is to be awarded to the successful Supplier
Award Decision	Shall mean the procedure by which the Officer is able to decide to award the Contract to a particular Supplier/s
Best Value	<p>Shall mean the duty, which Part I of the Local Government Act 1999 places on local authorities, to secure continuous improvement in the way in which functions are exercised, having regard to a combination of economy, efficiency and effectiveness as implemented by the Council.</p> <p>Best Value is a strategic duty which generally applies to the Councils' overarching arrangements for financial and legal governance and each procurement must take into adequate account the relevant policies of the Council.</p>
Cabinet Member	Shall mean any Councillor appointed to the Cabinet by the Leader of Council for the time being, or such Officer as they may duly authorise to act on their behalf or may be authorised to act on their behalf under the Council and Cabinet Scheme of Delegation
Call-off Contract	Shall mean a Contract awarded under a Framework Agreement or Dynamic Purchasing System
Candidate	Shall mean any and all suppliers participating or expressing an interest in participating in the Council's Quick Quotes, Quotations, Selection Questionnaire and ITT activity
Competitive Dialogue	Shall mean as referred to in regulation 30 of the Regulations
Competitive Procedure with Negotiation	Shall mean as referred to in regulation 29 of the Regulations

Constitution	<p>Shall mean the constitutional document approved by the Council which:</p> <ul style="list-style-type: none"> • allocates decision making powers and responsibilities within the Council and with partners • delegates authority to act through the Council and Cabinet Scheme of Delegation and • regulates the behaviour of individuals and groups through rules of procedure, codes and protocols
Contract	<p>Shall mean a legally binding agreement concluded in writing for consideration (whatever the nature of the consideration, whether by payment or some other form of reward) under which the Council engages a Supplier to provide Goods, Works or Services and where the context requires a Contract shall refer to an order made/call-off contract entered into under a Framework Agreement. All Contracts are let on behalf of the Council as a whole and no service, team, unit or other part of the Council has the legal capacity to enter independently into any Contract</p>
Contracting Authority	<p>Shall mean Somerset County Council or any entity over which Somerset County Council has control</p>
Contracts Register	<p>Shall mean the Council's repository of Contracts as held on the Council's Electronic Tendering System</p>
Council	<p>Shall mean Somerset County Council</p>
Dynamic Purchasing System	<p>Shall mean as referred to in regulation 34 of the Regulations</p>
Electronic Tendering System	<p>Shall mean the system approved by the Commercial and Procurement team for the purposes of conducting procurement activities electronically</p>

Electronic Signing Software	Shall mean software for the electronic completion of Contracts which complies with the requirements in the Electronic Communications Act 2000
EU Exit Regulations	Shall mean the Public Procurement (Amendment etc.) (EU Exit) Regulations 2020 that came into force on exit day, except for Regulations 7, 9, 11 and 26 (which came into force 12 months after the day on which IP Completion Day fell)
Financial Instructions	Shall mean the Financial Regulations and Financial Procedures, and any subsequent guidance, outlining the Officer's responsibilities for financial matters as issued by the Section 151 Officer in accordance with the Constitution
Find a Tender Service	Shall mean the web-based portal provided for the purpose of publicising high value contract opportunities as per the EU Exit Regulations www.gov.uk/find-tender
Framework Agreement	Shall mean an agreement or other arrangement between one or more contracting authorities and one or more economic operators which establishes the terms (in particular the terms as to price and, where appropriate, quantity) under which the economic operator will enter into one or more contracts with a contracting authority in the period during which the framework agreement applies
Goods	Shall mean physical products purchased or manufactured on request

Governance Board	Shall mean a Council Officer meeting which oversees the annual governance statement and keeps the Constitution and democratic arrangements fit for purpose. It must be noted that this is an advisory and not a decision-making meeting
Grant Agreement	<p>Means an arrangement for the provision of funding to cover, in whole or in part, the running costs of an organisation whose work complements the Council's policy objectives and where the arrangement has the following characteristics:</p> <ul style="list-style-type: none"> • the funding is provided in order to achieve agreed outcomes • the recipient has no obligation to spend the funding made available under the arrangement • the recipient will have discretion over the spending of that funding within limits agreed between the Council and the recipient of the funding • the recipient will be liable to repay any funding spent outside the agreed limits • the recipient will be required to pay back any unspent funds either at agreed points during or at the end of the arrangement.
Innovation Partnership	Shall mean as referred to in Regulation 31 of the Regulations
Invitation to Tender (ITT)	Shall mean the document in the form required by these Rules to seek Tenders from candidates
Key Decision	Shall mean a decision to be taken by the Council with an associated cost or savings value at or above £500,000

Leader of the Council	Shall mean the Councillor appointed by the Council to the position of Leader for the time being or any such Officer as they may duly authorise or may be authorised to act on their behalf under the Council and Cabinet Scheme of Delegation
Legal Services	Shall mean the Council's internal legal advisory department
Light Touch Regime	Shall mean the statutory procedure set out in the Regulations (Regulations 74 to 76) regulating the award of Contracts for services listed in Schedule 3 of the Regulations
Member	Shall mean any Councillor appointed to the Council for the time being
Most Economically Advantageous Tender (MEAT)	Shall mean evaluation criteria that reflect the qualitative, technical and sustainable aspects of a Tender submission as well as price, which can be used when reaching a Contract award decision
Negotiated Procedure without Prior Publication	Shall mean as referred to in regulation 32 of the Regulations
Non-commercial Considerations	Shall mean factors that must not be taken into account at the Award Decision stage, such as the introduction of Selection and Award Criteria that have not been disclosed out the outset of the procurement or that do not meet the principle of MEAT
Non-key Decision	Shall mean a decision to be taken by the Council with an associated cost or savings value of less than £500,000
Officer	Shall mean a person employed by the Council whose responsibility it is to commission or procure Goods, Services or Works or ensure that Officers that they have line or matrix management responsibility for commissions or procures Goods, Services or Works in accordance with these Rules

Open Procedure	Shall mean as referred to in Regulation 37 of the Regulations
Passport to Procure	Shall mean the procurement training available via The Learning Centre
Procurement Documents	Shall mean the documents provided to candidates at the outset or during the procurement process, the purpose of which is to explain the procurement opportunity, the Selection and Award Criteria, the means of making an Award Decision, the submission requirements and the terms and conditions of contract
Procurement Officer	Shall mean an Officer that has completed the Passport to Procure training and which is employed to Commercial and Procurement
Quick Quote	Shall mean the procurement process to be followed within the Council's Electronic Tendering System that allows the Officer to seek Quotations from a minimum of three candidates
Quotation	Shall mean the document in the form required by these Rules to seek Quotations from candidates
Regulations	Means the Public Contracts Regulations 2015 and any subsequent amendments or updates
Relevant Contract	<p>Shall mean a Contract to which these Rules applies, which includes:</p> <ul style="list-style-type: none"> • the supply or disposal of Goods • the hire, rental or lease of Goods or equipment • the provision of Works and the supply of works materials • the provision of Services including consultancy services • the granting of Works Concessions or Services Concessions Contracts. <p>But does not include:</p> <ul style="list-style-type: none"> • dealings in the money market or obtaining finance.

Relevant Legislation	Shall mean the Acts of Parliament referred at <i>Section 15. Relevant Legislation</i> and the EU Exit Regulations principles and includes any new and amending legislation
Relevant Policy	Shall mean the policy referred to in <i>Section 16. Relevant Policy</i> and any documents superseding that referred to
Restricted	Shall mean as referred to in Regulation 28 of the Regulations
Scheme of Delegation	(The Council and Cabinet Scheme of Delegation) shall mean the high level overarching scheme contained within the Constitution which set out delegations to directors. (The Officer Scheme of Delegation) shall mean the scheme which sits underneath the Council and Cabinet Scheme of Delegation, but which is not contained within the Constitution, which sets out the level of delegations below the main scheme and covers Officer delegations
Section 151 Officer	Shall mean the Officer employed in the position of chief finance officer or such Officer as they may duly authorise to act on their behalf
Selection Criteria	Shall mean the Authority's minimum requirements by which the Tenderer is to be assessed as being suitable to deliver the requirements of the contract
Selection Questionnaire	Shall mean the questions to be asked of candidates to assess their suitability as issued by the Crown Commercial Services, an executive agency of the Cabinet Officer; and/or the first stage document of a two-stage procurement process used to assess applications for inclusion in the shortlist of candidates who will be invited to submit a final proposal in every Restricted procedure

Services	Shall mean the supply of time, effort, and/or expertise instead of a tangible product
Services Concession Contract	Shall mean a Contract concluded in writing where the payment is simply that the concessionaire has the right to profit from the Works/Services that are the subject of the Contract
Social Value	Shall mean additional benefit to the community from a commissioning / procurement process over and above the direct purchasing of Goods, Services and outcomes
Standstill Period	Shall mean the minimum ten (10) day period between the notification date of unsuccessful candidates and the date of contract award
State Aid	Shall mean any advantage granted by the Council through its resources on a selective basis to any organisations
Supplier	Shall mean the successful candidate
Sustainable Procurement	Shall mean the act of adopting social, economic and environmental factors alongside the typical price and quality considerations into the organisations handling of procurement processes and procedures
Tender	Shall mean the document response from a Candidate in the form required the Invitation to Tender issued by the Council
The Learning Centre	Shall mean the Council's electronic training system
Total Contract Value	The whole of the value or estimated value (in money or equivalent value) for a single purchase or Contract

Transfer of Undertaking (Protection of Employment) ("TUPE")	Shall mean the legislation that applies where either a business transfer or a service provision change takes place. The Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE) apply to protect UK employees when one of these 'relevant transfers' takes place and the business changes to a new owner
Transparency Code	The Local Government Transparency Code 2015
Works	Shall mean the construction of structures of all kinds, such as buildings, highways, bridges, as well as structural renovations, extensions, and repairs

SECTION B: **GENERAL INFORMATION**

2. Introduction

- 2.1. The Local Government Act 1972 section 135 requires the Council to have standing orders for how it enters into contracts. These Contract Procedure Rules (the "Rules") are the standing orders required by the 1972 Act. They form part of the Council's Constitution and are, in effect, the instructions of the Council, to officers and elected members, for entering into contracts on behalf of the Council.
- 2.2. These Rules are the Contracting Authority's (the "Council") rules for the buying, renting and leasing of Goods, Services and Works and apply to all Relevant Contracts made by the Council unless otherwise specified herein.
- 2.3. The aim of these Rules is to assist Officers in achieving best practice and lawful procurement, to ensure that the Council fulfils its duty of delivering Best Value for its council taxpayers and excellent outcomes for its service users.
- 2.4. The Rules also provide a basis for fair competition by providing transparent and auditable procedures to protect the Council's reputation from any suggestion of dishonesty or corruption.
- 2.5. These Rules apply to all Officers of the Council or any companies or organisations within the Council's control. They are part of the Council's Constitution and therefore Officers have a duty to ensure they have fully understood them and have sufficient authority prior to commencing any procurement or contracting activity (see *Section 12. Pre-Procurement Authorisations*).
- 2.6. Officers must also ensure that any persons or organisations acting on behalf of the Council fully comply with these Rules.
- 2.7. These Rules are mandatory and shall govern and regulate the Council's procurement and contract award procedures. Officers must also refer to the Commercial and Procurement Team ("Commercial and Procurement") for more detailed guidance throughout the procurement process.
- 2.8. The expectation is of compliance to these Rules and in any cases of doubt

advice must be sought from Commercial and Procurement. Failure to follow these Rules may be dealt with as a breach of the Council's standards of conduct and in certain instances may be treated as gross misconduct and give rise to action under the Council's disciplinary policy and procedure (see *Section 46. Non-compliance to the Rules*).

- 2.9. If upon reading the Rules the Officer discovers a lack of clarity or wishes to ensure their comprehension and compliance, they must consult with Commercial and Procurement for advice and guidance. The Officer shall not be excused from these Rules on grounds of a lack of understanding.
- 2.10. The administration, monitoring and governance of these Rules shall be the responsibility of Commercial and Procurement.

3. The Procurement Sourcing Strategy

- 3.1. For procurement processes with a Total Contract Value in excess of the EU Exit Regulations Threshold the Officer must consult with Commercial and Procurement to develop the procurement sourcing strategy.
- 3.2. The procurement sourcing strategy must, as a minimum, appraise a proposed procurement in a manner commensurate with its complexity, risk and value, by:
 - a. taking into account the requirements from any relevant Best Value review
 - b. considering the Social Value sought
 - c. taking in to account any lessons learned from any market engagement activities and/or audit findings
 - d. defining the key commercial principles, objectives of the procurement, taking into account user requirements and all Relevant Policy and Relevant Legislation
 - e. considering any related risks and impacts
 - f. considering the need to obtain specific assurances regarding any incumbent contractors' business continuity plans and arrangements
 - g. appraising the need for the expenditure and its priority
 - h. considering all of the associated costs, to include initial purchase costs, operating and maintenance costs, costs of associated consumables, any associated training costs, the cost of disposal and

the costs of exiting the contract

- i. taking in to account any tax or VAT issues that may arise
 - j. when the purchase of new Goods is proposed, assessing the alternative options for repair, re-use or recycling
 - k. considering all means of achieving the anticipated outcomes.
- 3.3. The procurement sourcing strategy shall result in clear recommendations, as follows:
- a. the proposed scope, key commercial principles and the procurement route to be followed
 - b. the relevant evaluation criteria, including the MEAT ratios
 - c. the relevant timescales
 - d. the means by which the Contract shall be monitored and managed
 - e. the resources required.
- 3.4. The procurement sourcing strategy shall be signed off by the Officer and Commercial and Procurement. Where a change is required to a procurement sourcing strategy that has already been signed off, such changes shall be incorporated in as a variation to the original, agreed between the parties and signed off by the Officer and Commercial and Procurement.
- 3.5. A template procurement sourcing strategy can be obtained from Commercial and Procurement.
- 3.6. For those procurements falling within the Light Touch Regime, the Officer must consult with Commercial and Procurement to agree the most appropriate procurement approach, and if a procurement strategy is required.

4. Basic principles

- 4.1. All procurement and contracting activity and contract and supplier management must:
- a. comply with these Rules and Financial Instructions
 - b. achieve Best Value for public money spent
 - c. be consistent with the highest standards of integrity

- d. comply with the Relevant Legislation (including the Council's statutory duties and powers)
 - e. comply with any relevant Council policies
 - f. support the Council's corporate and departmental aims
 - g. ensure that Non-Commercial Considerations do not influence the Award Decision.
- 4.2. All procurements must comply with the following principles of the EU Exit Regulations and UK procurement law and policy:
- a. mutual recognition
 - b. non-discrimination
 - c. openness and transparency
 - d. equal treatment
 - e. proportionality.

5. Officer responsibilities

- 5.1. The Officer is responsible for the commissioning, procurement, mobilisation/transition, contracting activity, Contract, supplier management and must:
- a. comply with and ensure that their Officers comply with these Rules and Financial Instructions
 - b. comply with the Relevant Legislation
 - c. ensure that any persons or organisations acting on behalf of the Council also fully comply
 - d. take account of all necessary legal, financial, procurement, technical and any other professional advice
 - e. complete mandatory, role specific training, as directed by the Commercial and Procurement team.
- 5.2. Prior to commencing a procurement or contracting activity the Officer must:
- a. consider options for delivery of the required Goods, Services or Works
 - b. ensure that there is appropriate Council authority to procure and sufficient budgetary provision approved and in place

- c. identify the size, scope, commercial principles, term and specification of the Goods, Services and Works required
 - d. check whether the Council already has an available and appropriate Contract in place in the Contracts Register, or an appropriate national, regional or other collaborative contract, Framework Agreement or Dynamic Purchasing System is available for use, by reference to the Commercial and Procurement team
 - e. check whether any employee, either of the Council or of a service provider, may be affected by any transfer arrangement and ensure that any Transfer of Undertaking (Protection of Employment) ("TUPE") issues are considered and obtain legal and HR advice
 - f. for procurement processes with a Total Contract Value above £50,000 the Officer must conduct the procurement activity in conjunction with a certified Procurement Officer of Commercial and Procurement
 - g. for procurement processes with a Total Contract Value at and above EU Exit Regulations Threshold there must be an accompanying procurement sourcing strategy in line with *Section 3. The procurement sourcing strategy*.
- 5.3. Officers must ensure that the appropriate Governance process for spending approval is followed. Please refer to the Officer Decision Making guidance on the Council's intranet for the latest advice.
- 5.4. Officers must ensure that all commitments to suppliers are made in the form of a valid Purchase Order, prior to delivery of goods and services, consulting Commercial and Procurement to determine the most effective means of ordering and monitoring of spend against contracts. Any exceptions to this must be agreed with Finance and Procurement of be covered by the PO exemption policy.

6. Procurement Officer responsibilities

- 6.1. All Officers employed within the Procurement team will complete the Passport to Procure training, which is available through the Learning Centre. Additional and specialist training may also be required in more specialist procurement roles. Once the appropriate training has been completed those Officers will be certified as a Procurement Officer and approved to complete specific procurement activities.

- 6.2. Any Council officer proposing to engage in a procurement process for goods or services above £50,000 shall also complete the Passport to Procure training, before being permitted to participate in any procurement activity.
- 6.3. Officers who have not undertaken the relevant training are not permitted to undertake procurement activity on behalf of the Council without prior consultation with the Commercial and Procurement team.

7. Member responsibilities

- 7.1. The Member must:
 - a. comply with and ensure that Officers comply with these Rules and Financial Instructions
 - b. comply with the Relevant Legislation
 - c. ensure that any persons or organisations acting on behalf of the Council also fully comply
 - d. take account of all necessary legal, financial, procurement, technical and any other professional advice
 - e. comply with the Members' Code of Conduct.

8. Prevention of corruption and collusion

- 8.1. All Officers have a duty in law to avoid any form of behaviour that might distort or restrict competition or call in to question the award of a Contract.
- 8.2. Officers must always comply with the Council's standards of conduct and must not offer, promise, give or receive any gift or reward in respect of the award or performance of any Contract.
- 8.3. Officers are advised that any inappropriate behaviour that is deemed contrary to the Bribery Act 2010, the Fraud Act 2006 and any amending legislation, and all legislation relating to money laundering may be dealt with as a breach of the Council's standards of conduct. In certain instances this may be treated as gross misconduct and give rise to action under the Council's disciplinary policy and procedure, such as dismissal. Such activity may also be reported to the Police.
- 8.4. Officers are advised to take practical steps to reduce the risk of anti-

competitive behaviour, as highlighted by the Office of Fair Trading:

- a. include non-collusion clauses in Contracts
- b. ensure sufficient credible candidates, where practicable
- c. identify and investigate for suspicious bidding patterns
- d. keep notes of all discussions with candidates.

9. Conflicts of interest

- 9.1. All Officers, Members and key stakeholders involved in a procurement exercise must immediately declare in writing to the Head of Commercial and Procurement any conflicts of interests relating to the procurement activity where they, or their spouse or civil partner, or person with whom they are living as husband and wife or civil partner, have a vested interest that could conflict with the best interests of the Council.
- 9.2. Where a conflict of interest exists the Head of Commercial and Procurement, in consultation with Legal Services, shall consider any appropriate mitigation(s) to be put in place to ensure that such conflicts do not compromise the outcome of the procurement exercise, or whether such Officer, Member or key stakeholder must excuse themselves from the procurement.
- 9.3. Commercial and Procurement officers shall maintain a record of all declarations of interest and mitigations in a procurement exercise as notified by Officers, Members and key stakeholders and shall share the declarations of interest record with Legal Services and Democratic Services. Further advice and guidance can be obtained from the Commercial and Procurement team.

10. Localism Act 2011

- 10.1. Under the Localism Act 2011 and any amending legislation, community organisations can submit to local authorities an expression of interest to run local services, commonly known as the Community Right to Challenge.
- 10.2. If such an expression of interest is accepted by the Council this will trigger procurement or contracting activity, which is subject to these Rules.

SECTION C: PRE-PROCUREMENT

11. Market engagement

- 11.1. The Officer may, prior to commencing the procurement process, consult potential candidates in general terms about the nature, level and standard of the supply and Contract and seek market views and intelligence that can be used in the planning and conduct of the procurement process provided that this does not result in the violation of the EU Exit Regulation principles, prejudice any other interested supplier/s not consulted and/or have the effect of distorting competition, which might manifest itself as:
- a. a conflict of interest
 - b. evidence of collusion
 - c. a situation which is incapable of being resolved as a result of providing information to other potential candidates.
- 11.2. The Officer shall take advice from Commercial and Procurement to ensure that the proposed method of engaging the market or particular potential candidates does not preclude them from participating in any subsequent procurement activity so as to ensure that the approach does not undermine Best Value, lead to the award of a dissatisfactory Contract or increase the risk of a procurement legal challenge. The proposed method of engaging the market or particular potential candidates must also not prevent the Council from choosing a supplier that offers the best balance between the whole life cost (from acquisition to disposal) of goods and services against predefined requirements.
- 11.3. Suppliers consulted during market engagement activities shall only be excluded from the procurement process where there are no other means to ensure compliance with this section in its entirety. Potential candidates must be given the opportunity to prove that their involvement in market engagement activities is not capable of distorting competition.
- 11.4. All potential candidates must be informed in advance by the Officer that any information shared as part of such an engagement may be declared as commercially confidential where this applies but that the Council reserves the right to share all information in order to comply with principles of Section 4.2 above. Further advice can be obtained from Commercial and Procurement.

12. Pre-procurement authorisations

- 12.1. Officers must ensure, before entering into any process that will or may result in the incurring of any expenditure for the supply of Goods, Services or Works, be it capital or revenue, that:
- a. the Strategic Commissioning Group is consulted as part of compliance with the Commissioning Gateway activity for all procurement and contracting activity above £50,000 total contract value
 - b. adequate financial provision is included in the Council's approved revenue budget or capital programme and that such expenditure continues to be available in accordance with the Financial Regulations
 - c. the Council does not already have an available and appropriate existing Corporate Contract, Framework Agreement or Dynamic Purchasing System
 - d. there is no other available and appropriate Contract, Framework Agreement or Dynamic Purchasing Systems that has been procured on the Council's behalf
 - (i) through collaboration with other public bodies, where a competitive process has been followed that complies with the rules of the lead organisation and any Relevant Legislation, but which does not necessarily comply with these Rules or
 - (ii) by a regional or national contracting authority or buying consortia where the process has been conducted in compliance with any Relevant Legislation;
 - e. the Council is not already undertaking a procurement process that is within the scope of the proposed procurement; and
 - f. all proposed expenditure is reported as a Non Key Decision Report.
- 12.2. Procurement processes may only be carried out once the Non Key Decision Reports has been countersigned by the appropriately empowered officer as set out in the Council's Scheme of Delegation.
- 12.3. The Officer must consult with Commercial and Procurement prior to preparing the Non Key Decision Report.

13. Total Contract Value

- 13.1. The Total Contract Value is calculated as the whole of the value or estimated value of the Contract as follows:
- a. the total amount payable as estimated by the Council and including any additional options, lots, renewals and/or extensions
 - b. where the Contract period is indefinite or uncertain, the value shall be calculated on the basis that the Contract will be for a period of four years and be based on the value of contracts of the same or similar type awarded during the preceding period
 - c. the estimated value of a Framework Agreement or Dynamic Purchasing System shall be the total value of all of the Contracts that may be awarded against that Framework Agreement or Dynamic Purchasing System
 - d. the value of a Concession Contract shall be the best estimate of the financial value to the Contractor that shall be made over the life of the arrangement
 - e. the estimated value of an Innovation Partnership shall be the total estimated value, inclusive of the research and development activities to take place during all stages of the envisaged partnership, as well as the Goods, Services or Works to be developed and procured at the end of the envisaged partnership.
- 13.2. The general rules when calculating the Total Contract Value are as follows:
- a. purchases of the same or similar type must be aggregated wherever practicable. The value of the Contract shall not be calculated with the intention of excluding it from the scope of the Rules
 - b. where there is a common requirement across the Council, the Total Contract Value shall be the aggregate of all purchases across the Council
 - c. a Contract shall not be sub-divided with the effect of preventing it from falling within the scope of the Rules
 - d. the estimated value shall be calculated as at the moment at which the advertisement is sent or when the Council commences the procurement procedure, whichever is the latter; unless

- e. the estimated value at the point that a Concession Contract to which the Relevant Legislation applies is awarded is more than 20% higher than the previous estimate, in which case the higher value applies.
- 13.3. When calculating the estimated value of the contract to determine whether the regulations apply, the contract value estimation should be inclusive of VAT irrespective of any VAT exemptions or recovery rates.

14. Procurement Thresholds

14.1. The table below sets out the Council's competition requirements.

Contract type	Total Contract Value	Specification Requirements	Procurement process
Goods, Services and Works	Up to £25,000	Purchasing requisition, specification	Recommended three written quotes, minimum 1 written quote ensuring Best Value <i>See section 20</i>
Goods, Services and Works	Over £25,000 up to £50,000	Purchasing requisition, specification	Minimum of three written quotes <i>See Section 20</i>
Goods and Services	Over £50,000 up to £100,000	Specification, evaluation criteria, terms and conditions	Quick Quote via the Council's Electronic Tendering System <i>See Section 21</i>
Works	Over £50,000 up to £250,000		

Contract type	Total Contract Value	Specification Requirements	Procurement process
Goods and Services	Over £100,000 and less than the EU Exit Regulations Thresholds	Tender docs, specification, evaluation criteria, terms and conditions	Invitation to Tender via the Council's Electronic Tendering System <i>See Section 22</i>
Works	Over £250,000 and less than the EU Exit Regulations Threshold		
Goods, Services and Works	At and above the EU Exit Regulations Threshold	Tender docs, specification, evaluation criteria, terms and conditions	Invitation to Tender as per the Relevant Legislation and via the Council's Electronic Tendering System <i>See Section 23</i>

15. Relevant Legislation

- 15.1. When planning and preparing all procurement and contracting activities the Officer shall have regard to the Relevant Legislation, relevant to the Service being procured as well as procurement activities.
- 15.2. The aims and objectives outlined in the Relevant Legislation shall, where appropriate, be incorporated into the procurement sourcing strategy, award methodology and terms and conditions of contract.

16. Relevant Policy

- 16.1. When planning and preparing all procurement and contracting activities the Officer shall have regard to the Council's Relevant Policy and duties including, but not limited to, the following:

- a. the County Plan
- b. Value for Money Strategy
- c. Sustainable Procurement
- d. Social Value Policy
- e. Fairness and Equality for All
- f. Medium Term Financial Plan
- g. the Climate Emergency
- h. the relevant Service Plan(s)
- i. Managing Contractors policy
- j. Relevant Service commissioning strategy.

16.2. The aims and objectives outlined in the Relevant Policy shall, where appropriate, be incorporated into the procurement sourcing strategy, award methodology and terms and conditions of contract.

16.3. The Local Government Transparency Code 2015 sets out the minimum data that local authorities should be publishing, the frequency it should be published and how it should be published. Procurement will ensure that all contract awards are published in accordance with the Transparency Code.

16.4. Purchase Orders of £5,000 and above will only be approved once Procurement and Finance have checked them. Procurement will examine all off-contract spend and target reductions in discretionary areas of spend and challenge those that should be using existing contracts.

17. Collaborative procurement

17.1. Where the Council takes the lead procurement role in a collaborative procurement these Rules shall apply, as a minimum. Where another public body takes the lead procurement role the Rules of the lead organisation and any Relevant Legislation shall apply.

17.2. Where the Council enters into any formal collaborative procurement arrangements any related collaboration agreement must protect the Council to a level proportionate to the complexity, risk and value involved, whilst at the same time providing the basis for the collaborative approach and delivery of Best Value. As a minimum the collaboration agreement should clearly state:

- a. the nature and extent of the arrangement
 - b. legal roles and responsibilities
 - c. arrangements for governance, accountability, and dispute resolution
 - d. the exit strategy
 - e. the auditing arrangements
 - f. the cost sharing mechanisms
 - g. the process for the induction of new partners.
- 17.3. Where the Council takes the lead procurement role in a collaborative procurement the Officer shall prepare such a collaboration agreement and ensure that it is countersigned by all partner organisations.
- 17.4. Where no such formal collaboration agreement exists the Officer must consider how the arrangements meet the requirements of these Rules, which must be documented and approved by the appropriately empowered Officer as set out in the Council's Scheme of Delegation.

18. Use of Framework Agreements and Dynamic Purchasing Systems

- 18.1. Where an appropriate Council Framework Agreement or Dynamic Purchasing System exists, the Officer must use it for the making of the proposed purchase.
- 18.2. Where the Council seeks to establish a Framework Agreement or Dynamic Purchasing System it shall be let and used in full accordance with the Relevant Legislation and terms of the Framework Agreement or Dynamic Purchasing System.
- 18.3. The use of another relevant organisation's Framework Agreement or Dynamic Purchasing System may be used, subject to consultation with Commercial and Procurement.
- 18.4. The use of a Framework Agreement or Dynamic Purchasing System may be appropriate where:
 - a. Quotations or Tenders are regularly obtained for the same or similar types of Goods, Services or Works and
 - b. it is not practical or appropriate that the Goods, Services or Works in question be aggregated into a single requirement and/or competed under one procurement and
 - c. the Total Contract Value of the Goods, Services or Works, if aggregated, would exceed the EU Exit Regulations Threshold.

19. Standard Procurement Documents

- 19.1. The Officer must use standard Procurement Documents or relevant Framework Agreement or Dynamic Purchasing System documents to conduct any procurement or contracting activity that will or may result in the incurring of any expenditure for the supply of Goods, Services or Works.
- 19.2. Standard Procurement Documents are stored and maintained by Commercial and Procurement and can be obtained in consultation with a certified Procurement Officer.

- 19.3. Where it is necessary to vary the standard Procurement Documents or relevant Framework Agreement or Dynamic Purchasing System documents the Officer must consult with Commercial and Procurement.
- 19.4. Where it is necessary to vary the standard terms and conditions of contract or relevant Framework Agreement or Dynamic Purchasing System documents the Officer must consult and agree any variations with Legal Services.

20. Procurement process for lower value purchases

- 20.1. For Contracts up to the Total Contract Value of £50,000, where there is a suitable corporate Contract, Framework or Dynamic Purchasing System that corporate Contract, Framework Agreement or Dynamic Purchasing System shall be used, provided that such a course of action achieves the principles of Best Value.
- 20.2. Where no suitable Framework Agreement, Dynamic Purchasing System or corporate Contract is available then achieving Best Value is the primary objective and the Officer is required by these Rules to achieve the following to demonstrate compliance:
- up to £25,000 - recommend three written quotes, minimum one written quote ensuring Best Value
 - over £25,000 up to £50,000 - minimum of three written quotes.
- 20.3. Where the Officer is unable to select a potential candidate and/or demonstrate Best Value as outlined above, the Officer must consult with Commercial and Procurement on the most appropriate way forward.
- 20.4. Acceptance will be notified to the successful supplier by issue of a Purchase Order. The Purchase Order must refer to the Council's standard terms and conditions of contract, except for where the complexity of the Contract requires more bespoke terms, for example a specific stand-alone contract in which case the Purchase Order shall make separate reference to these.

- 20.5. Unsuccessful candidates shall be notified and, at their request, shall be given the reason why they were unsuccessful without breaching the commercial confidentiality of other candidates.
- 20.6. The Officer must inform Commercial and Procurement in a timely manner of the Contract details for any Contract made in excess of £5,000, such that a record can be made on the Council's Contracts Register, in line with the Transparency Code.

21. Quick Quote

- 21.1. For Contracts with a Total Contract Value over £50,000 up to £100,000 for Goods and Services up to £250,000 for Works where there is a suitable corporate Contract, Framework or Dynamic Purchasing System that corporate Contract, Framework Agreement or Dynamic Purchasing System shall be used.
- 21.2. Where no suitable Framework Agreement, Dynamic Purchasing System or corporate Contract is available then achieving Best Value remains the primary objective and the Officer is required by these Rules to achieve a minimum of three Quotations via the Quick Quote process on the Council's Electronic Tendering System, unless a suitable external Framework Agreement or Dynamic Purchasing System is identified and agreed with Commercial and Procurement.
- 21.3. The Officer must not include two stages within a procurement of this nature (Selection Questionnaire and ITT).
- 21.4. In the event that no suitable candidates can be found on the Council's Electronic Tendering System the Officer may choose to place an advertisement via the system and in Find a Tender so as to attract appropriate candidates to bid.
- 21.5. The Procurement Documents must include:
- a. the Council's standard terms and conditions of contract, the standard form of contract and/or bespoke terms;
 - b. the specification
 - c. the pricing schedule
 - d. the ordering procedures

- e. commercially confidential information schedules
 - f. completion requirements
 - g. the Selection Questionnaire
 - h. the Award Criteria
 - i. the submission requirements
 - j. a named contract manager.
- 21.6. Acceptance will be notified to the successful supplier by issue of a Purchase Order. The Purchase Order must refer to the Council's standard terms and conditions of contract, except for where the complexity of the Contract requires more bespoke terms, for example a specific stand-alone contract in which case the Purchase Order shall make separate reference to these.
- 21.7. Unsuccessful candidates shall be notified and, at their request, shall be given the reason why they were unsuccessful without breaching the commercial confidentiality of other candidates.
- 21.8. A Contract award record must be made on the Council's Contracts Register and Find a Tender.

22. Procurement processes requiring Invitations to Tender

- 22.1. For Contracts at and above the Total Contract Value over £100,000 for Goods and Services and over £250,000 for Works but less than the EU Exit Regulations Thresholds where there is a suitable corporate Contract, Framework or Dynamic Purchasing System that corporate Contract, Framework Agreement or Dynamic Purchasing System shall be used.
- 22.2. Where no suitable corporate Framework Agreement or Dynamic Purchasing System is available the Officer is required by these Rules to invite Tenders from any and all qualified candidates by advertising the opportunity via the Council's Electronic Tendering System and in Find a Tender, unless a suitable external Framework Agreement or Dynamic Purchasing System is identified and agreed with Commercial and Procurement.
- 22.3. The Officer must not include two stages within a procurement of this nature (Selection Questionnaire and ITT).

- 22.4. The advertisement must include:
- a. the time period within which interested parties may express an interest in Tendering; and
 - b. the method by which such interest shall be expressed.
- 22.5. An Invitation to Tender shall be sent to all parties who have expressed an interest, specifying a reasonable period for Tenders to be returned.
- 22.6. The Procurement Documents must include:
- a. instructions to candidates
 - b. the Council's standard terms and conditions of contract, the standard form of contract and/or bespoke terms
 - c. form of tender
 - d. certificate of non-collusion
 - e. the specification
 - f. the pricing schedule
 - g. commercially confidential information schedules
 - h. completion requirements
 - i. the Selection Questionnaire
 - j. the Award Criteria
 - k. the submission requirements.
- 22.7. The successful supplier and unsuccessful candidates shall be notified of the outcome by issue of a letter sent electronically via the Council's Electronic Tendering System. Unsuccessful candidates shall at their request be given the reason why they were unsuccessful without breaching the commercial confidentiality of other candidates.
- 22.8. A Purchase Order must be raised.
- 22.9. A Contract award record must be made on the Council's Contracts Register and Find a Tender.

23. Procurement processes over the EU Exit Regulations Threshold

- 23.1. For Contracts at and above the EU Exit Regulations Threshold where there is a suitable Framework Agreement or Dynamic Purchasing System approved by Commercial and Procurement, that Framework Agreement or Dynamic Purchasing System shall be used.
- 23.2. Where no suitable Framework Agreement or Dynamic Purchasing System is available the Officer is required by these Rules to invite Tenders from any and all qualified candidates as required in accordance with the agreed procurement process being followed (open, negotiated etc.) by advertising the opportunity via the Council's Electronic Tendering System, in Find a Tender (the UK e-notification service).
- 23.3. Advice on the most appropriate procedure to the specific case must be sought from Commercial and Procurement, in conjunction with Legal Services where required.
- 23.4. In all cases the Relevant Legislation shall be followed to conduct the procurement and contracting activity.
- 23.5. The Procurement Documents must include:
 - a. instructions to candidates
 - b. the Council's standard terms and conditions of contract, the standard form of contract and/or bespoke terms
 - c. form of tender
 - d. certificate of non-collusion
 - e. the specification
 - f. the pricing schedule
 - g. commercially confidential information schedules
 - h. completion requirements
 - i. the Selection Questionnaire
 - j. the Award Criteria
 - k. the submission requirements
 - l. any other requirements as mandated by the Relevant Legislation.

- 23.6. The successful supplier and unsuccessful candidates shall be notified in accordance with the Relevant Legislation and a Standstill Period shall be observed.
- 23.7. A Purchase Order must be raised by the Officer.
- 23.8. A Contract award record must be made on the Council's Contracts Register, in Find a Tender (the UK e-notification service).

24. Light Touch Regime

- 24.1. Certain Services Contracts, as defined in the Relevant Legislation, are not subject to its full rigour. However, the Council will remain bound by the requirement to ensure such procurements do not result in the violation of the EU Exit Regulation principles and therefore Officers must ensure that the procedure used is compliant in all respects.
- 24.2. As a minimum the Officer must invite Tenders from any and all qualified candidates by advertising the opportunity via the Council's Electronic Tendering System and in Find a Tender (the UK e-notification service).
- 24.3. Where the Officer believes that their Contract falls within the Light Touch Regime they must consult with Commercial and Procurement prior to commencing any procurement or contracting activity.

25. Selection Criteria

- 25.1. The Selection Questionnaire shall be used to assess a candidate's ability to meet the Council's requirements or minimum standards of suitability, capability, legal status or financial standing and will be included within the procurement documentation for all contracts over £100,000.
- 25.2. For Contracts with a Total Contract Value of up to £50,000 the Officer may choose to include the Selection Questionnaire within Quotations and may take advice from Commercial and Procurement where necessary.
- 25.3. In any case where the Selection Questionnaire is used its use must be relevant and proportionate to the subject matter of the Contract (going no further than is needed to achieve the Council's objective). In particular,

where the Total Contract Value is less than the EU Exit Regulations Threshold, the Officer must make an assessment of the requirements of the Contract and decide how far it would be appropriate to use any or all of the questions in the Selection Questionnaire.

- 25.4. Where the Total Contract Value is at or above the EU Exit Regulations Threshold the questions in Part 3 of the Selection Questionnaire are optional and should be used only if each such question is:
- a. relevant to the subject-matter of the procurement
 - b. proportionate.
- 25.5. Selection Criteria must not include:
- a. award criteria
 - b. non-commercial considerations
 - c. criteria that are not related and proportionate to the subject matter of the Contract.
- 25.6. The Officer shall consult with Commercial and Procurement for advice and guidance on the appropriate use of the Selection Questionnaire and Selection Criteria prior to issuing the Procurement Documents.
- 25.7. The selection of candidates shall only be on the basis of the Selection Questionnaire and only where the Selection requirements are made available to potential candidates within the Procurement Documents.
- 25.8. The Officer may reject candidates that fail against the mandatory and discretionary criteria as detailed within the Selection Questionnaire only in conjunction with Commercial and Procurement and Legal Services, where relevant.

26. Award Criteria

- 26.1. The Officer shall include the Award Criteria within the Procurement Documents, using these to assess a candidate's ability to deliver the Council's requirements under the Contract, achieving Best Value.
- 26.2. The Contract shall be awarded to the candidate whose Tender best meets the Award Criteria. on the basis of Most Economically Advantageous Tender (MEAT), taking criteria that are

proportionate to and linked to the subject matter of the Contract.

26.3. The Officer shall consult with Commercial and Procurement for advice and guidance on the appropriate use of the Award Criteria prior to issuing the Procurement Documents.

26.4. The award of the Contract shall only be on the basis of the Award Criteria and only where the Award requirements are made available to potential candidates within the Procurement Documents.

27. Most Economically Advantageous Tender

27.1. In selecting a preferred supplier, the Council must comply with the general principles of proportionality, mutual recognition, transparency, non-discrimination and equal treatment. In doing so all contract awards must be based on the Most Economically Advantageous Tender (the "MEAT").

27.2. The MEAT may be identified by using a price-quality ratio and the default position for such evaluations is a ratio of 60:30:10, 60% price, 30% quality and 10% social value.

27.3. However, in discussion with Commercial and Procurement, Officers must ensure the approach used to achieve MEAT is by the best means, using a methodology which is relevant and proportionate to the particular procurement being undertaken.

27.4. It is essential to ensure that the methodology used is;

- a. relevant and proportionate for what is being purchased
- b. one that will work within that particular market
- c. modelled before publication to ensure it meets the above requirements and does not result in any reporting anomalies.

27.5. Where the Officer fails to gain agreement with their counterpart in Commercial and Procurement on the methodology to be applied, the first point of review is a Strategic Manager in Commercial and Procurement. If agreement still is not achieved, the Officer must develop a business case justifying their approach detailing how it does comply with the requirements as per 27.1 and 27.4 above and obtain the approval of the Director of Finance and Governance of the approach before proceeding with the procurement.

28. Performance bonds and parent company guarantees

- 28.1. The Officer must consult the Section 151 Officer concerning whether a performance bond is needed where:
- a. the Total Contract Value is at or above £1,000,000 or
 - b. where it is proposed to make stage or other payments in advance of receiving the whole of the Contract and there is a concern about the stability of the candidate.
- 28.2. The Officer must consult the Section 151 Officer concerning whether a parent company guarantee is needed where:
- a. the Total Contract Value exceeds the EU Exit Regulations Threshold or
 - b. the award of the Contract is based on the evaluation of the parent company or there is some concern about the stability of the candidate.

29. Terms and Conditions of Contracts

- 29.1. All Contracts, regardless of value, shall be accompanied either by the Council's:
- a. standard terms and conditions of contract or
 - b. the standard form of contract or
 - c. bespoke terms.
- 29.2. Whilst some of the terms of the Contract are able to be amended or deleted, the following is a list of all of the terms that are deemed to be mandatory and must therefore be included:
- a. no assignment of the Contract without the written consent of the Council
 - b. no sub-contracting of the Contract without the written consent of the Council
 - c. cancellation in the event that gratuities, inducements or any other type of consideration in relation to the Contract are offered to an employee, member or any persons or organisations acting on behalf of the Council
 - d. compliance with all Relevant Legislation, including, but not limited to:

- (i) Data Protection Act 1998
 - (ii) Freedom of Information Act 2000 and Environmental Information Regulations 2004
 - (iii) Fraud Act 2006
 - (iv) The Equalities Act 2010
 - (v) The Bribery Act 2010
 - (vi) Modern Slavery Act 2015
 - (vii) Legislation pertaining to money laundering
 - (viii) and any subsequent legislation that seeks to amend or replace the Relevant Legislation
- e. a statement of the Council's obligations towards its transparency requirements under the Freedom of Information Act 2000
 - f. compliance to health and safety regulations
 - g. contract exit on expiry
 - h. termination:
 - (i) in the event of bribery or corruption, the Contract must include a clause empowering the Council to terminate the Contract and to recover from the Supplier the amount of any loss resulting from such termination, and
 - (ii) for all Contracts in excess of the EU Exit Regulations Threshold the Contract must include the termination provisions set out in the Relevant Legislation
 - (iii) to include on termination, the repatriation of personal data to the Council as the data controller
 - i. indemnity and insurance
 - j. protection of personal data – including, where relevant, reference to export of data outside the European Economic Area (Privacy Shield USA) and/or the General Data Protection Regulation (GDPR)
 - k. confidentiality of sensitive commercial information

- l. dispute procedure
- m. authorised users
- n. governing law
- o. prompt payment and the obligation for Suppliers to pay their sub-contractors promptly, in accordance with the Small Business, Enterprise and Employment Act 2015
- p. employee vetting, where appropriate and
- q. where the Contract is for the employment of persons or organisations acting on our behalf, a statement that obliges them to fully comply with these Rules.

29.3. Where the Contract provides for the appointment of a nominated sub-contractor the Officer will ensure that the terms and conditions of contract are passed to the main contractor in a way that ensure that they are responsible for ensuring that the nominated sub-contractor is subject to and meets the same requirements as the main contractor, including, but not limited to, the following:

- a. the mandatory clauses identified in these Contract Procedure Rules and Standing Orders
- b. supporting the local economy and promotion of local employment
- c. vetting to Enhanced Disclosure level where required.

30. Protection of personal data

30.1. Officers must take all reasonable steps, including incorporation of clauses into Contracts with Suppliers, to ensure that the personal data of individuals is protected in accordance with the General Data Protection Regulation (GDPR), Data Protection Act 2018, allied legislation and Codes of Practice from the Information Commissioner's Office (ICO). Officers must ensure the Councils' obligations and risks, in respect of personal data, are considered and indemnities are sought where appropriate. More information and guidance can be obtained from Legal Services and the Information Governance Team.

31. Confidentiality of sensitive commercial information

31.1. Officers must take all reasonable steps, including incorporation of clauses into Procurement Documents and Contracts with Suppliers, to ensure that

the confidentiality of sensitive business information such as details of pricing and trade secrets are protected in accordance with the Relevant Legislation and guidance. Officers must ensure the Councils' obligations and risks, in respect of the business information of both the Council and Suppliers, are considered and indemnities are sought where appropriate. More information and guidance can be obtained from Legal Services and the Information Governance Team.

32. Submission, receipt and opening of Tenders

- 32.1. All Contracts above the Total Contract Value of £50,000 shall be submitted electronically through the Council's Electronic Tendering System.
- 32.2. Tenders received after the stated date and time shall not be accepted under any circumstances. For the purposes of these Rules the time will be deemed to be at the first stroke, e.g. noon shall be 12:00:00.
- 32.3. Submissions shall be verified and opened on the Council's Electronic Tendering System by an appropriately empowered Procurement Officer as set out in the Council's Officer Scheme of Delegation.

33. Evaluation of Quotations and Tenders

- 33.1. All submissions received for Contracts above the Total Contract Value of £50,000 shall be evaluated in accordance with the pre-determined Selection and Award criteria, as set out in the Procurement Documents.
- 33.2. The Officer shall ensure that subject-matter experts or appropriately experienced Officers evaluate all submissions in accordance with the pre-determined Selection and Award criteria.
- 33.3. The Officer is obliged to check the arithmetic in compliant submissions. Where arithmetical errors are found they must be notified to the candidate, who must be requested to confirm or withdraw their submission.
- 33.4. The Officer must notify all candidates in writing simultaneously and as soon as possible of the intention to award the Contract. Where the Total Value of the Contract is in excess of the EU Exit Regulations Threshold, then the Relevant legislation shall be adhered to in respect of the content of the letter and the Standstill Period.

- 33.5. Apart from the debriefing required or permitted by these Rules the confidentiality of submissions and the identity of candidates must be preserved at all times and information about one candidate's submission must not be supplied to another.
- 33.6. The results of the Tender evaluation must be recorded and retained on the Tender file in accordance with the Council's records management, retention and disposal requirements.

34. Abnormally low bids

- 34.1. The Officer may reject a Tender as being abnormally low, but only after they have first:
- a. been presented with the candidate's commercial information from Commercial and Procurement and consulted with a Procurement Officer
 - b. requested in writing an explanation from the candidate for those parts of the Tender considered abnormally low
 - c. taken account of the evidence provided in response to such a request
 - d. verified to the candidate those parts of the Tender considered abnormally low
 - e. and only where the explanation provided by the candidate does not satisfactorily account for the low price or costs proposed.

- 34.2. Where the Officer establishes that the Tender is abnormally low because the candidate has obtained State Aid, the Tender will be rejected on that basis, but only after the Officer has first:
- a. consulted with the candidate
 - b. consulted with Legal Services
 - c. where the candidate is unable to prove that the aid in question is compatible with the regulations governing State Aid.
- 34.3. Where the Officer rejects a Tender on the basis of its incompatibility with the State Aid regulations they will inform the Legal Services and Commercial and Procurement to agree the next steps.

35. Clarification

- 35.1. Seeking clarification of a Tender to candidates is only permitted by a member of Commercial and Procurement and should in the first instance take place in writing via the Council's Electronic Tendering System. If sufficient clarification cannot be obtained in this manner further means can be
- a. at a meeting, provided that a written record is made of the meeting and
 - b. in a way that is fair, transparent, and equal to all candidates.
- 35.2. There must be no significant variation of the Procurement Documents or standard terms and conditions of contract following such clarification.
- 35.3. Where a clarification would result in a fundamental change to the specification or terms and conditions of contract the Contract must not be awarded but re-tendered.

36. Electronic auctions

- 36.1. Electronic auctions may be used as part of the procurement process as a means of driving additional commercial benefits and as part of the Award Criteria.
- 36.2. The use of electronic auctions must be specified within the Procurement Documents and the Award Criteria associated with the auction must be clearly defined. The auction will be undertaken by Commercial and Procurement using the Council's e-tender system.

- 36.3. Where the Council uses an electronic auction to enable candidates to adjust their Tender price in the light of information from the Tender prices submitted by competing candidates then all such alterations to candidates' pricing will be accepted as permitted by the auction process.

SECTION E: **CONTRACT AWARD**

37. Intention to award a Contract

- 37.1. For Contracts over the EU Exit Regulations Threshold, Officers must allow candidates a mandatory minimum Standstill Period of ten (10) calendar days for electronic Tenders from notification to all candidates before entering into a contractually binding agreement with the successful Supplier(s). It is most important that any communication with the preferred candidate(s) does not constitute a Contract award, conditional or otherwise.
- 37.2. Following any Standstill Period, if appropriate, an award notice must be placed by Commercial and Procurement.
- 37.3. All candidates must be simultaneously notified in writing of the award and all letters informing them of the outcome of the Tender must comply with the Relevant Legislation.
- 37.4. Additional written or verbal debriefing must not be offered to candidates. Where debriefing is requested by candidates the Officer must seek advice from Commercial and Procurement before responding to the request.
- 37.5. Any complaints, correspondence threatening challenge or formal court proceedings challenging the decision, received from unsuccessful candidates or other third parties must be immediately submitted to Commercial and Procurement and Legal Services for review and response.
- 37.6. A Standstill Period is not necessary for Tenders below the EU Exit Regulations Threshold or where they have been subjected to the Light Touch Regime. However, the Officer may use their discretion and include such a period as is required. Such discretion shall only be granted where the Officer has consulted with Commercial and Procurement. Where Commercial and Procurement advises that a Standstill Period is necessary to minimise the risk of a legal challenge, the Officer will include the

period in the procurement process. In any case, all candidates must be simultaneously notified in writing of the outcome of the Tender.

37.7. Where an unsuccessful candidates requests debrief information the Officer may use their discretion in deciding whether or not to comply with the request; there is no legal obligation imperative on the Officer to do so for under EU Exit Regulations Threshold Tenders.

38. Approval to award

38.1. Approval to award a Contract, Framework Agreement or Dynamic Purchasing System can only be given as follows:

Total Contract Value	Approval to award
Over £250,000	Only the Chief Executive and/or Directors and Deputy/Assistant Directors within the Senior Leadership Team
Up to £250,000	All Strategic Managers and officers at Grade 6 or above
Up to £50,000	All Service Managers and Officers at Grade 8 or above
Up to £10,000	Officer scale 11 or above
Up to £500	All Council officers

38.2. Where approval is sought to award a Framework Agreement or Dynamic Purchasing System, approval may also be sought to award the subsequent Call- off Contracts as part of the same decision report. Where this is not observed, Officers must seek the appropriate approval to award Call-Off Contracts in accordance with the contract value.

39. Signing of Contract

39.1. Officers must ensure that all the necessary permissions are in place (e.g. funding commitments, licences, and leases) before the Contract is entered into.

- 39.2. All Contracts made on behalf of the Council must be in writing. Officers must ensure that:
- a. for Contracts up to and including the Total Contract Value of £25,000 a Purchase Order referring to the Council's standard terms and conditions of contract is in place before any Goods, Services or Works are requested or allowed to begin; or
 - b. for Contracts over the Total Contract Value of £25,000 a Purchase Order and a signed Contract is in place before any Goods, Services or Works are requested or allowed to begin.
- 39.3. For Contracts with a Total Contract Value of £100,000 or below for Goods and Services and £250,000 for Works they must always be signed by an Officer with the authority to do so under the Council's Scheme of Delegation (except where the Contract is in the form of a deed in which case paragraph 42.4 applies). If the Officer with responsibility for the decision to enter the Contract is not available to sign the Contract then another Officer with the equivalent level of authority may sign the Contract or it can be signed by any Officer who has been duly authorised.
- 39.4. For Contracts in the form of a deed or with a Total Contract Value over £100,000 for Goods and Services and £250,000 for Works (except where Section 39.7 of these Contract Procedure Rules and Standing Orders requires that the Contract must be sealed with the common seal of the Council) they must always be signed by two (2) Officers, one of which must have the authority to do so under the Council's Scheme of Delegation. If the Officer with responsibility for the decision to enter the Contract is not available to sign the Contract then another Officer with the equivalent level of authority may sign the Contract. The second signatory must be a Procurement Officer with the authority to do so under the Council's Scheme of Delegation or any Officer acting with appropriate delegated authority.
- 39.5. Contracts which these Rules require to be signed may be:
- a. signed electronically and exchanged by email. Where a Contract is signed and exchanged in this way the Officer responsible for securing signatures must follow guidance on electronic signatures issued by Legal Services and must retain a copy of the email from the contractor containing the signed Contract and must provide a copy to the Commercial and Procurement team; or

- b. signed using Electronic Signing Software. Where Electronic Signing Software other than the Council's designated software is used the Officer authorised to sign the Contract is responsible for checking the compliance of the software to be used.
- 39.6. The Officer responsible for securing signatures must ensure that the person signing on behalf of the Supplier has the authority to bind it.
- 39.7. A Contract must be sealed with the common seal of the Council where:
 - a. the price paid or received under the Contract is a nominal price and does not reflect the value of the goods, services or works; or
 - b. there is any doubt about the authority of the person signing for the other party; or
 - c. the contract is required to be sealed by law.
- 39.8. Where Contracts are completed by each side adding their formal seal, the fixing of the Council's seal must be witnessed by or on behalf of the County Solicitor. Every Council sealing will be consecutively numbered, recorded and signed by the person witnessing the seal and a final completed original copy must be returned to Legal Services for storage. The seal must not be affixed without the appropriate authority in accordance with the Council's Constitution.

40. Letters of intent

- 40.1. Letters of Intent shall only be used in exceptional circumstances and may only be signed by Officers with delegated authority to do so under the Council's Scheme of Delegation. Such exceptional circumstances shall only be determined by Commercial and Procurement in conjunction with Legal Services and as such the Officer must seek advice on their acceptable use.

41. Early Termination of Contract

- 41.1. The date on which the Contract will terminate, and the terms on which the Contract may be terminated early (e.g. for breach of Contract) must be clearly described within the Contract.

42. Variation, extension, assignment and novation

- 42.1. Variation

- a. A variation to a Contract may involve:
 - (i) a change to the specification
 - (ii) a one-off item of work or particular service or
 - (iii) change in terms affecting the Contract.
- b. Variations must not exceed the scope, financial value or duration of the advertised Contract.
- c. Where the Officer considers that a proposed variation may materially change or exceed the specification, price or duration of a Contract, advice must be obtained from Commercial and Procurement and Legal Services.
- d. Variations to Contracts must be approved and signed by the relevant officers in accordance with the Council's Officer Scheme of Delegation.

42.2. Extension

- a. Extensions of Contracts may only be made where:
 - (i) there is budgetary provision
 - (ii) Best Value can be clearly demonstrated and
 - (iii) for Contracts below the EU Exit Regulations Threshold:
 - the extension is within the scope (description of Goods, Services or Works, duration and Total Contract Value) and
 - there is a provision stipulated in the original Contract for an extension
 - the extension does not cause the Total Contract Value to exceed the relevant EU Exit Regulations Threshold or
 - a waiver request form is completed where no specific provision exists in the Contract
 - (iv) for Contracts at or over the EU Exit Regulations Threshold:

- the extension is within the scope (description of Goods, Services or Works, duration and Total Value) of the original Contract and
 - the original Contract Notice advertised and the Contract permits the extension.
- b. Where the Officer considers that a proposed extension may materially change or exceed the specification, price or duration of a Contract, advice must be obtained from Commercial and Procurement and Legal Services. Extensions to Contracts must be approved and signed by the relevant officers in accordance with the Council's Officer Scheme of Delegation.

42.3. Assignment and Novation

- a. In the event of the Officer becoming aware that a Supplier is entering into a change of control, insolvency, bankruptcy, receivership or liquidation the Officer must inform Commercial and Procurement and Legal Services immediately. The Supplier shall only be permitted to assign, novate or otherwise dispose of its rights and obligations under the Contract or any part thereof with the prior written consent of the Council. The Council reserves the right to decline a Supplier that is deemed to be not suitable. If a suitable alternative is not identified the Contract must be re-Tendered.

42.4. General

- a. Any approved variation or extension must be by deed or Contract variation, which will be contractually binding on both parties.
- b. Variations, extensions, assignments and novations must only be signed by officers with the delegated authority to do so by reference to the Council's Officer Scheme of Delegation.

43. Supplier Resilience

- 43.1. Contract Managers are required to undertake regular supplier resilience checks. For Tier 1 and Tier 2 contracts, this should be undertaken as a minimum on an annual basis and include checks on the supplier's operational, financial and reputational resilience

including business continuity, insurance provision, financial credit rating, identification and management of key risks and emergency planning arrangements such as disaster recovery.

- 43.2. Evidence of review and testing of supplier Business Continuity Plans should be received regularly, for all Tier 1 and Tier 2 contracts at least annually and consideration given to how supplier failure may impact a Service's own business continuity arrangements, whether directly or indirectly.
- 43.3. Further information and guidance on contract management can be found in the Contract Management Framework and in the Managing Contractors policy.

44. Waivers

- 44.1. Whilst the requirements of these Rules are intended to be followed in respect of all Relevant Contracts the requirement to undertake a competitive tendering exercise may be waived by Commercial and Procurement or the Director or Finance and Governance in highly exceptional circumstances.
- 44.2. The Officer must consult with Legal Services and Commercial and Procurement before considering any waiver request.
- 44.3. It must be noted that not allowing sufficient time to Tender shall not be considered an emergency.
- 44.4. For Contracts of £100,000 or below for Goods and Services and £250,000 for Works where a waiver is necessary the Officer must complete the relevant waiver request form and seek the approval of an appropriately empowered officer under the Council's Scheme of Delegation and the Head of Commercial and Procurement.
- 44.5. For Contracts over £100,000 or Goods and Services and £250,000 for Works where a waiver is necessary the Officer must complete the relevant waiver request form and seek the approval of an appropriately empowered officer under the Council's Officer Scheme of Delegation and Section 151 Officer.
- 44.6. The Officer is responsible for ensuring that the waiver request forms are duly completed, reported to Strategic Commissioning Group (in line with

thresholds) and signed prior to the award of a Contract. All waiver requests shall be reported regularly to the Governance Board by the Head of Commercial and Procurement.

- 44.7. No waiver shall be granted for Contracts over the EU Exit Regulations Threshold unless expressly permitted by Commercial and Procurement and Legal Services. The officer shall contact Commercial and Procurement for advice under these circumstances. Any request for a waiver deemed by the Head of Service to be a potential breach of the Rules, will be considered within the Council's governance procedures.

45. Exemptions

- 45.1. In addition to the waiver categories there may be certain, very limited, exemptions from the application of the Rules that apply under the Legislation. These can only be executed with the prior written approval of Legal Services and Commercial and Procurement.
- 45.2. Pension Fund administration and governance arrangements are separate from main Council affairs and consequently not all of the requirements of these Rules apply to the Pension Fund. Exclusions will in the main only apply to approvals and reporting whilst all other principals surrounding the Rules and statutory requirements will remain. Where exemptions apply, these will be stated in the Pension Fund Scheme of Delegation and updated and approved periodically.

46. Non-compliance to the Rules

- 46.1. Officers are required to comply with the Rules at all times.
- 46.2. The Head of Commercial and Procurement shall report any non-compliance to the Rules to the next available meeting of the Governance Board.
- 46.3. Governance Board shall be responsible for determining the course of action to be taken in the event of non-compliance.
- 46.4. Where, in consultation with Commercial and Procurement and Legal Services, it is determined that the breach can be remedied by taking appropriate steps or measures the Officer shall comply with the proposed course of action.

- 46.5. Where the breach has given rise to, or is likely to give rise to, illegality or maladministration the Governance Board shall notify the Monitoring Officer.
- 46.6. In the event of illegality or maladministration the Governance Board will determine that the Officer is also in breach of the Council's standards of conduct, which under certain circumstances may be treated as gross misconduct and give rise to action under the Council's disciplinary policy and procedure.
- 46.7. Where the breach gives rise to disciplinary action the Governance Board shall notify the Director of Customers, Digital & Workforce.
- 46.8. In the event that these Rules are not complied with, this will not invalidate any Contract entered into by or on behalf of the Council, except where the Relevant Legislation provides to the contrary.

SECTION G: OTHER RELEVANT CONSIDERATIONS

47. State Aid

- 47.1. In all cases where there is a possibility of the Council providing State Aid the Officer must seek the advice of Commercial and Procurement and Legal Services.

48. Development agreements

- 48.1. In all cases where there is a possibility of the Council entering a development agreement the Officer must seek the advice of Commercial and Procurement and Legal Services.

APPENDIX 3
Somerset Council
Members Code of Conduct

Introduction

The Local Government Association (LGA) has developed this Model Councillor Code of Conduct, in association with key partners and after extensive consultation with the sector, as part of its work on supporting all tiers of local government to continue to aspire to high standards of leadership and performance. It is a template for councils to adopt in whole and/or with local amendments.

All councils are required to have a local Councillor Code of Conduct.

The LGA will undertake an annual review of this Code to ensure it continues to be fit-for-purpose, incorporating advances in technology, social media and changes in legislation. The LGA can also offer support, training and mediation to councils and councillors on the application of the Code and the National Association of Local Councils (NALC) and the county associations of local councils can offer advice and support to town and parish councils.

Definitions

For the purposes of this Code of Conduct, a “councillor” means a member or co-opted member of a local authority or a directly elected mayor. A “co-opted member” is defined in the Localism Act 2011 Section 27(4) as “a person who is not a member of the authority but who

- a) is a member of any committee or sub-committee of the authority, or;
- b) is a member of, and represents the authority on, any joint committee or joint sub-committee of the authority;

and who is entitled to vote on any question that falls to be decided at any meeting of that committee or sub-committee”.

For the purposes of this Code of Conduct, “local authority” includes county councils, district councils, London borough councils, parish councils, town councils, fire and rescue authorities, police authorities, joint authorities, economic prosperity boards, combined authorities and National Park authorities.

Purpose of the Code of Conduct

The purpose of this Code of Conduct is to assist you, as a councillor, in modelling the behaviour that is expected of you, to provide a personal check and balance, and to set out the type of conduct that could lead to action being taken against you. It is also to protect you, the public, fellow councillors, local authority officers and the reputation of local government. It sets out general principles of conduct expected of all councillors and your specific obligations in relation to standards of conduct. The LGA encourages the use of support, training and mediation prior to action being taken using the Code. The fundamental aim of the Code is to create and maintain public confidence in the role of councillor and local government.

General principles of councillor conduct

Everyone in public office at all levels; all who serve the public or deliver public services, including ministers, civil servants, councillors and local authority officers; should uphold the [Seven Principles of Public Life](#), also known as the Nolan Principles.

Building on these principles, the following general principles have been developed specifically for the role of councillor.

In accordance with the public trust placed in me, on all occasions:

- I act with integrity and honesty
- I act lawfully
- I treat all persons fairly and with respect; and
- I lead by example and act in a way that secures public confidence in the role of councillor.

In undertaking my role:

- I impartially exercise my responsibilities in the interests of the local community
- I do not improperly seek to confer an advantage, or disadvantage, on any person
- I avoid conflicts of interest
- I exercise reasonable care and diligence; and
- I ensure that public resources are used prudently in accordance with my local authority's requirements and in the public interest.

Application of the Code of Conduct

This Code of Conduct applies to you as soon as you sign your declaration of acceptance of the office of councillor or attend your first meeting as a co-opted member and continues to apply to you until you cease to be a councillor.

This Code of Conduct applies to you when you are acting in your capacity as a councillor which may include when:

- you misuse your position as a councillor
- Your actions would give the impression to a reasonable member of the public with knowledge of all the facts that you are acting as a councillor;

The Code applies to all forms of communication and interaction, including:

- at face-to-face meetings
- at online or telephone meetings
- in written communication
- in verbal communication
- in non-verbal communication
- in electronic and social media communication, posts, statements and comments.

You are also expected to uphold high standards of conduct and show leadership at all times when acting as a councillor.

Your Monitoring Officer has statutory responsibility for the implementation of the Code of Conduct, and you are encouraged to seek advice from your Monitoring Officer on any matters that may relate to the Code of Conduct. Town and parish councillors are encouraged to seek advice from their Clerk, who may refer matters to the Monitoring

Officer.

Standards of councillor conduct

This section sets out your obligations, which are the minimum standards of conduct required of you as a councillor. Should your conduct fall short of these standards, a complaint may be made against you, which may result in action being taken.

Guidance is included to help explain the reasons for the obligations and how they should be followed.

General Conduct

1. Respect

As a councillor:

1.1 I treat other councillors and members of the public with respect.

1.2 I treat local authority employees, employees and representatives of partner organisations and those volunteering for the local authority with respect and respect the role they play.

Respect means politeness and courtesy in behaviour, speech, and in the written word. Debate and having different views are all part of a healthy democracy. As a councillor, you can express, challenge, criticise and disagree with views, ideas, opinions and policies in a robust but civil manner. You should not, however, subject individuals, groups of people or organisations to personal attack.

In your contact with the public, you should treat them politely and courteously. Rude and offensive behaviour lowers the public's expectations and confidence in councillors.

In return, you have a right to expect respectful behaviour from the public. If members of the public are being abusive, intimidatory or threatening you are entitled to stop any conversation or interaction in person or online and report them to the local authority, the relevant social media provider or the police. This also applies to fellow councillors, where action could then be taken under the Councillor Code of Conduct, and local authority employees, where concerns should be raised in line with the local authority's councillor-officer protocol.

2. Bullying, harassment and discrimination

As a councillor:

2.1 I do not bully any person.

2.2 I do not harass any person.

2.3 I promote equalities and do not discriminate unlawfully against any person.

The Advisory, Conciliation and Arbitration Service (ACAS) characterises bullying as offensive, intimidating, malicious or insulting behaviour, an abuse or misuse of power through means that undermine, humiliate, denigrate or injure the recipient. Bullying might be a regular pattern of behaviour or a one-off incident, happen face-to-face, on social media, in emails or phone calls, happen in the workplace or at work social events and may not always be obvious or noticed by others.

The Protection from Harassment Act 1997 defines harassment as conduct that causes alarm or distress or puts people in fear of violence and must involve such conduct on at least two occasions. It can include repeated attempts to impose unwanted communications and

contact upon a person in a manner that could be expected to cause distress or fear in any reasonable person.

Unlawful discrimination is where someone is treated unfairly because of a protected characteristic. Protected characteristics are specific aspects of a person's identity defined by the Equality Act 2010. They are age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.

The Equality Act 2010 places specific duties on local authorities. Councillors have a central role to play in ensuring that equality issues are integral to the local authority's performance and strategic aims, and that there is a strong vision and public commitment to equality across public services.

3. Impartiality of officers of the council

As a councillor:

3.1 I do not compromise, or attempt to compromise, the impartiality of anyone who works for, or on behalf of, the local authority.

Officers work for the local authority as a whole and must be politically neutral (unless they are political assistants). They should not be coerced or persuaded to act in a way that would undermine their neutrality. You can question officers in order to understand, for example, their reasons for proposing to act in a particular way, or the content of a report that they have written. However, you must not try and force them to act differently, change their advice, or alter the content of that report, if doing so would prejudice their professional integrity.

4. Confidentiality and access to information

As a councillor:

4.1 I do not disclose information:

- a. given to me in confidence by anyone**
- b. acquired by me which I believe, or ought reasonably to be aware, is of a confidential nature, unless**
 - i. I have received the consent of a person authorised to give it;**
 - ii. I am required by law to do so;**
 - iii. the disclosure is made to a third party for the purpose of obtaining professional legal advice provided that the third party agrees not to disclose the information to any other person; or**
 - iv. the disclosure is:**
 - 1. reasonable and in the public interest; and**
 - 2. made in good faith and in compliance with the reasonable requirements of the local authority; and**
 - 3. I have consulted the Monitoring Officer prior to its release.**

4.2 I do not improperly use knowledge gained solely as a result of my role as a councillor for the advancement of myself, my friends, my family members, my employer or my business interests.

4.3 I do not prevent anyone from getting information that they are entitled to by law.

Local authorities must work openly and transparently, and their proceedings and printed materials are open to the public, except in certain legally defined circumstances. You should work on this basis, but there will be times when it is required by law that discussions, documents and other information relating to or held by the local authority must be treated in a confidential manner. Examples include personal data relating to individuals or information relating to ongoing negotiations.

5. Disrepute

As a councillor:

5.1 I do not bring my role or local authority into disrepute.

As a Councillor, you are trusted to make decisions on behalf of your community and your actions and behaviour are subject to greater scrutiny than that of ordinary members of the public. You should be aware that your actions might have an adverse impact on you, other councillors and/or your local authority and may lower the public's confidence in you or your local authority's ability to discharge your/its functions. For example, behaviour that is considered dishonest and/or deceitful can bring your local authority into disrepute.

You are able to hold the local authority and fellow councillors to account and are able to constructively challenge and express concern about decisions and processes undertaken by the council whilst continuing to adhere to other aspects of this Code of Conduct.

6. Use of position

As a councillor:

6.1 I do not use, or attempt to use, my position improperly to the advantage or disadvantage of myself or anyone else.

6.2 I will not take part in the scrutiny of any decision I have been involved in making. However, I may provide evidence or opinion to those undertaking any scrutiny process.

Your position as a member of the local authority provides you with certain opportunities, responsibilities, and privileges, and you make choices all the time that will impact others. However, you should not take advantage of these opportunities to further your own or others' private interests or to disadvantage anyone unfairly.

7. Use of local authority resources and facilities

As a councillor:

7.1 I do not misuse council resources.

7.2 I will, when using the resources of the local authority or authorising their use by others:

- a. act in accordance with the local authority's requirements; and**
- b. ensure that such resources are not used for political purposes unless that use could reasonably be regarded as likely to facilitate, or be conducive to, the discharge of the functions of the local authority or of the office to which I have been elected or appointed.**

You may be provided with resources and facilities by the local authority to assist you in carrying out your duties as a councillor.

Examples include:

- office support

- stationery
- equipment such as phones, and computers
- transport
- access and use of local authority buildings and rooms.

These are given to you to help you carry out your role as a councillor more effectively and are not to be used for business or personal gain. They should be used in accordance with the purpose for which they have been provided and the local authority's own policies regarding their use.

7B Consideration of advice

As a councillor:

7B.1 I will, when reaching decisions on any matter, consider and pay due regard to any relevant advice provided to me by:-

- a) the Council's Chief Finance Officer (S151) and/or**
- b) the Council's Monitoring Officer or the Council's Monitoring Officer and legal advisor (if separate individuals);**

in accordance with their legal requirements.

7B2 I will give reasons for departing from the advice of the Chief Finance Officer (S151) or Monitoring Officer/legal advisor

It is extremely important for you as a councillor to have regard to advice from your Chief Finance Officer or Monitoring Officer where they give that advice under their statutory duties. As a councillor you must give reasons for all decisions in accordance with any legal requirements and any reasonable requirements imposed by your local authority.

8. Complying with the Code of Conduct

As a Councillor:

8.1 I undertake Code of Conduct training provided by my local authority.

8.2 I do not make trivial or malicious complaints against other councillors.

8.3 I cooperate with any Code of Conduct investigation and/or determination.

8.4 I do not intimidate or attempt to intimidate any person who is likely to be involved with the administration of any investigation or proceedings including the complainant and any witnesses.

8.5 I comply with any sanction imposed on me following a finding that I have breached the Code of Conduct.

It is extremely important for you as a councillor to demonstrate high standards, for you to have your actions open to scrutiny and for you not to undermine public trust in the local authority or its governance. If you do not understand or are concerned about the local authority's processes in handling a complaint you should raise this with your Monitoring Officer.

Protecting your reputation and the reputation of the local authority

8 Interests

As a councillor:

8.4 I register and disclose my interests.

Section 29 of the Localism Act 2011 requires the Monitoring Officer to establish and maintain a register of interests of members of the authority.

You need to register your interests so that the public, local authority employees and fellow councillors know which of your interests might give rise to a conflict of interest. The register is a public document that can be consulted when (or before) an issue arises. The register also protects you by allowing you to demonstrate openness and a willingness to be held accountable. You are personally responsible for deciding whether or not you should disclose an interest in a meeting, but it can be helpful for you to know early on if others think that a potential conflict might arise. It is also important that the public know about any interest that might have to be disclosed by you or other councillors when making or taking part in decisions, so that decision making is seen by the public as open and honest. This helps to ensure that public confidence in the integrity of local governance is maintained.

You should note that failure to register or disclose a disclosable pecuniary interest as set out in **Table 1**, is a criminal offence under the Localism Act 2011.

Appendix B sets out the detailed provisions on registering and disclosing interests. If in doubt, you should always seek advice from your Monitoring Officer.

9 Gifts and hospitality

As a councillor:

- 9.4** I do not accept gifts or hospitality, irrespective of estimated value, which could give rise to real or substantive personal gain or a reasonable suspicion of influence on my part to show favour from persons seeking to acquire, develop or do business with the local authority or from persons who may apply to the local authority for any permission, licence or other significant advantage.
- 9.5** I register with the Monitoring Officer any gift or hospitality with an estimated value of at least £50 within 28 days of its receipt.
- 9.6** I register with the Monitoring Officer any **significant** gift or hospitality **with an estimated value of at least £50 that I have been offered but have refused to accept within 28 days of the offer.**

In order to protect your position and the reputation of the local authority, you should exercise caution in accepting any gifts or hospitality which are (or which you reasonably believe to be) offered to you because you are a councillor. The presumption should always be not to accept significant gifts or hospitality. However, there may be times when such a refusal may be difficult if it is seen as rudeness in which case you could accept it but must ensure it is publicly registered. However, you do not need to register gifts and hospitality which are not related to your role as a councillor, such as Christmas gifts from your friends and family. It is also important to note that it is appropriate to accept normal expenses and hospitality associated with your duties as a councillor. If you are unsure, do contact your Monitoring Officer for guidance.

Appendices

Appendix A – The Seven Principles of Public Life

The principles are:

Selflessness

Holders of public office should act solely in terms of the public interest.

Integrity

Holders of public office must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves, their family, or their friends. They must disclose and resolve any interests and relationships.

Objectivity

Holders of public office must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias.

Accountability

Holders of public office are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this.

Openness

Holders of public office should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing.

Honesty

Holders of public office should be truthful.

Leadership

Holders of public office should exhibit these principles in their own behaviour. They should actively promote and robustly support the principles and be willing to challenge poor behaviour wherever it occurs.

Appendix B Registering interests

Within 28 days of becoming a member or your re-election or re-appointment to office or within 28 days of your interests changing you must register with the Monitoring Officer the interests which fall within the categories set out in **Table 1 (Disclosable Pecuniary Interests)** which are as described in "The Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012". You should also register details of your other personal interests which fall within the categories set out in **Table 2 (Other Registerable Interests)**.

"Disclosable Pecuniary Interest" means an interest of yourself, or of your partner if you are aware of your partner's interest, within the descriptions set out in Table 1 below.

"Partner" means a spouse or civil partner, or a person with whom you are living as husband or wife, or a person with whom you are living as if you are civil partners.

1. You must ensure that your register of interests is kept up-to-date and within 28 days of becoming aware of any new interest, or of any change to a registered interest, notify the Monitoring Officer.
2. A 'sensitive interest' is as an interest which, if disclosed, could lead to the councillor, or a person connected with the councillor, being subject to violence or intimidation.
3. Where you have a 'sensitive interest' you must notify the Monitoring Officer with the reasons why you believe it is a sensitive interest. If the Monitoring Officer agrees they will withhold the interest from the public register.

Non participation in case of disclosable pecuniary interest

4. Where a matter arises at a meeting which directly relates to one of your Disclosable Pecuniary Interests as set out in **Table 1**, you must disclose the interest, not participate in any discussion or vote on the matter and must not remain in the room unless you have been granted a dispensation. If it is a 'sensitive interest', you do not have to disclose the nature of the interest, just that you have an interest. Dispensation may be granted in limited circumstances, to enable you to participate and vote on a matter in which you have a disclosable pecuniary interest.
5. Where you have a disclosable pecuniary interest on a matter to be considered or is being considered by you as a Cabinet member in exercise of your executive function, you must notify the Monitoring Officer of the interest and must not take any steps or further steps in the matter apart from arranging for someone else to deal with it.

Disclosure of Other Registerable Interests

6. Where a matter arises at a meeting which **directly relates** to the financial interest or wellbeing of one of your Other Registerable Interests (as set out in **Table 2**), you must disclose the interest. You may speak on the matter only if members of the public are also allowed to speak at the meeting but otherwise must not take part in any discussion or vote on the matter and must not remain in the room unless you have been granted a dispensation. If it is a 'sensitive interest', you do not have to disclose the nature of the interest.

Disclosure of Non-Registerable Interests

7. Where a matter arises at a meeting which **directly relates** to your financial interest or well-being (and is not a Disclosable Pecuniary Interest set out in Table 1) or a financial interest or well-being of a relative or close associate, you must disclose the interest. You may speak on the matter only if members of the public are also allowed to speak at the meeting. Otherwise you must not take part in any discussion or vote on the matter and must not remain in the room unless you have been granted a dispensation. If it is a 'sensitive interest', you do not have to disclose the nature of the interest.

8. Where a matter arises at a meeting which **affects** –
 - a. your own financial interest or well-being;
 - b. a financial interest or well-being of a relative or close associate; or
 - c. a financial interest or wellbeing of a body included under Other Registerable Interests as set out in **Table 2**you must disclose the interest. In order to determine whether you can remain in the meeting after disclosing your interest the following test should be applied.

9. Where a matter (referred to in paragraph 8 above) **affects** the financial interest or well-being:
 - a. to a greater extent than it affects the financial interests of the majority of inhabitants of the ward affected by the decision and;
 - b. a reasonable member of the public knowing all the facts would believe that it would affect your view of the wider public interest

You may speak on the matter only if members of the public are also allowed to speak at the meeting. Otherwise you must not take part in any discussion or vote on the matter and must not remain in the room unless you have been granted a dispensation.

If it is a 'sensitive interest', you do not have to disclose the nature of the interest.

In the event that your non-registerable interest relates to -

- (1) an unpaid directorship on a company owned by your authority or
- (2) another local authority of which you are a member,

subject to your declaring that interest, you are able to take part in any discussion and vote on the matter.

10. Where you have an Other Registerable Interest or Non-Registerable Interest on a matter to be considered or is being considered by you as a Cabinet member in exercise of your executive function, you must notify the Monitoring Officer of the interest and must not take any steps or further steps in the matter apart from arranging for someone else to deal with it.

Table 1: Disclosable Pecuniary Interests

This table sets out the explanation of Disclosable Pecuniary Interests as set out in the [Relevant Authorities \(Disclosable Pecuniary Interests\) Regulations 2012](#).

Subject	Description
Employment, office, trade, profession or vocation	Any employment, office, trade, profession or vocation carried on for profit or gain.
Sponsorship	Any payment or provision of any other financial benefit (other than from the council) made to the councillor during the previous 12-month period for expenses incurred by him/her in carrying out his/her duties as a councillor, or towards his/her election expenses. This includes any payment or financial benefit from a trade union within the meaning of the Trade Union and Labour Relations (Consolidation) Act 1992.
Contracts	Any contract made between the councillor or his/her spouse or civil partner or the person with whom the

	<p>councillor is living as if they were spouses/civil partners (or a firm in which such person is a partner, or an incorporated body of which such person is a director* or a body that such person has a beneficial interest in the securities of*) and the council —</p> <p>(a) under which goods or services are to be provided or works are to be executed; and</p> <p>(b) which has not been fully discharged.</p>
Land and Property	<p>Any beneficial interest in land which is within the area of the council.</p> <p>‘Land’ excludes an easement, servitude, interest or right in or over land which does not give the councillor or his/her spouse or civil partner or the person with whom the councillor is living as if they were spouses/civil partners (alone or jointly with another) a right to occupy or to receive income.</p>
Licenses	<p>Any licence (alone or jointly with others) to occupy land in the area of the council for a month or longer</p>
Corporate tenancies	<p>Any tenancy where (to the councillor’s knowledge)—</p> <p>(a) the landlord is the council; and</p> <p>(b) the tenant is a body that the councillor, or his/her spouse or civil partner or the person with whom the councillor is living as if they were spouses/ civil partners is a partner of or a director* of or has a beneficial interest in the securities* of.</p>
Securities	<p>Any beneficial interest in securities* of a body where—</p> <p>(a) that body (to the councillor’s knowledge) has a place of business or land in the area of the council; and</p> <p>(b) either—</p> <p>(i) the total nominal value of the securities* exceeds £25,000 or one hundredth of the total issued share capital of that body; or</p> <p>(ii) if the share capital of that body is of more than one class, the total nominal value of the shares of any one class in which the councillor, or his/ her spouse or civil partner or the person with whom the councillor is living as if they were</p>

	spouses/civil partners have a beneficial interest exceeds one hundredth of the total issued share capital of that class.
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* 'director' includes a member of the committee of management of an industrial and provident society.

* 'securities' means shares, debentures, debenture stock, loan stock, bonds, units of a collective investment scheme within the meaning of the Financial Services and Markets Act 2000 and other securities of any description, other than money deposited with a building society.

Table 2: Other Registrable Interests

<p>You must register as an Other Registerable Interest :</p> <ul style="list-style-type: none"> a) any unpaid directorships b) any body of which you are a member or are in a position of general control or management and to which you are nominated or appointed by your authority c) any body <ul style="list-style-type: none"> (i) exercising functions of a public nature (ii) directed to charitable purposes or (iii) one of whose principal purposes includes the influence of public opinion or policy (including any political party or trade union) <p style="text-align: center;">of which you are a member or in a position of general control or management</p>

Appendix C – the Committee on Standards in Public Life

The LGA has undertaken this review whilst the Government continues to consider the recommendations made by the Committee on Standards in Public Life in their report on [Local Government Ethical Standards](#). If the Government chooses to implement any of the recommendations, this could require a change to this Code.

The recommendations cover:

- Recommendations for changes to the Localism Act 2011 to clarify in law when the Code of Conduct applies
- The introduction of sanctions
- An appeals process through the Local Government Ombudsman
- Changes to the Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012
- Updates to the Local Government Transparency Code
- Changes to the role and responsibilities of the Independent Person
- That the criminal offences in the Localism Act 2011 relating to Disclosable Pecuniary Interests should be abolished

The Local Government Ethical Standards report also includes Best Practice recommendations. These are:

Best practice 1: Local authorities should include prohibitions on bullying and harassment in codes of conduct. These should include a definition of bullying and harassment, supplemented with a list of examples of the sort of behaviour covered by such a definition.

Best practice 2: Councils should include provisions in their code of conduct requiring councillors to comply with any formal standards investigation and prohibiting trivial or malicious allegations by councillors.

Best practice 3: Principal authorities should review their code of conduct each year and regularly seek, where possible, the views of the public, community organisations and neighbouring authorities.

Best practice 4: An authority's code should be readily accessible to both councillors and the public, in a prominent position on a council's website and available in council premises.

Best practice 5: Local authorities should update their gifts and hospitality register at least once per quarter, and publish it in an accessible format, such as CSV.

Best practice 6: Councils should publish a clear and straightforward public interest test against which allegations are filtered.

Best practice 7: Local authorities should have access to at least two Independent Persons.

Best practice 8: An Independent Person should be consulted as to whether to undertake a formal investigation on an allegation, and should be given the option to

review and comment on allegations which the responsible officer is minded to dismiss as being without merit, vexatious, or trivial.

Best practice 9: Where a local authority makes a decision on an allegation of misconduct following a formal investigation, a decision notice should be published as soon as possible on its website, including a brief statement of facts, the provisions of the code engaged by the allegations, the view of the Independent Person, the reasoning of the decision-maker, and any sanction applied.

Best practice 10: A local authority should have straightforward and accessible guidance on its website on how to make a complaint under the code of conduct, the process for handling complaints, and estimated timescales for investigations and outcomes.

Best practice 11: Formal standards complaints about the conduct of a parish councillor towards a clerk should be made by the chair or by the parish council, rather than the clerk in all but exceptional circumstances.

Best practice 12: Monitoring Officers' roles should include providing advice, support and management of investigations and adjudications on alleged breaches to parish councils within the remit of the principal authority. They should be provided with adequate training, corporate support and resources to undertake this work.

Best practice 13: A local authority should have procedures in place to address any conflicts of interest when undertaking a standards investigation. Possible steps should include asking the Monitoring Officer from a different authority to undertake the investigation.

Best practice 14: Councils should report on separate bodies they have set up or which they own as part of their annual governance statement and give a full picture of their relationship with those bodies. Separate bodies created by local authorities should abide by the Nolan principle of openness and publish their board agendas and minutes and annual reports in an accessible place.

Best practice 15: Senior officers should meet regularly with political group leaders or group whips to discuss standards issues.

The LGA has committed to reviewing the Code on an annual basis to ensure it is still fit for purpose.

Appendix D

Guidance on Bias and Predetermination –This does not form part of the Code of Conduct

- Where you have been involved in campaigning in your political role on an issue which does not impact on your personal and/or professional life, you may participate in a decision on the issue in your political role as a councillor. However, you must not place yourself under any financial or other obligation to outside individuals or organisations that might seek to influence you in the performance of your official duties.
- The courts have sought to distinguish between situations which involve predetermination or bias on the one hand and predisposition on the other. The former is indicative of a ‘closed mind’ approach and likely to leave a decision susceptible to challenge by Judicial Review. Whereas being predisposed on a matter is acceptable provided you remain open to listening to all the arguments and changing your mind in light of all the information presented at the meeting.
- Section 25 of the Localism Act 2011 provides that a councillor should not be regarded as having a closed mind simply because they previously did or said something that, directly or indirectly, indicated what view they might take in relation to any particular matter.
- In the circumstances, when making a decision, consider the matter with an open mind and on the facts made available to the meeting at which the decision is to be taken.
- As a councillor you will always be judged against an objective test of whether the reasonable onlooker, with knowledge of the relevant facts, would consider that you were biased. If you have predetermined your position, you should withdraw from being a member of the decision-making body for that particular matter.

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Somerset County Council
County Council
- 23 February 2022

Report of the HR Policy Advisory Committee – for decision

Chair: Cllr Mandy Chilcott – Cabinet Member for Resources

Division and Local Member: All

Lead Officer: Chris Squire - HR & OD Director

Author: Laura Rose – Clerk to HR Policy Committee

Contact Details: 01823 357628 – lxrose@somerset.gov.uk

Summary

1.1 This report covers the meeting of the HR Policy Committee workshop meeting on 18 January 2022 which considered a single item of business the Pay Policy Statement 2022/23.

1.2 Officers prepared a draft 2022/23 Pay Policy Statement (PPS), attached as Appendix A, which the HR Policy Committee workshop considered and requested that the Director for Human Resources present it to Full Council for its approval. The amendments are very minor and mainly relate to date changes and change in job titles.

1.3 The HR Policy Committee forms a key part of the Council's constitutional arrangements which underpin the aims and delivery of the Somerset County Plan. The Committee exercises delegated authority from the Council in respect of the approval of the Council's HR policies. However, legislation requires the Pay Policy Statement (PPS) itself to be approved by Full Council. The PPS needs to be approved in time for implementation from the beginning of the financial year.

Recommendations

- 1. Having considered the report and noting that it would have effect from 1 April 2022, the HR Policy Committee requests that the Director for Human Resources submit the Pay Policy Statement for 2022-23, to Full Council for approval.**

The Committee considered this report which set out that it was a statutory requirement for the Council's Pay Policy Statement to be reviewed annually.

The Committee discussed the key points in the report:

- The revised National Living Wage rate from 1 April 2022 would be £9.50.
- That there was no indication of when proposals from the staff side were expected as the 2021/22 increase was still being resolved and since the meeting in January there has been no national settlement in relation to the pay negotiations.

- That the review of Grades 1-3 pay in relation to the national Green Book pay negotiations would have to be revisited at an extraordinary meeting of the HR Policy Committee.

4. Background papers

Agenda and papers for the HR Policy Committee meeting on 18 January 2022.

SOMERSET COUNTY COUNCIL PAY POLICY STATEMENT - 2022/23

This document sets out Somerset County Council's Pay Policy Statement (PPS) for 2022/23 which is revised and published at least annually following approval at Full Council.

1. Background

Section 38 (1) of the Localism Act 2011 requires English and Welsh local authorities to produce a PPS for each financial year.

The Act:

1. Requires the PPS to include the Council's policy on the following:
 - The remuneration of its chief officers
 - The remuneration of its lowest paid employees.
 - The relationship between the remuneration of its Chief Officers and other officers.
 - Other specific aspects of chief officer remuneration such as levels and elements of such remuneration, remuneration on recruitment, increases and additions to remuneration, termination payments and transparency.
2. Requires that the PPS:
 - Must be approved formally by Full Council.
 - Must be approved by the end of March every year for the following financial year.
 - Must be published on the local Council's website as soon as it is approved by the Council.
 - Must be complied with for all decisions on pay and reward for Chief Officers.
3. Makes provision for Full Council to make in year amendments to the PPS at any time and this function cannot be delegated.

2. Definitions

The Act (Section 43) defines remuneration widely as:

- Pay.
- Charges.
- Fees.
- Allowances.
- Benefits in kind.
- Increases/enhancement of pension entitlement.
- Termination payments.

The Act (Section 43) defines Chief Officers as:

- The head of the paid service designated under section 4(1) of the Local

Government and Housing Act 1989;

- The monitoring officer designated under section 5(1) of that Act;
- A statutory chief officer mentioned in section 2(6) of that Act;
- A non-statutory chief officer mentioned in section 2(7) of that Act;
- A deputy chief officer mentioned in section 2(8) of that Act.

For the purposes of this statement all of the Council's senior officers on Grades 1 to 3 fit the above definition. These are collectively referred to as the Senior Leadership Team (SLT) throughout this Statement. In addition, a number of posts at Grades 4 and 5 fall within the legal definition of 'deputy chief officer'.

3. Pay Data

The Council complies with Data Protection Act obligations and will only publish information about an individual officer's pay where it is required to do so by law.

In accordance with the Accounts and Audit (England) Regulations 2011 and the Local Government Transparency Code 2015, the Council publishes pay information about individual posts for the Chief Executive and SLT on its website and in the Annual Statement of Accounts. The current list of posts and salaries is accessible via the following link.

<http://www.somerset.gov.uk/organisation/senior-salaries-and-pay-policy>

In relation to other senior officers of the Council, including the Monitoring Officer, pay information is published on the Council's website relating to:

- Salaries of £50,000 or more by reference to total numbers within bands (grouped in bands of £5,000);
- Details of remuneration and job titles of certain senior employees whose salary is at least £50,000 and a list of responsibilities (for example, the services and functions they are responsible for, budget held and number of staff) and details of bonuses and 'benefits in kind', for all employees whose salary exceeds £50,000.

4. Principles

The key principles underpinning this pay policy statement are:

Affordability – ensuring remuneration policies represent value-for-money for the taxpayer

Fairness – ensuring remuneration policies are fair to all staff, ranging from the most senior post to the most junior post

Meet legislative requirements – ensuring remuneration policies comply with all legal obligations, such as the Equal Pay Act

Market facing – ensuring due regard is taken of the market, both nationally and locally in the South West, and that this policy is in-line with councils of a similar size and / or in a similar labour market.

Tax Avoidance – ensuring that all remuneration arrangements comply fully with HMRC regulations.

5. Determination of Grade

The Council's Grading structure accords with the National Single Status and Green Book agreements. The Grading structure reflects the need to continue to modernise, facilitate new ways of working and ensure equal pay for work of equal value in a large and diverse organisation.

The grading structure treats all groups of staff the same. It uses two schemes to evaluate jobs, covering virtually all employees, except teachers and Soubury staff, which are subject to national grading schemes.

The Hay Scheme is used for the more senior posts, including the Chief Executive, SLT officers, and Strategic and Service Managers.

The New Somerset Scheme, based on the Greater London Provincial Council scheme (formerly GLEA), is used for all other posts. Some posts cross between the borders of both schemes.

The lowest paid posts in the Council which include posts of Cleaner, Domestic Assistant, Distribution Assistant and General Kitchen Assistant, are paid on Grade 17 (national spinal point 1: £17842 as at 1st April 2020).

The relationship between pay at the lowest and highest levels is therefore controlled by job evaluation.

6. Pay and Grading Structure

The Somerset Pay and Grading structure incorporates National Pay Points up to spinal column point 44 and locally determined pay points above. The current pay and grading structure can be accessed via the following link.

 [2020 April SCC New Salary Sheet.xlsm](#)

The Council operates a 17 grade pay structure. Each grade from 17 up to 9 contains a number of pay increments. On Grades 8 and upwards, there is a single pay point per grade.

The Council does not operate a performance-related pay scheme for any staff, but does have a performance related appraisal scheme, including behaviours and competency assessment. The Council does not pay a bonus to any Council employee and no additional payments are made for election duties.

NJC for Local Government Services (Green Book) pay, terms and conditions apply to posts on Grades 17 to 4 inclusive. Annual pay awards are determined by national agreement.

With the exception of the Monitoring Officer, posts on grades 17 to 4 are officer appointments.

Post holders on Grades 17 – 9 are, subject to satisfactory performance, eligible for annual incremental increases up the pay scale until they reach the top of their grade.

Post holders on Grades 4 – 8 (Strategic and Service Managers) have some localised terms and conditions. Each Grade (4 – 8) has a fixed, spot salary and there is no incremental progression.

7. Chief Executive and SLT Officers Pay

The Chief Executive and other SLT Officers are paid on Grades 1 – 3. All SLT posts on Grades 1 to 3 and the Monitoring Officer are appointed by the Appointments Committee of the Council with the exception of the Chief Executive whose appointment has to be agreed by the Council.

Each of the Grades 1 – 3 has a spot salary and no incremental progression.

Annual Salaries for Chief Executive and SLT posts as at January 2020 range between £94,551 and £166,851, as follows:

Grade 1 Post:
Chief Executive

The salary for Grade 1 Post is £166,851.

Grade 2 Posts:
Director of Childrens Services (DCS)
Director of Finance and Governance
Director of Adult Social Services (DASS)
Director of Public Health
Lead Commissioner Economic and Community Infrastructure

The salaries for Grade 2 Posts are within the range £111,180 to £144,600.

Grade 3 Posts:
Economic and Community Infrastructure Operations Director

Economic and Community Infrastructure Commissioning Director
Deputy Director Adults and Health Operations
Deputy Director Adults and Health Commissioning
Deputy Director Children and Families
Director of Customers, Digital and Workforce
Managing Director – Somerset Waste Partnership

The salaries for Grade 3 posts are within the range £94,551 to £111,179,

The default position in the event of a vacancy in any of the above posts is that the salary paid to the person appointed to fill the vacancy will be at the lowest point in the range (which represents the 'spot' to be applied within the grade) unless otherwise agreed by the Chief Executive (or Full Council in the case of the post of Chief Executive) in accordance with the requirements of the PPS.

8. Governance Arrangements (as detailed in the Constitution)

All actions, responsibilities and delegations outlined below must be exercised in accordance with the requirements of this Statement.

Appointments Panel

An Appointments Panel of the Council reviews the terms and conditions of any SLT post that becomes vacant (and, in addition, the post of Monitoring Officer) and where appropriate makes recommendations to the Chief Executive for any changes; decides the appointments process or other course of action; and appoints the Appointments Committee to undertake the appointments process.

The Panel comprises of 3 elected members appointed in accordance with the Constitution and can convene virtually or meet as required. If a Panel decides that no changes to terms and conditions are necessary when it reviews a vacant post (and that the salary will be advertised at the bottom of the range [the 'spot' for the grade] for posts on grades 1 to 3) then the Panel has authority to progress the recruitment without the need to seek further approvals. If a Panel wishes to make changes to the terms and conditions of a vacant post (other than the post of Chief Executive) then these are subject to the approval of the Chief Executive having obtained the agreement of the Leader of the Council. This includes where a Panel wishes to advertise a salary for a post (other than the post of Chief Executive) above the 'spot' at the bottom of the range. This must be the subject of a Panel recommendation to the Chief Executive for decision. If the Panel's recommendations for changes to terms and conditions relate to the post of Chief Executive then Full Council must agree these changes.

Note: The Full Council approval of this Statement meets the provisions of the statutory guidance in relation to senior officer appointments which requires all posts where the total remuneration package is in excess of £100,000 pa to be approved by Full Council.

Appointments Committee

The Appointments Committee of the Council is responsible for all SLT appointments (and the appointment of the Monitoring Officer) with the exception of the appointment of a Chief Executive which is subject to the approval of Full Council on the recommendation of the Committee. The Committee comprises up to 5 elected members for each individual appointment process and the membership is politically proportioned according to the political membership of the Council. The detailed provisions for the Committee's membership are detailed in the Constitution. If the Committee during the course of an appointment process wishes to vary the terms and conditions or the salary already agreed for a specific post, then such a proposal is subject to the approval of the Chief Executive having obtained the agreement of the Leader of the Council. The exception to this is where the Committee's recommendations relate to the appointment of the Chief Executive where any changes must be agreed by Full Council.

HR Policy Committee

The Committee comprises 6 elected members and the membership is politically proportioned according to the political membership of the Council. This Committee has responsibility for:

- deciding and implementing annual pay awards for the Chief Executive and SLT and, where it is agreed that an award is made, the revised scales will be included for information in the next annual review of the PPS on at least an annual basis the pay and grading structure of the Council (including Chief Officer grades and salaries) and making recommendations for any changes considered necessary to Full Council by way of a revised PPS.

In bringing forward recommendations on these issues, the Committee will take into account:

- the outcome of job evaluation,
- any data/advice/evidence or views collected from appropriate sources, including: the Council's HR function; National and/or Regional Employers' Organisations; independent external pay data
- the needs of the business to recruit and retain senior officers
- the requirements of the PPS and
- fluctuations in the local and national job market.

Special Members' Panel / Committee

The Constitution includes provision for the appointment of a Special Members' Panel to consider (and determine where appropriate) the following issues in relation to SLT Officers and the Monitoring Officer:

- (a) Where the dismissal of an SLT Officer (other than the Chief

Executive or the Section 151 Officer) is proposed on disciplinary grounds, Council will determine the dismissal on the recommendation of the Panel;

- (b) Where a proposal is made to dismiss an officer holding a statutory post of Chief Executive, Chief Finance Officer or Monitoring Officer, the Panel shall decide whether there is any justification to the proposed dismissal and therefore whether it needs to be investigated. If the decision is that an investigation is necessary, the Panel will appoint an investigator. If the investigation confirms a potential dismissal, the Panel will refer the matter to the Independent Persons' Panel for consideration and report to Council. If the investigation recommends disciplinary action, then the Special Members' Panel shall consider and decide whether disciplinary action is justified and if so agree any action to be taken.
- (c) The Panel has authority to meet as a Committee of the Council to determine any question of disciplinary action in relation to an SLT Officer or the Monitoring Officer.
- (d) Except as otherwise provided for in (a) to (b) above, the Panel has authority from the Council to meet as a Committee of the Council to deal with any question of dismissal of an SLT Officer on the grounds of redundancy (including voluntary), permanent ill-health or infirmity of mind or body. The exception to this is where a proposed financial settlement for an officer leaving the Council exceeds £100,000. In these circumstances Full Council must agree the settlement.

The Special Members' Panel shall comprise of 6 Members appointed by the Leader of the Council (or his/her nominated representative) and comprising:-

- (a) The Leader of the Council (or his/her nominated representative)
- (b) The Leader of the largest opposition group (or his/her nominated representative)
- (c) 4 other Members of the Council selected by the Leader of the Council in consultation with the other Group Leaders and in accordance with the rules of political proportionality.

Note: The membership of the Panel will not include any Member previously involved in an individual Officer's case.

Independent Persons' Panel

Any proposal to dismiss a statutory post-holder holding the position of Chief Executive, the Chief Finance Officer or the Monitoring Officer must be determined by the Council on the recommendation of the Independent Persons' (IPs) Panel comprising a minimum of 3 IPs in accordance with the Local Authority (Standing Orders) (England) (Amendment) Regulations 2015. The IPs are selected from a joint Somerset Councils' Panel of IPs. The Panel is appointed by the Chief Executive (or the Director of HR where the Chief Executive is the subject of the proposed dismissal). The Panel

shall be appointed a minimum of 20 days before the Council is due to meet to consider the dismissal.

Note

This section summarises the detailed arrangements set out in Section 7 of Part 1 of the Constitution.

Chief Executive: Delegated Powers

The Chief Executive has been designated by the Council as the Head of the Paid Service and is therefore responsible for the Council's Senior Leadership Team and supporting officer structures of the Council. Any changes proposed by the Chief Executive to the staffing structure shall be subject to consultation with the Cabinet before the changes are agreed by way of an Officer Decision taken by the Chief Executive. Full Council will be informed of changes agreed at the next available opportunity.

The Chief Executive has authority:

- To appoint and dismiss all employees except where this function is specifically delegated to Members.
- To approve changes to the terms and conditions of all SLT posts and the post of Monitoring Officer on the recommendation of the Appointments Panel or the Appointments Committee or on his / her own initiative and having obtained the agreement of the Leader of the Council. The exception to this authority is the post of Chief Executive. All decisions taken by the Chief Executive on such matters will be the subject of a formal Officer Decision which will be published on the Council's website as soon as it is confirmed.
- After having sought the agreement of the Leader, and after appropriate consultations, to agree:
 - (a) acting up arrangements into SLT positions (other than that of Chief Executive) to cover periods of temporary absence either planned or unplanned
 - (b) emergency cover arrangements for the statutory chief officer roles (other than that of Chief Executive) where these positions become vacant between Full Council meetings. Any such agreement will be subject to review and confirmation at the next available Full Council meeting
 - (c) the recruitment of interims at SLT level in accordance with the requirements of section 11 of this Statement.

NB Only Full Council may approve acting up or temporary cover arrangements for the role of Chief Executive.

Before making decisions in relation to the staffing structure or individual posts, the Chief Executive is required to consider:-

- the views of the relevant Cabinet Member, the Chairman of the HR Policy Committee and the Opposition Spokesperson, and, as

appropriate:-

- the outcome of job evaluation,
- any data/advice/evidence or views collected from appropriate sources, including: the Council's HR function; National and/or Regional Employers' Organisations; independent external pay data
- the needs of the business to recruit and retain senior officers;
- the performance of individual SLT Officers
- the requirements of the PPS and
- fluctuations in the local and national job market.

The Chief Executive has authorised other officers to appoint and dismiss staff Grades 4 and below (with the exception of the Monitoring Officer), in line with normal Council appointments processes.

SLT Officers are subject to the same terms and conditions as other employees in respect of termination of employment. The only exception is that SLT Officers and the Monitoring Officer are subject to modified disciplinary procedures as outlined in this Statement and in the Council's Constitution.

9. Chief Executive Remuneration relative to other Council employees

The recommendation of the Hutton Report into "Fair Pay in the Public Sector", as recognised by the Government in the Local Government Transparency Code 2015, was that the Council should publish the pay ratio of the salary of the Chief Executive compared to the median average salary in the organisation.

As at 1st December 2021, the ratio of the pay of the Council's median earner (£25,526) to that of its Chief Executive (£166,851) was 1:6.54.

10. Pay Policy upon Appointment to posts below SLT level

Internally Appointed Candidates

On promotion an officer must be appointed to the spot pay point or the minimum point on the scale, whichever is applicable. If there are special circumstances where it is considered that an increase in excess of the minimum is merited, then it will be necessary to consult the Director of HR and OD (or their nominated representative) and this must be done before any formal offer is made to the candidate.

Externally Appointed Candidates

The starting salary of an externally appointed candidate would normally be the spot pay point or the minimum point on the scale, whichever is applicable. However, the Council could pay a point within the incremental scale if the candidate is already paid on a higher salary or where their experience is beneficial to the Council. Should there be any doubt about

repercussions elsewhere, the Director of HR and OD (or their nominated representative) should be consulted.

Transferred Officers

Where employees move between operational areas on the same grade with an incremental scale, no increment is payable at the time of transfer. The service is regarded as continuous for the purpose of annual incremental advancement. Therefore, where an officer's salary on 1 April following appointment, promotion or re-grading would be less than one spinal column point of their old salary the officer shall be entitled to their first increment on 1 April.

Promotion or Re-grading

On promotion within the Council to a post on a grade with an incremental scale, and which carries a higher maximum salary than their previous grade, or on the re-grading of their existing post based on increased duties and responsibilities, the officer shall be paid a salary in accordance with the new grade which is at least one spinal column point in excess of the salary they would have received on the old grade on the day of appointment, promotion or re-grading.

11. Appointment of Agency Interims at SLT level

Where the Council is unable to permanently recruit officers at the most senior level, there could be a requirement for that substantive post to be covered by an interim appointment. Interims will be supplied to the Council through a supplier to deliver the required cover.

The Council has various supplier options to supply interims in adherence with Procurement and Financial Regulations.

An interim's term of employment and contract is direct with the supplier and not the Council. The interim shall be solely responsible for complying with legal requirements including the payment and accounting of taxes. In addition, the supplier should make the relevant declaration and checks in order to satisfy themselves that the interim abides by the relevant UK tax law.

Having obtained the agreement of the Leader of Council, the Chief Executive will approve the recruitment of interims at SLT level on a case by case basis and based on a business case presented by the Appointments Panel which takes into account:

- value-for-money for the taxpayer
- the evaluated grade of the post to be covered
- the public profile of the post
- risks to the Council
- the labour market, both nationally and locally in the South West, for interims providing cover for similar posts in councils of a similar size

Interims will be supplied to the Council in accordance with its Contract

Standing Orders, relevant Procurement, Legal and Financial Regulations.

The Appointments Committee will interview candidates for interim appointments at SLT level to assess their suitability for the role and will confirm appointments.

SLT level interim appointments will be subject to formal review by the Chief Executive at the end of six months and at six monthly intervals thereafter to assess whether there is a requirement to retain their services. The original Appointments Committee will be consulted where the Chief Executive proposes to extend the engagement of an interim. The final decision on the extension of an interim rests with the Chief Executive.

Appointment of Agency Interims below SLT level

All interim appointments below SLT level will be sourced by the relevant SLT Officer or the Chief Executive where an SLT Officer is unable to act.

If this interim is to be employed at a rate of over £500 per day:

- The appointment will be subject to a formal review process at the end of the first six months and six monthly thereafter; and
- Any decision to extend the engagement of such an interim will require the approval of the Chief Executive.

All other interim appointments will be subject to a formal review process at the end of the first six months and six monthly thereafter and the decision to extend the engagement of such appointments rests with the relevant SLT Officer.

12. Recruitment and Retention Allowances

External recruitment and internal retention problems are tackled by temporarily increasing the total pay awarded to a post, when it can be shown that the pay on the evaluated grade is significantly lower than competitors' rates of pay.

The payment of an allowance is temporary and will not be renewed if a review finds evidence that demonstrates the payment of the allowance is no longer justified.

An allowance forms part of an employee's pay (all the salary, wages, fees and other payments paid to them for their own use in respect of their employment) and as such is pensionable. An allowance is expressed as a cash lump sum, pro-rata to the contracted hours, and is not subject to annual cost of living/inflation pay awards.

Approval of recruitment and retention allowances in respect of:

- SLT posts and the Monitoring Officer post (with the exception of the post of Chief Executive) shall be determined by the Chief Executive

following consultation with the Leader of Council and on the recommendation of the appropriate Appointments Panel in relation to new appointments

- The post of Chief Executive will be agreed by Full Council
- All other posts shall be determined by the Director of HR and OD or nominated officer, following a business case presented by the manager and having consulted with a group of senior managers.

13. Travel and Subsistence

The Council's intention is that employees should not be financially disadvantaged in going about its business and that they are fairly compensated for expenditure incurred. However, managers and employees are expected to organise journeys in the most efficient and effective manner possible and, in submitting claims, to adopt a reasonable approach.

SLT Officers are subject to the same policies as all other staff. Expenses paid to SLT Officers are published in the Annual Statement of Accounts.

14. Reimbursement of Fees

The Council will meet the cost of:-

- Practising Certificate required by Solicitors employed by the Council.
- Annual cost of membership of ARCUK required by practising Architects employed by the Council.

The Council will not pay fees and subscriptions payable by the Chief Executive and other Officers, to professional qualification bodies and local government-based societies and associations.

Fees and subscriptions payable by the Chief Executive and SLT Officers to associations that are inter-Council networking organisations (as distinct from subscriptions to professional bodies) should be reimbursed subject to individual cases being approved by the Chief Executive and Director of HR and OD in consultation with the relevant Cabinet Member.

Where Committees consider that the Council may derive benefit by such officers attending meetings/working parties of local government-based societies/associations travelling and subsistence expenses incurred may be reimbursed subject to prior approval.

15. Additional Payments

Allowances are paid in line with NJC terms and conditions (Green Book), or by local agreements where relevant.

Any allowances paid to SLT Officers are disclosed in the Annual Statement

of Accounts.

The Council has no policy for making benefits in kind.

16. Salary Protection for Redeployed Employees at Risk of Redundancy

This applies to all staff (excluding Officers on Grade 8 and above - please see below).

Protection will not apply to redeployed employees with less than two years local government service.

Salary protection arrangements will be for a period of three years during which annual cost of living pay increases and incremental progression will be awarded.

At the end of this period the substantive grade of the new post will be applicable.

It should be noted that salary protection is in place to ease the financial implications on those being redeployed and does not extend beyond salary.

As from 1st April 2014, Officers on Grades 8 and above receive one year's frozen pay protection.

17. Pension

All employees are eligible to join the Local Government Pension Scheme ("LGPS"). The Redundancy & Efficiency Compensation Policies and Flexible Retirement Policy apply to all staff. The Council has determined and published policies around the discretions available under the LGPS. The Council makes no enhancements or increases to individual pension benefits.

The Council applies its discretion under the regulations of the LGPS to allow employees aged 55 and over who are members of the LGPS to request payment of early retirement benefits whilst remaining in the Council's employment on reduced hours/lower grade. This does not apply to employees who are receiving a redundancy payment and early pension benefits or who are taking early retirement in the interests of the efficiency of the service.

Re-engagement of employees who are in receipt of a Local Government Pension should be through Reed Recruitment.

The Council may re-employ employees who have been made redundant whether through voluntary, compulsory or early retirement.

Managers who are employing an employee in this category should ensure

that the usual selection processes are applied.

Employees should be advised that the combined pension and salary of their new post should not exceed the salary of their previous post. Otherwise their pension will be abated.

A number of employees have transferred to the Council under a specific staff transfer arrangement which allowed them to continue membership of the NHS pension scheme. The Council makes contributions on their behalf and complies with Pension Legislation in respect of the NHS scheme.

18. Settlement Agreements

In exceptional circumstances to avoid or settle a claim or potential dispute, the Council may agree payment of a settlement sum on termination.

All cases must be supported by a business case and take account of all legal, financial, contractual and other responsibilities.

Aside from the provisions in section 8, all settlement payments on termination of the contract of a post require the approval of the relevant SLT Officer.

Somerset County Council

County Council
– 23 February 2022

Requisitioned Item

Cabinet Member: Cllr David Huxtable

Division and Local Member: All

Lead Officer: Scott Wooldridge – Monitoring Officer

Author: Scott Wooldridge, Strategic Manager - Governance & Democratic Services

Contact Details: (01823) 357628

1. Supporting Carers in Somerset

1.1 The following requisitioned item will be proposed by Cllr Bill Revans and seconded by Cllr Jane Lock:

1. The Council thanks all unpaid carers for looking after their loved ones through the difficult time of the pandemic, caring for their loved ones without the support that they rely on.
2. The Council believes that caring for our carers needs to be at the heart of our approach to creating a sustainable future for social care in Somerset.
3. That the Council notes, while all carers are entitled to an assessment under the Care Act, of Somerset's 58,000 carers just 72 have a formal Care Assessment.
4. The Council commits to work with the NHS and voluntary sector to guarantee an assessment for carers' support for all who want one, including the offer of short breaks and other options.
5. That the Council lobby central government to ensure that carers assessments are properly funded so that we can support people to stay in their own homes while unpaid carers can take the break they deserve.

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Somerset County Council

County Council
- 23 February 2022

Report of the Leader and Cabinet – Items for Information

Cabinet Member: Cllr David Fothergill – Leader of the Council

Division and Local Member: All

Lead Officer: Scott Wooldridge - Strategic Manager – Governance & Democratic Services and Monitoring Officer

Author: Mike Bryant – Service Manager, Democratic Services and Michelle Brooks – Senior Democratic Services Officer

Contact Details: 01823 357628

1. Summary

- 1.1. This report covers key decisions taken by the Leader, Cabinet Members and officers between 13 November 2021 and 11 February 2022, together with the items of business discussed at the Cabinet meetings on 15 December 2021, 19 January 2022 and 15 February 2022.

The Leader and Cabinet Members may also wish to raise other issues at the County Council meeting.

2. Details of decisions

- 2.1. Agenda and papers for the Cabinet meetings held on 15 December 2021, 19 January 2022 and 15 February 2022 are published within the Cabinet webpages on the Council's website. Individual Leader, Cabinet Member and Officer key decision records and related reports are also published within the Cabinet webpages on the Council's website.

LEADER OF COUNCIL – Cllr David Fothergill		
Item	Date of Meeting	Summary of Decision
Levelling Up Fund Grant Acceptance and Award of Initial Contract	7 February 2022 by the Leader of the Council	<p>SUMMARY OF DECISION: The Council was successful in bidding for just over £10m under round 1 of the levelling up fund, for investment in transport infrastructure to unlock growth on the Bridgwater A38 Northern Corridor running from M5 Junction 23 to the Canon/ Cross-Rifles Junction.</p> <p>This decision enabled Somerset County Council to enter a funding agreement (via a Memorandum of Understanding) with DfT by their deadline of 7th February 2022 in order that initial grant payments can be claimed this financial year, and also enabled the Council to award an initial contract for pre-construction design work on the Dunball junction element of the works.</p> <p>The recommendations specifically authorised: the signing of the MoU, the award of a pre-construction contract (valued at £722,032) for the Dunball Junction Improvements; and delegated authority to the Lead Director for Economic and Community Infrastructure to take further decisions as necessary within allocated budgets to progress the A38 Bridgwater Northern Corridor programme.</p> <p>Note – Special Urgency was used to progress this decision.</p> <p>ALTERNATIVE OPTIONS CONSIDERED: As set out in the officer report.</p> <p>REASONS FOR DECISION: As set out in the officer report.</p>

RESOURCES – Cllr Mandy Chilcott		
Item	Date of Meeting	Summary of Decision
Disposal of the Portway Centre, Wells	26 November 2021 by Cabinet Member for Resources	<p>SUMMARY OF DECISION: The Council is committed to the reduction of its property and land portfolio where practicable to reduce costs and to achieve capital receipts. This decision specifically enabled the disposal of SCC's interest in the surplus asset known as the Portway Centre in Wells, with property sold to Wells City Council, who will use the space for local community events and groups.</p> <p>ALTERNATIVE OPTIONS CONSIDERED: As set out in the officer report.</p> <p>REASONS FOR DECISION: As set out in the officer report.</p>
iAero Centre Leonardo Lease Arrangements	14 January 2022 by Cabinet Member for Resources	<p>SUMMARY OF DECISION: This decision was necessary to enable Somerset County Council to seek to conclude lease arrangements with Leonardo for part of the iAero Centre and to maximise the local economic benefits of both Leonardo's presence in Somerset.</p> <p>Specifically, this decision authorised Somerset County Council (SCC) to enter into a lease agreement with Leonardo UK Ltd for part of the iAero Centre, Yeovil in line with the final draft heads of terms, providing that SCC Legal has confirmed that the terms of the lease are acceptable to SCC. Delegation was authorised to the Lead Director Economic and Community Infrastructure and Director of Commissioning to approve any minor amendments to the final Heads of Terms that may result once the proposed Underlease has been drafted and reviewed by Leonardo UK Ltd.</p> <p>ALTERNATIVE OPTIONS CONSIDERED: As set out in the officer report.</p> <p>REASONS FOR DECISION: As set out in the officer report.</p>
Award for the	7 February 2022 by	SUMMARY OF DECISION: This decision looked to authorise the award of contract for

RESOURCES – Cllr Mandy Chilcott		
Item	Date of Meeting	Summary of Decision
Provision of Somerset County Council Cleaning Contract	the Director for Economic and Community Infrastructure Commissioning	<p>provision of Somerset County Council (SCC) corporate cleaning from 1 August 2022 to replace the four-year contract that expires on 31 July 2022. The contract will continue to provide SCC with access to cleaning services for a variety of buildings including County Hall, Libraries and Family Centres.</p> <p>The Director for Economic and Community Infrastructure Commissioning approved the award of the contract to the supplier set out in confidential Appendix Aii.</p>
Treasury Management Strategy 2022/23	14 February 2022 by Cabinet	<p>SUMMARY OF DECISION: This report requested that the Cabinet endorse and recommend for approval by full Council the Treasury Borrowing Strategy, the Treasury Investment Strategy and adopt the Prudential Treasury indicators. In addition, the Cabinet noted the Treasury Management Practices attached as an appendix to the report.</p> <p>ALTERNATIVE OPTIONS CONSIDERED: As set out in the officer report.</p> <p>REASONS FOR DECISION: As set out in the officer report.</p>
Utility Contracts: Recommendation CCS	14 February 2022 by Cabinet	<p>SUMMARY OF DECISION: This decision saw Cabinet approve Somerset County Council (SCC) entering a longer-term energy trading strategy with Crown Commercial Services (CCS) under the terms of the Customer Access Agreement entered into between SCC and CCS on 20 September 2021, purchasing energy for the Council's corporate estate, maintained schools and highways lighting. It also saw the Cabinet approve the purchasing of electricity on tariffs that exclude fossil fuels, in line with the Climate Emergency Strategy.</p> <p>ALTERNATIVE OPTIONS CONSIDERED: As set out in the officer report.</p> <p>REASONS FOR DECISION: As set out in the officer report.</p>

RESOURCES – Cllr Mandy Chilcott

Item	Date of Meeting	Summary of Decision
Somerset County Council Social Value Policy	14 February 2022 by Cabinet	<p>SUMMARY OF DECISION: Social Value is a process whereby organisations meet their needs for goods, services, works and utilities in a way that achieves value for money on a whole life basis in terms of generating benefits not only to the organisation, but also to society and the economy, whilst minimising damage to the environment.</p> <p>This report builds upon the Councils existing social value policy statement approved by Cabinet in March 2019 and saw the Cabinet approve a new Social Value Policy for the Council. This policy is in accordance with the Public Services (Social Value) Act 2012 and having now been approved will be imbedded into SCC commissioning and procurement processes and reviewed annually.</p> <p>ALTERNATIVE OPTIONS CONSIDERED: As set out in the officer report.</p> <p>REASONS FOR DECISION: As set out in the officer report.</p>

ECONOMIC DEVELOPMENT PLANNING AND COMMUNITY INFRASTRUCTURE – Cllr David Hall

Item	Date of Meeting	Summary of Decision
Decision to accept UK Community Renewal Funding	9 December 2021 by Cabinet Member for Economic Development, Planning and Community Infrastructure	<p>SUMMARY OF DECISION: The UK Government has provided £220 million of funding through the UK Community Renewal Fund to support pilot programmes and test new approaches to support local economic growth, prior to the introduction of the UK Shared Prosperity Fund. This Fund invests in projects that cover one or more of the investment priorities of skills, community and place, local business, and supporting people into employment. Somerset County Council, as the Lead Authority, has been awarded £3,639,018 of funding to pass to partners to deliver 8 projects. This decision was taken to accept the funding and sign the Grant Funding Agreement.</p> <p>This decision specifically saw the Deputy Chief Executive, Lead Director for Economic and Community Infrastructure & Director of Commissioning and Director of Finance & Governance agree to:</p> <ul style="list-style-type: none">- accept the UK Community Renewal Funding and sign the Grant Funding Agreement- cash flow the total value of the grant to allow regular grant payment to be made to project delivery partners- make advance payments, to delivery partners, for localised grant schemes to ensure expediency of processing grants to individuals and/or businesses- delegate authority to the Strategic Commissioning Manager – Economy and Planning, to approve, and sign, the sub-funding agreements with delivery partners. <p>ALTERNATIVE OPTIONS CONSIDERED: As set out in the officer report.</p> <p>REASONS FOR DECISION: As set out in the officer report.</p>
Kier Settlement	23 December 2021 by Cabinet Member for Economic Development, Planning and Community	<p>SUMMARY OF DECISION: SWP (Somerset Waste Partnership) and Kier have been disputing a number of costs in relation to the collection contract which was terminated on 27 March 2020. A commercial settlement has been reached between SWP and Kier, which will result in full and final settlement of the issues. The outcome of the settlement is commercially confidential. The settlement agreement precludes further action over the matter and protects SCC against risks. As a result, Kier have agreed to</p>

	Infrastructure	<p>pay SCC a sum in settlement of the matter.</p> <p>This decision specifically approved a commercially confidential settlement agreement with Kier Recycling CIC.</p> <p>Note – Special Urgency procedures were used to progress this decision.</p> <p>ALTERNATIVE OPTIONS CONSIDERED: As set out in the officer report.</p>
Award of contract for the supply of library shelf-ready physical books for Adults and Children	31 January 2022 by Cabinet Member for Economic Development, Planning and Community Infrastructure	<p>SUMMARY OF DECISION: This decision enabled SCC to award a contract for the supply of library shelf-ready physical books for Adults and Children.</p> <p>Specifically, this decision approved:</p> <p>Council and the four Libraries West Authorities for whom SCC processes invoices, to a maximum value of £999,999 per annum for up to 5 years. (Over 5 years the maximum potential value for all Authorities is £4,999,999.)</p> <p>3. the anticipated annual spend for Somerset County Council Library Service for physical books for children in an annual range between £102,704 to £130,000. (Over 5 years the anticipated spend is in a range from £513,520 to £650,000).</p> <p>4. the anticipated annual spend for Somerset County Council Library Service for physical books for adults in an annual range between £241,684 to £280,000. (Over 5 years the anticipated spend is in a range from £1,208,420 to £1,400,000.)</p> <p>5. the delegation of the purchase of resources and the management of this process to council officers with responsibility for managing physical stock budgets (Service Manager: Development) and endorses day to day officer decision making to flex expenditure between purchases for children and adults within the scope of the overall library stock budget.</p> <p>ALTERNATIVE OPTIONS CONSIDERED: As set out in the officer report.</p>

		REASONS FOR DECISION: As set out in the officer report.
ADULT SOCIAL CARE – <i>Cllr David Huxtable</i>		
Item	Date of Meeting	Summary of Decision
Decision to award a contract for the Personalised Budget Brokerage, Advice and Support Service	15 November 2021 by the Cabinet Member for Adult Social Care	<p>SUMMARY OF DECISION: The County Council has a statutory duty to consider requests for direct payments to social care clients who wish to receive their personal budgets in this way. The Children and Families Act also conferred the rights of those with an Educational Health and Care plan to receive the monies via a direct payment. A support service for people is crucial to the success of Direct Payments, as well as ensuring that Social Workers are not diverted from their care and support planning work by having to assist with the financial and administrative paperwork.</p> <p>Somerset County Council's current contract for this support service expires on 31st March 2022. This decision confirmed the successful award of a contract to provide these services, following a rigorous open tender exercise and endorsed the procurement process and approved the contract award and recommendations detailed in Appendix B (Confidential Tender Evaluation Report) for the provision of a Direct Payment and Personal Health Budget support service.</p> <p>ALTERNATIVE OPTIONS CONSIDERED: As set out in the officer report.</p> <p>REASONS FOR DECISION: As set out in the officer report.</p>

<i>CUSTOMERS AND COMMUNITIES – Cllr Christine Lawrence</i>		
Item	Date of Meeting	Summary of Decision
No individual decisions	n/a	n/a

<i>EDUCATION AND PUBLIC HEALTH – Cllr Clare Paul</i>		
Item	Date of Meeting	Summary of Decision
Annual Report of the Director of Public Health	15 December 2021 by Cabinet	<p>SUMMARY OF DECISION: The production of an annual report is a statutory obligation for Directors of Public Health. It is an opportunity for the DPH (Director of Public Health) to give an independent view of health and wellbeing priorities in the county.</p> <p>Specifically, this decision received agreement from Cabinet to:</p> <ol style="list-style-type: none"> 1. Support and promote continued vigilance of COVID-19 in the local population and the importance of testing and vaccination, including against 'flu'. 2. Commit to the improvement of digital access in education for all children and young people in Somerset. 3. Support the ongoing efforts to nurture and strengthen children and young people's mental health. 4. Acknowledge and endorse the recommendations in the Annual Report of the Director of Public Health. <p>ALTERNATIVE OPTIONS CONSIDERED: As set out in the officer report.</p>

EDUCATION AND PUBLIC HEALTH – Cllr Clare Paul

Item	Date of Meeting	Summary of Decision
		REASONS FOR DECISION: As set out in the officer report.

EDUCATION AND PUBLIC HEALTH – Cllr Clare Paul		
Item	Date of Meeting	Summary of Decision
Public Health Nursing Services award of contract for safeguarding training, supervision and support	5 January 2022 by Public Health Director	<p>SUMMARY OF DECISION: This report sought to recommend the award of the contract for the re-commissioning of the Public Health Nursing Safeguarding Service. This specialist service provides safeguarding training, supervision, and advice to the Public Health Nursing Service (PHNS) workforce to ensure they can fulfil their statutory duties in relation to safeguarding children and adults to the highest standard. The current contract expires 31st March 2022 and this decision approved the award of a contract for 3 years commencing on 1st April 2022 with an option to extend for a further 2-years to the preferred supplier.</p> <p>ALTERNATIVE OPTIONS CONSIDERED: As set out in the officer report.</p> <p>REASONS FOR DECISION: As set out in the officer report.</p>
Admission Arrangements for Voluntary Controlled and Community Schools for 2023/24	14 February 2022 by Cabinet	<p>SUMMARY OF DECISION: Admission Authorities are required by the School Admissions Code and associated legislation to determine their admission arrangements annually and Cabinet, acting as the Admission Authority for all Somerset Voluntary Controlled and Community schools is required to fulfil this function in relation to the 2023/24 admission arrangements.</p> <p>This decision specifically saw the Cabinet approve:</p> <ol style="list-style-type: none"> 1. The determination of the Admission Arrangements for all Voluntary Controlled and Community Schools for 2023/24 as set out in this report. 2. A change to the catchment and designated transport area for St Bartholomew's CofE Primary School to encompass the current Misterton First School catchment area and designated transport area. <p>ALTERNATIVE OPTIONS CONSIDERED: As set out in the officer report.</p> <p>REASONS FOR DECISION: As set out in the officer report</p>

EDUCATION AND PUBLIC HEALTH – Cllr Clare Paul

Item	Date of Meeting	Summary of Decision
Creation of New Academies in Somerset	12 January 2022 by Cabinet Member for Education and Public Health, Director of Commissioning and Lead Commissioner for Economic Community Infrastructure	<p>SUMMARY OF DECISION: This is a technical decision whereby The Secretary of State for Education has directed via an Academy Order, the conversion to Academy Status of five schools, with the below agreed:</p> <p>a) authorisation for the County Council to enter into a Commercial Transfer Agreement relating to the transfer of the staff, assets and contracts of the following schools to the Trust:</p> <p>St Gildas Catholic Primary School Voluntary Aided 01/03/2022 Our Lady of Mount Carmel Catholic Primary School Voluntary Aided 01/03/2022 St Joseph and St Teresa Catholic Primary School Voluntary Aided 01/03/2022 St Joseph's Catholic Primary School, Bridgwater Voluntary Aided 01/03/2022 St Joseph's Catholic Primary and Nursery School, Burnham on Sea Voluntary Aided 01/03/2022</p> <p>b) the approval of the statutory transfer of the freehold interest in part of the St Joseph and St Teresa Catholic Primary School site to the Clifton Diocese and also grant of a 125-year leasehold interest for the playing field at the site to The Dunstan Catholic Educational Trust</p> <p>c) the approval of the grant of a 125-year leasehold interest for the playing field at St Joseph's Catholic Primary School, Bridgwater to The Dunstan Catholic Educational Trust</p> <p>d) the approval of the surrender of the existing sublease held by Somerset County Council of the playing fields situated at St Joseph's Catholic Primary and Nursery School, Burnham on Sea</p>

EDUCATION AND PUBLIC HEALTH – Cllr Clare Paul		
Item	Date of Meeting	Summary of Decision
		<p>e) Somerset County Council has no transferable interest in the premises at St Gildas Catholic Primary School (as set out in the attached officer report).</p> <p>f) Somerset County Council has no transferable interest in the premises at Our Lady of Mount Carmel Catholic Primary School</p> <p>g) authorisation of the appropriate officers under delegation to undertake all necessary actions to give effect to the above and any supporting documentation that maybe required to give effect to the same</p> <p>ALTERNATIVE OPTIONS CONSIDERED: As set out in the officer report.</p> <p>REASONS FOR DECISION: As set out in the officer report</p>

CHILDREN AND FAMILIES – Cllr Frances Nicholson		
Item	Date of Meeting	Summary of Decision
Somerset Family Support Services contract award	23 December 2021 by Cabinet Member for Children and Families	<p>SUMMARY OF DECISION: This decision saw Somerset County Council seek to contract with a provider to run an early help service for families with complex needs. Following the procurement process and delivered a winning bid from a proposed successful provider. The new contract was approved and will run for 60 months (3 years with two options to extend for one year each) with an annual cost of £120,000 and a total contract cost of £600,000. The contract was offered as four geographical 'lots', enabling a provider to bid for one or more district areas of Somerset</p> <p>ALTERNATIVE OPTIONS CONSIDERED: As set out in the officer report.</p> <p>REASONS FOR DECISION: As set out in the officer report.</p>

Household Support Fund December 2021	23 December 2021 by Cabinet Member for Children and Families	<p>SUMMARY OF DECISION: On the 6 October 2021 the Department of Work & Pensions (DWP) wrote to Local Authorities to announce the Household Support Fund grant (HSF) to support those most in need through the coming winter. The sum allocated to Somerset is £3,820,415.56. The funding will be provided as a grant under section 31 of the Local Government Act 2003. The purpose of the grant is to support households in need with the cost of food, energy, water bills and other essentials between 6 October 2021 and 31 March 2022. This is a new grant and not linked to previous Local Support Grant or other Covid-related schemes.</p> <p>This decision gave authority for SCC to accept the HSF grant of £3,820,415.56 to be used in line with the published guidance to meet the needs of vulnerable households in Somerset as detailed below:</p> <ul style="list-style-type: none"> • The allocation of up to £1,100,000 of the grant to schools and colleges to fund vouchers to meet the needs of children and young people on free school meals for holiday periods up to and including Easter 2022. • The allocation of £400,000 to ensure eligible individuals and families supported by SCC Children’s Services can meet the cost of household essentials. • The allocation of up to £1.7m to be distributed via community partnerships led and co-ordinated by the five Somerset Citizens Advice to meet essential needs of vulnerable households. • The allocation of £80,000 as a contribution to Somerset Community Foundation Surviving Winter grant programme to support households in fuel poverty. • The allocation of £100,000 to meet the needs of households supported through the Safe Warm Somerset helpline. • The reservation of £440,415 unallocated to provide flexibility and responsive distribution as the programme is delivered through the funded period.
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		<p>Note – Special Urgency was used to progress this decision.</p> <p>ALTERNATIVE OPTIONS CONSIDERED: As set out in the officer report.</p> <p>REASONS FOR DECISION: As set out in the officer report.</p>

<i>COUNCIL TRANSFORMATION – Cllr Faye Purbrick</i>		
Item	Date of Meeting	Summary of Decision
Device Refresh Project	19 November 2021 by Cabinet Member for Transformation and Local Government Reform	<p>SUMMARY OF DECISION: Many Council issued devices are now out of warranty, coming to the end of their economic life and incompatible with the latest version of Windows, there is a requirement to procure replacements for these devices prior to Local Government reorganisation in the County.</p> <p>This decision specifically sought agreement for:</p> <ol style="list-style-type: none"> 1) Noting the outcome of the “Lot 6 NHS Shared Business Services ‘Digital Workplace Hardware’ – SBS1044” tender process and approved the award to the preferred supplier, as set out in Appendix 1; 2) Delegating authority to the Director of HR/OD to (i) (in consultation with the County Solicitor) finalise the terms of the preferred supplier’s tender. (ii) enter into the contract with the preferred supplier on behalf of the Council. <p>ALTERNATIVE OPTIONS CONSIDERED: As set out in the officer report.</p> <p>REASONS FOR DECISION: As set out in the officer report.</p>

Selection of Preferred Partner in Relation to Future Business Support System	19 January 2022 by Cabinet	<p>SUMMARY OF DECISION: Somerset County Council's current contract for SAP software licences and support, governed by a Software Licence and Maintenance Agreement, ended on 31 March 2021. The Council subsequently took up the option to extend the contract under the initial term of the Agreement for the full two years allowable. The current arrangement expires on 31 March 2023 and a new solution needs to be procured and implemented in the next 14 months.</p> <p>This decision considered the business case, detailing the options available for the future system, the approach taken to considering the system that best meets requirements and the most appropriate way forward.</p> <p>Specifically, this decision agreed:</p> <ul style="list-style-type: none">a) The appointment of the preferred SI (Service Integrator) partner in accordance with the confidential business case (appendix one of the report), as the SI to initially undertake the discovery stage of the ERP (Enterprise Resource Planning) as per the cost detailed in the business case;b) That an updated report will be brought to Cabinet in March 2022 detailing the outcomes of the discovery stage (including the impact on other application projects) and considering detailed costs and next steps, and the procurement of licences;c) That officers will apprise the LGR (Local Government Reorganisation) Programme Board of the project proposals and will seek the formal engagement of the District Councils of Sedgemoor, Mendip, Somerset West & Taunton and South Somerset in the discovery stage to inform the feasibility, analysis and design;d) To ensure full involvement with the with the District Councils occurs on this most critical of decisions, in consultation with the Senior Leadership and Political Leadership Teams through the LGR Programme Governance arrangements;e) That a full exploration of a fall-back position of SAP takes place;f) That the risks of this decision be fully considered as part of Somerset County Council's risk register and as part of the Local Government Reorganisation Risks;g) The case for appendix one to be regarded as exempt information and to be treated in confidence.
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HIGHWAYS AND TRANSPORT – Cllr John Woodman

Item	Date of Meeting	Summary of Decision
Decision to Award the Traffic Signal & Ancillary Equipment Maintenance Contract	13 December 2021 by Cabinet Member for Highways and Transport	<p>SUMMARY OF DECISION: The current Traffic Signals and Ancillary Equipment contract with Siemens is due to expire on the on the 31st March 2022. The current contract covers the maintenance of over 380 Traffic Signals and Ancillary Equipment across the whole of Somerset.</p> <p>Following a procurement exercise which involved working with Legal and Procurement teams this decision:</p> <ol style="list-style-type: none">1. Authorised SCC to enter into a term service contract for the maintenance of Traffic Signal and Ancillary Equipment across Somerset with the supply identified within Appendix A of the report.2. Agreed that the case for exempt information for Appendix A to be treated in confidence, as public disclosure of the commercially sensitive data contained within would prejudice the Council's position in ensuring competitiveness of future tender processes, with the County Council reserves the right to not proceed with the award of a contract should new information come to light during the standstill period and/or before entering into a contract. In this instance, it is recommended that the ECI Operations Director and the Director of Finance be given joint delegated authority to take any necessary action in relation to the conclusion of the contract to protect the Council interests - this could include a decision not to enter a contract and go back out to market. <p>ALTERNATIVE OPTIONS CONSIDERED: As set out in the officer report.</p> <p>REASONS FOR DECISION: As set out in the officer report.</p>

HIGHWAYS AND TRANSPORT – Cllr John Woodman

Item	Date of Meeting	Summary of Decision
Decision relating to the Fleet Maintenance Contract	3 February 2022 by the ECI Operations Director	<p>SUMMARY OF DECISION: The current Fleet Maintenance Contract is due to end 31st March 2022, with no further extension options available through the current contract. Both parties have agreed to enter into a new 2-year call off contract subject to final decision making. The current Fleet Maintenance contract covers provision for all SCC owned Fleet with the exception of gritters which fall under the winter maintenance Contract and this decision approved the award of a new 2-year call-off contract to Milestone for the period 1 April 2022 to 31 March 2024, through the existing framework for fleet maintenance and body repair services dated 1 April 2018. This enabled the current arrangements to continue, also agreed to a variation to the price review provisions in the call-off terms and conditions so that that a rate of 5% shall apply both on commencement of the call off contract and again on the first anniversary of the call off contract.</p> <p>ALTERNATIVE OPTIONS CONSIDERED: As set out in the officer report.</p> <p>REASONS FOR DECISION: As set out in the officer report.</p>

CROSS CUTTING – All

Item	Date of Meeting	Summary of Decision
Revenue Budget Monitoring Report – Month 7	15 December 2021 by Cabinet	<p>SUMMARY OF DECISION: This report is produced monthly to ensure that the Council continues to maintain tight financial control over its budget.</p> <p>Month 7 reported an overall forecast outturn position of a £1.3m favourable variance after taking into account all service expenditure and contingencies against a net budget of £357.4m which represents a variance of 0.36%.</p> <p>Cabinet received a verbal update on the MTFP and Financial Settlement. Furthermore, noted the overall forecast underspend of £1.3m and the key risks, future issues and opportunities detailed in the report which will be closely monitored and updated throughout the year and that all of the £10.8m Covid- 19 Emergency Fund is expected to be fully spent within the year.</p> <p>ALTERNATIVE OPTIONS CONSIDERED: As set out in the officer report.</p> <p>REASONS FOR DECISION: As set out in the officer report.</p>

Crewkerne and Ilminster Conditioning programme	7 January 2022 by Cabinet Member for Education and Public Health, Cabinet Member for Resources	<p>SUMMARY OF DECISION: On 17th March 2021, a key decision was made to move schools in Crewkerne and Ilminster from the existing three-tier structure to two tiers. The schools affected by this change have a range of outstanding maintenance needs which require addressing. The County Council agreed funding of £5.1m to improve the condition of school buildings in Crewkerne and Ilminster within the allocation of capital funds for 2021/22, as approved by Full Council on the 17th February 2021. Approval is now required to enable officers to procure and deliver this programme of condition improvement works.</p> <p>This decision specifically authorised:</p> <ol style="list-style-type: none"> 1. that within the allocation of capital funds for 2021/22 as approved by Full Council on 17th February 2021, the Cabinet member for Education and the appropriate officers in the Corporate Property function, under delegation to agree projects for inclusion in the Crewkerne & Ilminster schools condition programme based on prioritisation of need; to commission and deliver the agreed projects for the programme and (in consultation with relevant officers from the Commercial and Procurement function) to decide on the most appropriate means of procurement in each case; 2. the appropriate officers in the Corporate Property function, in consultation with relevant officers from the Commercial and Procurement function under delegation to competitively procure all contracts relating to the capital projects in accordance with the Authority's Contract Procedure Rules and public procurement law; 3. that the Lead Director – ECI/Director of Commissioning, the Head of Corporate Property, Strategic Manager – Estates, and the Corporate Surveyor within their respective authorities as set out in the scheme of delegation, and in consultation with the Head of Legal Services, to appoint consultants, place orders, and award contracts where the values of the contracts can be delivered within the overall programme
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Revenue Budget Monitoring Report – month 8	19 January 2022 by Cabinet	<p>SUMMARY OF DECISION: This report is produced monthly to ensure that the Council continues to maintain tight financial control over its budget. Month 8 report a projected outturn position of £356.2m against a net budget of £357.3m. This gave a £1.1m favourable variance which represents a variance of 0.3%.</p> <p>Specifically, Cabinet noted the overall forecast underspend of £1.1m and the key risks, future issues and opportunities detailed in the report to be closely monitored and updated throughout the year. Furthermore, approved the use of £1.4m Covid-19 Emergency Fund for use against additional pressures in Children’s Services relating to the pandemic.</p> <p>ALTERNATIVE OPTIONS CONSIDERED: As set out in the officer report.</p> <p>REASONS FOR DECISION: As set out in the officer report.</p>

<p>Medium Term Financial Plan – 2022/23 Budget Update</p>	<p>19 January 2022 by Cabinet</p>	<p>SUMMARY OF DECISION: This report set out details of the draft Revenue and Capital Budgets for 2022/23 together with Medium Term Financial Plan (MTFP) projections for 2023/24 and 2024/25. This built upon the update to Cabinet on the 20th October 2021 which set out the 2022/23 Medium Term Strategy and Plan.</p> <p>This decision specifically saw Cabinet: approve the draft 2022/23 Revenue Budget and Capital Scheme proposals as the basis for consulting all three Scrutiny Committees in January / February; agree to receive the final budget proposals at its February meeting, including the comments and feedback from Scrutiny; approve two all member budget briefings sessions to ensure full member engagement and understanding of the budget prior to its consideration at Council; and approve the schools block funding as outlined in Appendix 4 of the report.</p> <p>ALTERNATIVE OPTIONS CONSIDERED: As set out in the officer report.</p> <p>REASONS FOR DECISION: As set out in the officer report.</p>
<p>Somerset Waste Partnership Draft Business Plan 2022 – 2027, Draft 2022/23 Budget</p>	<p>19 January 2022 by Cabinet</p>	<p>SUMMARY OF DECISION: This report sought a decision from the Cabinet on the Somerset Waste Partnership’s Draft Business Plan 2022-2027. The plan provided a framework within which the Somerset Waste Board (SWB) could make decisions and steer the delivery of waste partnership services, sought the approval of the draft budget for 2022/23 with the draft Business Plan and draft 2022/23 budget approved for consultation with partners by Somerset Waste Board in December 2021.</p> <p>The Cabinet approved the Somerset Waste Partnership’s Draft Business Plan 2022-27 and the Somerset Waste Partnership’s Draft Disposal Budget.</p> <p>ALTERNATIVE OPTIONS CONSIDERED: As set out in the officer report.</p> <p>REASONS FOR DECISION: As set out in the officer report.</p>

Revenue Budget Monitoring Report – month 9	14 February 2022 by Cabinet	<p>SUMMARY OF DECISION: This report is produced monthly to ensure that the Council continues to maintain tight financial control over its budget. The report specifically highlighted that after taking into account all service expenditure and contingencies the projected outturn position is £356.4m against a net budget of £357.5m. This gives a £1.1m favourable variance which represents a variance of 0.3%. Overall, there has been no movement since the month eight position.</p> <p>ALTERNATIVE OPTIONS CONSIDERED: As set out in the officer report.</p> <p>REASONS FOR DECISION: As set out in the officer report.</p>
Medium Term Financial Plan 2022/23 – Revenue and Capital Proposals	14 February 2022 by Cabinet	<p>SUMMARY OF DECISION: This budget report set out the spending plans for next year which will be the final budget for Somerset County Council. It specifically highlighted areas of priority to support residents across Somerset as follows:</p> <ul style="list-style-type: none"> • £18.092m increased spending in Adults Services • £12.317m increased spending in Children’s Services • £2.530m increased spending in Economic and Community Infrastructure Services • Council tax rise of 1.99% with a further 1% adults social care precept <p>The budget also contained detail of the significant capital investment of £48.4m in schools, roads, climate change and other projects across the county as follows:</p> <ul style="list-style-type: none"> • £24.2m allocated to road schemes in 2022/23 • A further £8.3m for schools • £1.0m for Small Improvement Member Schemes • £2.6m for Children’s Placements • £1.9m to support Climate Change (decarbonisation schemes and electric fleet vehicles)

		<p>Preparation for the 2022/23 budget were reported to Cabinet in October 2021 and January 2022 and highlighted the continued impact of the Covid-19 pandemic, preparations for Local Government Reorganisation, and Government changes to social care. The report included the Revenue and Capital Budgets, levels of Council Tax and other supporting documents as part of the statutory requirements to set a balanced budget for 2022/23.</p> <p>ALTERNATIVE OPTIONS CONSIDERED: As set out in the officer report.</p> <p>REASONS FOR DECISION: As set out in the officer report.</p>
<p>Decision to Award Contracts – Community Equipment and Wheelchair Services</p>	<p>14 February 2022 by Cabinet</p>	<p>SUMMARY OF DECISION: The aim of the community equipment and wheelchair services is to enable Adults, Children, Young People and/or their Carers to have access to a range of equipment, amongst which is the ceiling track hoist service, wheelchair and postural seating services, issued in accordance with assessed needs.</p> <p>This decision saw the Cabinet approve:</p> <ol style="list-style-type: none"> 1. The award of contract for the Community Equipment and Wheelchair Service in Somerset to Bidder A. From 1st of August 2022 for a period of 5 years with an optional 24-month extension as detailed in Appendix A – Confidential Tender Evaluation Report 2. Agrees the case for applying the exempt information provision as set out in the Local Government Act 1972, Schedule 12A and therefore to treat the attached Appendix A in confidence, as it contains commercially sensitive information, and as the case for the public interest in maintaining the exemption outweighs the public interest in disclosing that information. 3. Subject to the approval of recommendation 2 above, agree to exclude the press and public from the meeting where there is any discussion at the meeting regarding exempt or confidential information. Exclusion of the Press and Public To consider passing a resolution under Regulation 4 of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 to exclude the press and public from the meeting on the basis that if they were present during the business to be transacted there would be a likelihood

		<p>of disclosure of exempt information, within the meaning of Schedule 12A to the Local Government Act 1972: Reason: Information relating to the financial or business affairs of any particular person (including the authority holding that information). 4.</p> <p>Authorises the Director of Adult Social Care to sign the contract with the preferred supplier on behalf of the authority and to determine in due course whether to utilise the optional 24-month extension.</p> <p>ALTERNATIVE OPTIONS CONSIDERED: As set out in the officer report.</p> <p>REASONS FOR DECISION: As set out in the officer report.</p>
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Somerset County Council

County Council

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Lead Member Children’s Services: Annual Report

Cabinet Member: Cllr Frances Nicholson, Cabinet (Lead) Member for Children and Families

Division and Local Member: All

Lead Officer: Julian Wooster, Director of Children’s Services

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SUMMARY

1 THE STRATEGIC & PROFESSIONAL FRAMEWORK FOR CHILDREN’S SERVICES

1.1 The current statutory guidance, summarising some 300+ statutory duties, has as the central principle the co-ordination of education and children’s social care services under a single elected lead member to support the strategic and professional framework within which the safety and the educational, social and emotional needs of children and young people are considered together. In Somerset the lead member is supported by a second cabinet member, the cabinet member for education and public health, who will cover mainstream education and training from compulsory school age upwards in her annual report. This report covers children’s social care, inclusion, early years, the West Somerset Opportunity area, commissioning and performance, and the support given to Children’s Services by the council as a whole.

1.2 The strategic multi-agency framework for children’s services in Somerset, is met by ‘Our Plan’ – the Somerset’s Children and Young People’s Plan 2019–2022 <https://www.somerset.gov.uk/how-the-council-works/children-and-young-peoples-plan/>

The plan for 2019–2022 was co-produced through a series of consultation and engagement events in 2018 with children, young people, their families, practitioners and decision-makers from the local authority, health, police and the voluntary and community sector.

1.3 The plan has four priorities to enable our children and young people to be

happy, healthy and prepared for adulthood: Supported Families, Healthy Lives, Great Education and Positive Activities. Each priority has a supporting governing body. Accountability and challenge in relation to these priorities is provided by the Partnership Business Group of the Somerset Safeguarding Children Partnership (SSCP) and the Scrutiny for Policies, Children and Families Committee.

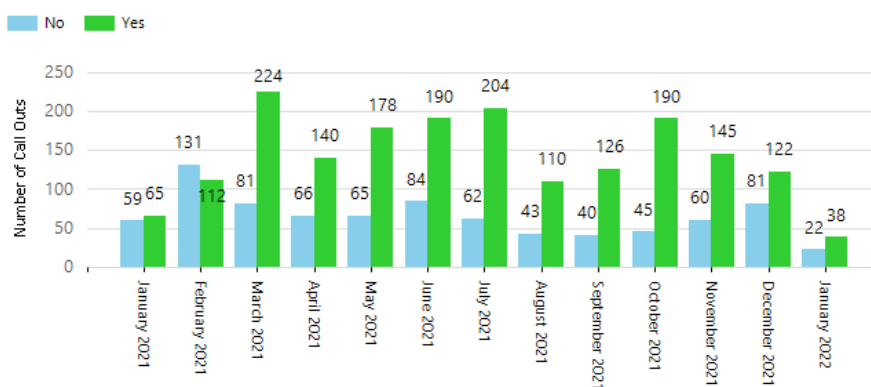
2 Children’s Social Care

2.1 Edge of Care Services

Edge of Care services continue to be provided within the Family Intervention Service (FIS), operating from 7 am to 10 pm 7 days a week (excluding Christmas Day, NY Day and Easter Sunday only). The current model allows for both crisis intervention through a FIS Duty function and longer-term work through an allocated Family Intervention Worker (FIW) delivering specific interventions as agreed with the responsible social worker.

The duty service has seen 215 requests for support in the first 3 quarters of 2021–2022, of which 1175 were children and young people known to social work teams, and 841 known to early help services. Within these 598 requests are considered ‘unplanned emergency’ work and for this cohort 420 were enabled to remain at home. The year-to-date picture for FIS all duty work is shown:

Has the intervention supported the Young Person to remain at home? - All Areas



2.2 Youth Offending Service (YOS)

The YOS continues to prepare for its overdue HMI Probation inspection process.

Caseloads have fallen and now sit at an average of 50 children on post court sentences, plus up to 25 out of court assessment and panel process matters at any given time.

Custody remains low in Somerset although we have seen an increase in County Line related activity and criminal exploitation which led directly to one lengthy sentence for a child (now transferred to probation as over 18) open to social care at the time of offending. We currently have one young person

in custody (serving out a parole recall) and none on remand.

First time entrants to the criminal justice (CJ) system continue to fall, and whilst this is positive it means the remaining children and young people in the CJ system have higher presenting needs and risks leading to an increasing binary rate of reoffending; a deep dive review is currently being completed by business intelligence to identify the common factors for this cohort.

Educational outcomes and opportunities for the YOS cohort has seen significant improvement over the last 12 months, with far fewer children Not in school or training (NEET) or subject to part time timetables:

	Oct 2021 (reported one quarter in arrears so refresh due now)	July 2021	Dec-20	Sep-20
School age full time	54% Yr 11 drop off post end of school year	61% engagement almost doubled since Sept	49%	35%
School age part time	45%	39%	43%	41%
School age not in ETE	0%	0%	8%	24%
Post 16 FT ETE	64%	54%	53%	31%
Post 16 PT ETE	17%	20%	4%	11%
Post 16 NEET	19% reduced by 2/3	26% post 16 NEETs halved	43%	58%

Already holder of the Achievement for All Quality Mark in special educational needs and/or disabilities (SEND) practice for the last 3 years, the YOS was successful in its assessment for the higher Quality Lead award this year.

Key YOS activities going forwards:

- Completion of a multi-agency disproportionality audit to review charge and sentence patterns
- Supporting staff and partners through the YOS inspection process, led by HMI Probation, which is likely to take place in the next 3 months
- Installation of new case management system (NEC Pathways) to replace the unfit for purpose CareWorks system
- Continuing to support staff with training opportunities to better match the national staffing profile – one staff member being supported to train as a SW and remain in YOS, another completing a Qualified Youth Worker award
- Continue to whole service focus on improving ETE opportunities and

outcomes for YOS cohort.

2.3 **Children Looked After**

In Somerset we are committed to our role as a corporate parent and continue to promote best outcomes for the children in our care and care leavers.

The Somerset rate of children looked after remains low compared to our statistical neighbours and other southwest authorities. In March 2021, the number of children looked after was 534 compared to 529 in March 2020, so numbers have remained relatively stable.

The growing challenge in Somerset, which is also a national challenge, is ensuring we have sufficient high quality foster homes and placements in Somerset or as close to children's support networks. During this year, the fostering service has undergone a service consultation and restructure and Somerset has commenced work with a strategic partner to look at how we increase provision in county for children with complex needs.

The priorities for the service include ensuring the child or young person's voice is central to service development and their care experience, placement stability and sufficiency and the continued drive to achieve early permanence for our children to promote best outcomes. We recognise that placement planning and reviews is central to improving placement stability and promote a whole service approach to this which starts at the beginning of any intervention.

At the end of March 2021, there were 321 care leavers aged 17-21 open to the service (March 2020, 278). For young people aged 16 and 17 years old, the Leaving Care service worked alongside the CLA social worker to promote a smooth planned transition. Somerset is proud of the work with Care Leavers to promote education, employment, and training and during this year there has been a focus on post pandemic support, in particular emotional health, and wellbeing.

2.4 **Adoption**

The Adoption and Special Guardianship Board (ASGLB) headline measures reported in August 2021 "The number of children moving into and through the adoption process continued to decline, and those children who already have a best interest decision are waiting longer for permanence. There continues to be a decline in the number of Agency Decision Maker decisions (ADMs) and Placement Orders (PO), and the number of ADMs being revoked". Somerset's performance is as follows:

- In 2020–2021 the number of children placed for adoption was 41.
- Our placement of children at the earliest opportunity in a fostering for adoption arrangement was 20. The number of children placed in Foster

for Adoption (FFA) was a 17.6% increase on 2019–2020 (17 children placed FFA) and reflects a strong regional adoption agency performance and sustained good early permanence practice by Somerset and the regional adoption agency, AdoptSW.

- In 2020–2021 of the 203 children who left care 31 (15.3%) children left due to an Adoption Order being granted which was a decrease of 26.2% (42 children) on the previous year. There was a decrease in Placement Orders made in 2019–2020 which correlates with the decrease in children adopted in 2020–2021.
- Children made subject to POs: The ASGLB reports a national decrease of 9% in PO granted. In Somerset 38 POs were made as follows showing a slight increase of 5.6%. (36 made in 2019–2020).
- During 2020–2021 50 children had an agency decision of adoption. This is an increase of 2% from the previous year (49 decisions). The ASGLB report a decrease of 4% nationally.

Somerset has a small number of children who can wait a long time (over 18 months) for an adoptive family as we strive to find an adoptive family for as long as deemed appropriate. Currently there are <5 children without a link. The children are often older with complex health and emotional needs. These children are regularly reviewed jointly by the operations manager and Family Finding team manager for AdoptSW. The Agency Decision Maker and Appropriate Adult also monitor this group of children.

Special Guardianship

The Kinship team, based in the council, assesses and supports Special Guardianship arrangements for children. These arrangements are court mandated and provide a permanent home for children away from their birth parents, but often within their wider birth family network. In 2019–2020 there were 50 Special Guardianship assessments and in 2020–2021 there were 64.

Adoption Support Fund

Special Guardians (and, through AdoptSW, adoptive parents) can access funding for placement support such as therapy for the child through the national Adoption Support Fund. 39 children were supported during 2020/21 and for 2021–2022 42 children have been identified to receive support, totalling £138,126.40.

2.5 **Assessment and Safeguarding**

Changes to the structure of the Front Door are embedding, continuing the shift towards an early help-led upwards escalation model, with input from the statutory social work team being sought for only those children where there is clear evidence of harm or high need.

The pandemic has continued to impact significantly on children and families in Somerset over the last 12 months, and this impact is starting to be evidenced in the work seen within assessment and safeguarding teams. Although performance information does not show a sustained increase in demand, there is significant anecdotal evidence that the complexity of work within the teams is increasing. We have seen in particular a number of teenage young women with high level emotional health difficulties who have escalated rapidly through the system exacerbated by the dearth of suitable high tariff placements. These young people are highly resource intensive, both in terms of social work time and cost.

Numbers of children subject to Child Protection (CP) and Child in Need (CIN) plans have remained broadly stable over the year, despite the impact of lockdowns, and the challenges of recruiting to social work vacancies. The re-referral rate has continued to fall, and is lower than national and regional neighbours, evidencing that interventions are effective and families are not needing to come back into the service for further support. These achievements speak to the huge effort and commitment of our staff, and we are grateful for their relentless focus on keeping children in Somerset safe. This effort is not without cost however as we have seen increasing rates of staff absent through work related stress and anxiety.

The rollout and embedding of the Family Safeguarding (FSG) model, a key focus for the last year, has been a great success despite the challenges of doing so in the pandemic, and accelerating the rollout to be county wide in the first year. During this time, we have recruited and inducted 27 adult workers into 8 teams across the county. We have trained more than 360 practitioners in the Motivational Interviewing (MI) approach (a key element of FSG) as well as providing FSG workshops to all staff to support our focus on needs and proportionate intervention. This has taken place alongside a programme of team and culture building to support integration of new workers and ensure that adults' and children's workers' roles support and complement each other. The interim independent evaluation report has been completed and evidences the success of the rollout, highlighting high levels of job satisfaction amongst staff, high regard for the use of MI as a practice tool and for Group case Supervision as a forum for developing a shared understanding of risk with adults' practitioners.

Those safeguarding social workers who remain outside the FSG model (Wider

Safeguarding teams) have also enjoyed a positive year, developing their focus on exploitation issues, working with parents with Learning Difficulties and a focus on neglect.

2.6 **The Quality Assurance Service**

The Quality Assurance (QA) Service continues to make good progress in all areas of QA activity. Independent Reviewing Officers (IROs) and Child Protection Co-ordinators (CPCs) routinely oversee plans for children in Somerset who are looked after or who have a CP plan. Oversight, challenge and scrutiny is increasingly embedded and impacting on practice and outcomes. Pre-meeting consultations provide an opportunity for good meeting preparation for families so that the right people attend, the voice of the child informs planning, and give an additional opportunity for reflection about the needs of the child and family, enable alternative perspectives to be considered and provide a platform to think about courses of action. IROs and CPCs monitor the plans of children who are looked after or have a CP plan to ensure they progress in a timely way and promptly challenge any drift and delay. The impact of IROs and CPCs is consistently seen in strengths based and supportive challenge to social workers and team managers in case recordings through use of the QA issue resolution process. The improvement in children's voices being heard in CP conferences through Route 1 Advocacy is consistently maintained at 95%.

A peer review of QA in Somerset was undertaken by Dorset Council in June 2021. The peer review commented on the organisation being one that sees QA as fundamental to the ongoing improvement of services. Review of our routine QA activity including feedback from professionals and families, practice evaluations, moderations, multi-agency practice evaluations (MAPE), dip reviews and team diagnostics found evidence of a well-embedded culture of striving for great performance and a culture of learning. We have made significant progress in the gathering and analysis of feedback from children and families. This has been achieved through the introduction of a system which enables feedback collection and analysis to inform of our strengths and areas where focused improvements are required so that our service provision improves the lives of children and families. The peer review challenge reported on finding a strong theme of 'feedback, feedback, feedback', that is, seeking the experiences of families as front and centre to QA practice.

We have focused on a programme of MAPEs, bringing together professionals from all agencies working with a child to evaluate the effectiveness of our interventions in improving the child's outcomes. The peer challenge found:

The involvement of partners in QA activity is a clear strength. There are processes that actively enable partner involvement (MAPE) and

we heard how well these are regarded by partner agencies. As a result, we believe children, young people and families are likely to experience the right support at the right time and feel part of the solutions and positive change.

The work of the QA team has been expanded to develop quality assurance processes and audits in SEND. An area of focus now is to build on the success of MAPEs, introducing these for children with SEND. This will provide opportunities for working with partners to improve quality and for families to share their views and experiences. The identification of areas of strength and for development will enable us to continue to drive forward improvements to service provision for children with SEND.

2.7 **Children with Disabilities**

Children and young people who have a disability are entitled by law to an assessment of their needs. In Children's Social Care in Somerset, we are committed to ensuring that children and young people with disabilities are seen as children first. We want to ensure that our children and families receive the right support in the right place at the right time. With this in mind the Children with Disabilities Service (CWD) continues to provide a proportionate, graduated response to disabled children and their families.

The Children with Disabilities Social Work team provides a service to children and young people whose needs are assessed as requiring a social worker, via a CIN, CP or Child Looked After plan. The Family Intervention workers in our Early Support team provide a service to children whose needs are assessed as benefiting from this service. The Resource team, comprising the Community Inclusion and Activity team and the Somerset Supporters team can provide the assessment and services required at a lower level.

The CWD service is rightly proud of the creative and flexible response that teams have provided during the pandemic, allowing them to continue to support some of our most vulnerable children. Some initiatives developed during lockdown included:

Creative use of the short breaks offers:

- Flexible use of direct payments to families to adapt support to lockdown restrictions
- Grant funding providers to produce online resources including, for example, family cooking classes
- Provision of activity packs for families to support children out of school
- Linking with vulnerable pupil hub meetings to monitor and support disabled children who were not able to attend school due to Covid.

The service has also been fully engaged in supporting the SEND written statement of action work, including playing a leading role in Improvement

Priority 5 – developing a neurodiversity pathway. This builds on excellent progress by the Community Inclusion and Activity team in ensuring that timely social care information is provided for all children who are being assessed for an Education Health and Care Plan, including where they have no involvement with social care services.

The service continues to make progress in breaking down real and perceived barriers between CWD teams and the wider Children's Social Care (CSC) service. CWD managers are fully integrated into wider management teams, and this is impacting positively on the perception of the service as part of the wider CSC family. An integration of the training offer, from Early Help through to statutory services, is helping to embed this culture.

2.8 **Listening to the Voice of the Child and Young Person**

It has been a busy year for the Participation and Engagement team as more colleagues and associates have wanted to engage with young people. Young people's capacity to engage has also been limited at times when school and college work has been their priority; however, we have been able to request from a pool of between 80 and 90 young people, and broader requests have heard from 2500+ young people. We also build in time to develop the skills and knowledge of the young people we work with in the spirit of reciprocity; including thank you letters from senior leaders, certificates, references, gift vouchers, Christmas parties and away days.

SSCP Youth Forum

The Youth Forum is open to any young person in Somerset aged 10–18 (up to 25 if they have SEND) and exists to influence and challenge the SSCP. The group launched their [LADO film](#) and [GP Safeguarding](#) films; ran an 'Is Somerset a Child Friendly County?' event for the new Children and Young People's Plan (CYPP) and presented at the SSCP Conference on planning the next CYPP; met with SSCP partners at half term to give an annual overview; wrote the foreword and contributed to the SSCP Annual Report to the Health & Wellbeing Board; facilitated consultations on the Bus Improvement projects and undertook some research on Positive Male Role Models which they presented at SSCP December Forum. Numbers for this group are relatively small and recruitment via our new social media platforms has begun.

Somerset Youth Parliament

The group is large and thriving and very enthusiastic. Members of Somerset's Youth Parliament have produced a How to Guide for teachers regarding sexual assault in schools; designed posters for their campaign on Domestic Violence; grant funded 5 local infrastructure organisations to develop youth social action; worked on development of school councils; employed a Young Person's Champion for Youth Parliament (summer job); co-delivered Pharmacist training on sexual health; were interviewed on BBC Radio Somerset re knife crime; facilitated consultations with young people on the new unitary processes; Young Person's Champion for Health and Wellbeing produced a tool kit for schools to use on the Health & Wellbeing Framework; held 2 successful Climate Emergency open consultation events for young people with the Climate Emergency strategy team;

held successful elections for new Members of Youth Parliament which attracted 2,400 student votes resulting in 3 newly elected MYPs (3 Deputies and new Advisory Group Members) in place to start their new term of office from March 2022/2024.

Somerset In Care Council & Somerset Leaving Care Council (SiCC and SLCC)

The group started working with their new Participation Worker in July 2021. They produced two films for Route One Advocacy films on Advocacy and Independent Visitors for the R1A website; they co-produced a Listening to the Voice of the Child in Decision Making film and guidance for children's social care; they sat on Step Up to Social Work and Route 1 interviews. They facilitated the organisation of the Annual Achievement Awards 2021 – 367 nominations and 41 for Children's Social Care Worker of the Year Award welcoming 120 guests to Dillington House for the event; they worked with Children's Commissioning and Research in Practice on a Foster Care survey consultation; members of SiCC and SLCC were involved with 5 layers of engagement for the commissioning for the Somerset Homes for Children Strategic partnership, including inspecting children's homes around the UK; they attended their Away Day focused on team building and young people worked together on low ropes and raft building activities, and they co-produced the draft Corporate Parenting Strategy 2022–2025. The group shrank by over half during the lockdown times as they were not happy to engage on Teams/Zoom. Since we started holding face to face meetings in July 2021 the group has been steadily growing and we continue to look for new recruits.

The UnStoppables

The group consists of around 12 members aged between 14 and 24 years. It has been a busy year for the UnStoppables who have been very involved in the SEND written statement of action. Particular highlights have been working on the Community Inclusion and Activities team holiday activity calendar; supporting the development of the Collaboration Framework; holding consultations with over 150 students from primary and secondary schools about what is working and what is not working in relation to [inclusion in education](#); recruiting a longer term Young Person's Champion ; meeting face-to-face again after the Covid restrictions were loosened; running a Summer Speak Up Series events in the school holidays around the county developing skills so young people with SEND are able to have a voice. Their lived experience has been included in the launch of the Inclusion Champions' training and offering 20 weeks. work experience to a student with SEND to produce a 'comic-style' form of Transitions into Adulthood leaflet.

Comms & Engagement

We welcomed a new post into the team in January 21 and recruited a graphic designer with an ambition to turn the voices of children and young people into engaging and strategic pieces of work for use across Children's Services and beyond. This also helped us to launch our new social media platforms – Instagram, Facebook and Twitter and we have made several films and animations with children and young people including a Complaints animation with the Customer Experience team, coproduced animations with Route One, recruitment films for SiCC and SLCC, and worked with SSCP and the Clinical Commissioning Group (CCG) to produce awareness raising and training films. We have also worked with the Youth Offending Service and the Children's Commissioning team.

Participation Workers Network

This network is thriving with 40+ members from councils, education, police, health and the voluntary sector, facilitated by the SCC Participation and Engagement team. This year we have produced a map of Participation Opportunities for children and young people; refreshed and re launched the Participation Toolkit via Local Offer website for the SEND Improvement workstreams and met with new Police & Crime Commissioner to support him to better hear the voice of children and young people.

3 Inclusion

3.1 Joint Ofsted/CQC inspection report into SEND services

A joint written statement of action owned by Somerset County Council (SCC) and Somerset's CCG was published in late 2020 to deliver a range of interventions to improve the SEND service by strengthening support and improving the lives of children and young people with SEND and their families.

In the last year work has included laying the foundations for improvement such as an Outcomes Framework, clearing backlogs of assessments and improving assessment timescales, launching an inclusion inquiry and developing a 'Somerset Model' of inclusion in schools. Most importantly we have worked with children, young people and families to understand what is important to them.

Work in the last year has been received positively by the DfE and NHS Regional Advisers, who carry out regular monitoring visits. Most recently they noted that "despite intense pressures caused by Covid, together with LGR and ICS developments, the local area has maintained good progress in implementing the written statement of action."

3.2 Education, Health and Care (EHC) Plans

In 2021, 1033 requests for statutory assessment were made and 876 EHC plans have been issued. This compares with 1000 requests made in 2020 and 1056 plans issued.

Performance against 20-weeks has improved considerably with performance moving from 34% in 2020 to 61% in 2021. The current national average for completion of EHC plans in 20-weeks is 59%.

In 2020 the local Authority received and processed 2277 Annual Reviews of EHC plans and amended 1278 of these.

In 2021 the number of Annual Reviews received and reviewed was 2932 and 1041 of these plans have been amended.

The number of mediations requested has improved with 74 mediations requested in 2021 compared with 55 in 2020.

The number of Tribunals registered against the Local Authority remains consistent with previous years meaning that approximately 5% of decisions made by the LA are challenged through the appeal process.

3.3 **Permanent Exclusions**

Permanent exclusion numbers reduced to 68 in the 2020/21 academic year and even after factoring in the winter lockdown, represented a significant reduction in permanent exclusions when compared to previous academic years.

In the 2021–2022 academic year, the use of permanent exclusion has increased dramatically with 53 being recorded to date. If the trend continues, this academic year stands to be Somerset’s highest in terms of permanent exclusion and cements the area’s place as an exclusion outlier.

The reasons for exclusion remain consistent with previous years, with ‘Persistent Disruptive Behaviour’ being the most commonly used reason, followed by ‘Verbal Abuse/Threat to Adult’ and ‘Physical Assault Against Pupil’.

The increased use of permanent exclusion comes at a time when officers are working with schools and other partners to further develop Inclusion Partnerships and ensure the high needs resource that is channelled through Pupil Referral Units (PRUs) and Behaviour Partnerships is being used to address need.

It’s also worth noting that schools will begin contributing towards discretionary partnership places in PRUs from January 2022 and that this may have been a consideration for schools when excluding.

3.4 **Safeguarding in Education**

The primary focus of the Education Safeguarding Service (ESS) is to support education providers to develop robust safeguarding practices.

Regular briefings for schools’ designated safeguarding leads have been delivered over the course of the year and the move to Teams has resulted in higher attendances.

A significant amount of work has been undertaken to revise and improve the annual safeguarding audit for schools to make it more accessible for users and inform the targeting of supportive resource within ESS.

The service provides regular updates on its work to the Education Safeguarding Partnership (a sub-group of the SSCP) and responds to issues/themes that are raised in that forum by representatives from across the sector.

Elective Home Education (EHE)

After high levels of EHE starts in the Autumn term of the 2020/21 academic year, numbers have stabilised and returned to pre-pandemic levels in the 2021–2022 academic year.

All new 'starts' are assessed for vulnerability and where there are concerns, ESS works with families and other professionals to return the children to formal education. In a small number of cases this requires intervention from the courts, and this has been difficult to progress during the pandemic due to the limited capacity of the courts.

In this academic year, 92 EHE children have already returned to formal education.

School Attendance Monitoring

A revised School Attendance Monitoring Protocol was published for the 2021–2022 academic year.

Given the impact of Coronavirus, school attendance figures are not being monitored as rigorously, but where thresholds for permanent exclusion, suspension and elective home education are met, these are being explored with schools in a supportive way.

It also enables officers to identify schools which may benefit from a wider discussion in the Schools Quarterly Performance Review Meeting process.

3.5 Education for Children Looked After

We have seen a significant improvement in the attainment data for our Children Looked After this year, with the indicator for this being the Key Stage 4, GCSE, attainment. Over 30% of our eligible cohort achieved a pass in English and Maths, compared with 17% last year.

The new electronic platform (ePEP) for the Personal Education Plan (PEP) is now fully launched and working successfully. Schools and partners are providing us with feedback to ensure it is working effectively for them. We can access a broad range of data, to include RAG rating of PEPs, impact of interventions, and progress towards targets.

We continue to track the impact of our work against a number of key performance indicators, which are demonstrating a reduction in children missing out on their education, either through exclusion, poor attendance, or lack of school places. The impact of Covid continues to be apparent for

children who are struggling to re-engage with formal school-based education, and this continues to be a focus of our work.

The staff team is now stable and established. There have been two recent appointments, with the addition of an Advisory Teacher with an SEMH specialism, and an Advisory Teacher with an Early Years specialism. We have also appointed a new Post-16 Lead Advisory Teacher, who joined the team in January and will work closely with the FE providers, and partners across the authority.

There continue to be service priorities which we are working on, including improving our ability to monitor and track attendance accurately. The attendance app which we currently use is reliant on school completing a daily return, which is proving challenging for them in the currently climate. We are looking into alternative routes for gathering attendance data and this will be a priority over the coming months.

From September 2021 – Virtual School Heads were asked to extend their remit in order to offer strategic education oversight for children with Social Workers for one year. This is known as 'Extension of Duties'. Through careful engagement of partners, we are shaping up and clarifying our extension of duties offer. This will involve training for those working with children with social workers, a dedicated advice email address, and some available funding which will be allocated to schools wishing to implement interventions for the children and then evaluate their impact. We are working with neighbouring authorities and sharing best practice ideas on how the additional funding can be used to the greatest effect.

The appointment of a new post-16 Lead Advisory Teacher will support with the development of transition to post-16 education for CLA – we have worked closely with our post-16 partners this year, ensuring regular attendance at meetings, and their involvement in developments such as the ePEP and attendance monitoring. The colleges are not routinely invited to the Summer PEP meeting for the young people, and this is largely due to uncertainty about post-16 destinations. We need to ensure there is a process for facilitating links with colleges prior to transition, so they feel well equipped to meet the needs of the young people coming to them at Year 12.

3.6 **SEND Advisory Services**

Autism & Communication Service Advisory Teachers

A small highly valued team with a focus on building capacity in education

settings. Highlights during the academic year 2020–2021 include:

- 624 involvements in a variety of individual pieces of casework
- 4979 teaching staff engaged in Autism Education Trust training
- Developed bespoke training packages and toolkits across a range of topics, including Inclusive Communication and Sensory Processing Differences
- Delivered 6-week Cygnet parenting courses
- Participated in the Autism Preassessment Pathway engagement events and supported the embedding of the Preassessment Pathway
-

Challenges in 2021–2022 include:

- An unstable workforce due to short staffing and 39% temporary staffing as a result of the service being under review.

Some Key priorities for 2021–2022 include:

- Extend traded offer to include comprehensive Assess, Plan, Do and Review model of support
- Be actively involved in the co-production of a Speech Language and Communication Needs Strategy and the Autism Post Assessment Pathway
- Participate in the Social Communication, Emotional Regulation, Transactional Supports (SCERTS) training with the view of becoming SCERTS Champions.

Children's Autism Outreach Team (CAOT)

This team are a small highly valued team of family outreach workers who support families through home visits and arranging and supporting out of school clubs and school holiday events for Autistic CYP aged up to 13 years. During the academic year 2020–2021 highlights included:

- 218 Home Visits (bearing in mind the lockdown period)
- 3175 phone calls with families
- 6 holiday events in which 118 families participated, monthly coffee mornings (some virtual) and clubs outside lockdown periods.

The main challenge during the year 2021–2022 is a reduced workforce due to sickness, maternity and a member of the team leaving, which has caused a waiting list.

Main priorities include:

- Gaining a better understanding of SEND Statutory processes and consider how CAOT can be supportive due to their relationships with families

- Participating in the co-production of the Autism Post Assessment Pathway.

Sensory, Physical and Occupational Therapy Service (SPOT)

SPOT services are made up of four teams: sensory teams – hearing support team and vision support team and physical teams – physical impairment and medical support team and occupational therapy team.

Highlights of the year:

- Reviewing all casework, reducing duplication and gaps
- Developed new ways of working – balancing virtual and face to face support
- Benchmarking of all services and rebalancing provision where required
- Identification of all statutory duties and ensuring delivery of these
- Identification of appropriate commissioners for each statutory duty
- Feedback from service users remains consistently high for all teams with most ratings a 5 out of 5.

For the coming year our main challenges are:

- Upskilling the teams to provide professional contribution to EHC plans.
- Develop joint funded pathways between Education, Social care and Health services including provision of therapy and equipment.
- Ensure succession planning for the specialist areas of knowledge (retainment and recruitment).

Educational Psychology Service (EPS)

Highlights of the year:

- 96% of EP statutory advice was submitted within the 6-week timeframe – a strong improvement on previous years
- Parents rate the EP advice very highly, with an average of 4.8/5 for overall quality
- Every school has a linked EP, and all schools receive support via planning meetings and Joint Pyramid for Inclusion (JPI) meetings. These have been rated highly from settings who feel well supported
- School trading and traded training has increased 55% during 2021–2022 in comparison to previous year.

The traded offer to schools and settings promotes early identification of additional needs and ensure that these needs are appropriately provided for. This involves direct work with children and young people, consultation with adults, systemic support, supervision and a comprehensive training offer.

Moving forward, there is a focus on recruitment as this is a key challenge area for the service and wider profession. Key targets are:

- Increase early intervention so that at least 30% of children for whom statutory assessment requests are made will be known the EPS
- Supporting schools to meet the needs of those children with EHC plans so the number of Statutory Tribunal appeals is reduced from the baseline number (academic year -Sep 2021).
- 25% of Somerset schools will have a trained senior Mental Health Lead.

Early Years SEND Support Services:

Highlights of the year:

- 220 school entry planning meetings facilitated to support transition into school
- Monitoring of agreed outcomes at school entry plan review meetings at beginning of academic year showed 72% of children met at least 80% of their agreed outcomes
- 48 children finished portage interventions in the academic year 2020–2021
96% of children met or exceeded the identified outcomes on their portage plans.
100% evaluation responses rated the home visiting intervention as good or excellent (92% rated as excellent).
- Portage Starting School Group was run virtually in the summer term
100% evaluation responses indicated the portage starting school group had increased parent confidence in their child's transition to school.
- Between April 2021 and October 2021, the portage waiting list numbers and waiting times have significantly reduced. The number of children on the waiting list decreased from 71 to 28. The average waiting time decreased from 11.9 months to 3.8 months. The proportion of children on the waiting list waiting longer than 1 year for intervention reduced from 44% to 0%.

This year the service will focus on:

- the implementation plan following the formal restructure of the Portage and Early Years Area Special Educational Needs Co-ordinator (SENCo) services into one team
- Reducing waiting times for home visiting interventions to less than 6 months
- Increasing access to stay and play group interventions so groups are established in at least 6 of 8 Multi-Agency Identification and Support in the Early Years system areas
- The Starting School Group will become a regular annual offer to develop parent confidence in the transition to school.

Learning Support Team

The Learning Support team continues to work closely with our schools to ensure they are well supported in making appropriate provision for the children within their communities. There has been a high take up of our Strategic SEND and Inclusion Discussion (SSID) meetings this year, we have had 218 schools request a meeting which is an increase of 29 schools from last year. The school feedback from the SSID process is positive and provides the team with a wealth of information and data, enabling effective planning of our school training offer.

There are 23 SENCOs participating in the SEN Award programme this year, which the Learning Support team deliver on behalf of Plymouth University. The SENCO workforce continues to engage in CPD and developments, indicating that school leaders understand the importance of the SENCO position.

4 Education – Early Years

Childcare during the pandemic

The pandemic has presented enormous challenges to the sector, and our significant focus during this time has been on providing support to enable this critical provision to remain operational.

Communication is an important part of what we do. Working collaboratively with Public Health, throughout the pandemic we have circulated regular Covid updates, and our web page “Coronavirus Updates for Early Years” has provided the latest information. Social media and a monthly newsletter have been used to remind the sector of the most up to date guidance.

We have a system of Link Workers to support early years settings so that every provider has a named individual who is their single point of contact for the local authority.

While early years settings have been open for all children, providers have been encouraged to monitor attendance, particularly of vulnerable children.

The pandemic has created significant financial pressures. To mitigate the impact, we provided Covid recovery funding in the form of one-off grant payments, which were made available to childminders and group settings registered to offer the Early Years Entitlement. In July 2021 for childminders this was £400 and for Group Settings £1598.

Covid Hardship grants remain available now and will do so until 31st March 2022. We continue to bid for additional funding for 2022–2023 to support providers who continue to suffer with short term closures, difficulties with recruitment and continuing financial pressures. Sustainability grants have

always been available on an annual basis and that remains the case.

Sustainability and quality of childcare provision 2021

Standards across the childcare sector compare favourably with national standards. Good providers make up 79% of all current inspection judgements, which is the same as the national level, and 18% of providers hold a current judgement of outstanding, higher than the national level of 17%.

Due to these unprecedented pressures, in 2021, five group settings closed without being replaced. One group setting closed but the local school opened a new pre-school, as a welcome replacement of places for that community. In addition, six previously private- or voluntary-run settings became school- or academy-run. Three new group childcare settings opened, two privately run and one as part of a new primary school. One further group setting is in the process of registering with Ofsted. Forty-eight childminders closed their businesses, and 14 new childminders were registered, a net loss of 34 childminders. Six new childminders are in the process of registering with Ofsted.

Early Years Communities (EYC)

One of our highest priorities for improvement in the early years sector is workforce development. Somerset has a well-developed system of self-improvement through collaboration, through the Early Years Communities which are area-based groups of providers who share training and development through pooled budgets.

The EYC delivery of CPD in 2021 included virtual formats as well as some face-to-face training. Each of the communities is actively planning their next cycle of CPD sessions and some communities are starting to bring in income to cover costs and therefore moving towards becoming self-sufficient.

Ninety-five practitioners have completed "All Emotions are OK" training which is supporting our youngest children to cope with impact of the pandemic. The "My First Emotions" Toolkits are being rolled out to every early year's provider and primary/infant/first school in the county. The resources are useful aids to help support children's emotional wellbeing and have been positively received.

5 West Somerset Opportunity Area

Delivering the ambition

The DfE identified West Somerset as an Opportunity Area (OA) which would receive additional funding due to the lack of social mobility. The district was

324th out of 324 local authority areas in England. The programme was for 3 years and was due to be completed in 2020, however an additional year's funding was set to help embed the programme. During 2021 the DfE agreed to a 5th year of funding to share learning with other areas, consolidate, build a legacy and evaluate the work. The project is now due to be completed in August 2022 and the total value has been £6m. The focus for Year 5 is to make sure the work of the first four years becomes sustainable in the future, so we are working with partners to ensure this happens. In October we held a conference to consider the success of the programme so far and the remaining challenges. There was a consensus that the community would benefit from a legacy partnership model to develop a collective impact model.

The programme has four key areas: Early Years, Excellence in the classroom, Transition to Adulthood and Business and Enterprise. Each area has been based on testing results at various key stages, however data collection has been impeded due to Covid and the cessation of assessment in schools. Despite managing Covid outbreaks the West Somerset staff in early years, schools, colleges and the voluntary sector have all worked incredibly hard to continue to deliver the OA plan as well as keeping their settings and services open.

Overall, one of the significant changes seen through the 4 years of the OA is the collaboration between the voluntary sector, which is very strong in West Somerset, providing essential services including food to many families. Our voluntary sector has secured additional funding and is setting up a collaboration group to manage voluntary engagement in West Somerset. The collaboration group is to be launched in early January 2022 and is to be called Kite.

Early Years

Our focus has been on developing good maternal mental health with the CCG, and Public Health. We worked with a children's communication charity ICAN and a local charity Homestart West Somerset to develop speaking and reading with children at home and to enhance physical activity working with Youth Sports Trust and their Healthy Movers project. [Healthy Movers - tackling school readiness through play - YouTube](#)

We have provided parenting support programmes working with Homestart and other local charitable groups: Parents as Early Education Partners (PEEP), Tunning into TOTS, Families Unite through Nature, and with Exmoor National Park Authority.

Our Nurseries and pre-schools have received high-quality training investing in physical activity, maths, speech and Language and SEND. We have "twinned" with Mendip, and Weymouth and Portland.

Excellence in the Classroom

We worked with the 18 schools, both members of various multi-academy trusts and maintained schools. We invested in improving leadership and governance, maths, English, curriculum and SEND. We implemented the trauma informed schools' approach across the area with a number of staff graduating with a Diploma in Trauma Informed Schools, despite all the learning being online. We continue to work to improve the learning opportunities for those receiving pupil premium, and those who are undertaking transitions from one setting to another. The key challenges are lack of capacity, complexities of governance, and recruitment. Our work has had a focus on tested, national programmes which are evidence-based and delivered in West Somerset.

This summer we joined with the national Holiday Activities with Food programme and delivered a programme of 3,500 summer holiday activities across West Somerset. We tested the demand for childcare for low-income keyworkers. Our data shows there is underemployment of women in the area, and that our area has the highest proportion of key workers in the country alongside the lowest median wage.

Our project was able to establish places for families on Universal Credit, families who can access up to £35 a day for childcare. 1158 places were taken up across the summer holidays. If this were maximised, it would bring an additional income of £40,530 for 6 weeks' care into the community, as well as support parents back into work with subsidised childcare. Families can receive up to 85% of the childcare costs.

Transition to Adulthood

This strand of the programme delivered a series of interventions and support with the aim of providing young people in West Somerset with a broader range of training and career options. This has included the development and rollout of short courses delivered by Somerset Skills & Learning and Hinkley Point C, delivery of a Duke of Edinburgh (DofE) Bronze Award course for NEET & vulnerable young people, online maths & English skills tutor, SomersetWorks HUBS in Minehead and Watchet, facilitating work experience for Year 10 and 12/13 students at West Somerset College, SomersetWorks staffing support, funding for Skill Up West Somerset, to name a few.

In Year 4 we were expected to undertake twinning work with other areas outside West Somerset. We elected to work with Mendip and have used funding to implement DofE, SomersetWorks HUBS in Glastonbury and Frome and additional support for Frome College. The Early Years project has also twinned with Schools in the Weymouth and Portland District

6 Commissioning & Performance

6.1 Early Help

The early help strategy (2021–2024) is in place and guide provided the basis for a systematic review of Early Help during 2021. The Institute of Public Care at Oxford Brookes University (IPC) were commissioned during the Autumn of 2021 to support the review current arrangements (including inclusion) and to make recommendations for improvements. Activities included:

- Review of practice models elsewhere.
- Consultation with over 100 leaders and professionals in 15 workshops.
- Meetings with parents' groups.
- Discussions with multi agency oversight group, Early Help Partnership Board and Somerset County Council's Children's Services Directorate Management Team

The review highlighted some key strengths within the Somerset Early Help system. These included a good quality shared strategy, some strong principles underpinning practice and evidence of good quality co-ordination for individual families in some areas. It also identified key areas which need further improvement including better early identification of families through information sharing, improvements to the early help assessment process, more consistent co-ordination (meaning fewer families would experience multiple referrals) and improvements to enable families to navigate the system themselves more easily.

The review resulted in the recommendation that partners should work together to drive forward improvement, informed by the current strategy and principles which are already in place and to develop:

- A digital platform which enabled families and professionals to find the right support at the right time. It will also provide better intelligence on what families are seeking to assist with future commissioning
- Improvements to and simplification of the assessment process and practice for early help services, including meetings to discuss family's needs
- Improvements to local co-ordination and key working arrangements to ensure professionals are aware of what is available locally and guided support is available to families in most need.

Workforce practice development ensuring staff from all sectors have access to relevant training and development opportunities.

The Early Help Board will take forward these recommendations and will ensure that governance and partnership arrangements will offer robust oversight of the implementation of improvements to ensure more consistency across the county.

A bid has been submitted to the DfE to the Family Hubs Transformation Fund. If this is successful it will enable plans to improve early help to be progressed

more quickly. The model requires local authorities to integrate services for families of all ages (0–19 and up to 25 with SEND). The Somerset proposal is to use family hubs as an organising concept to shape all services which impact on families, including housing and health services. The opportunities offered through both Local Government Reorganisation (LGR) and the development of the Integrated Care System (ICS) are evident. Likewise, the potential to extend hubs to offer comprehensive, local, multidisciplinary 'all age hubs' for all vulnerable people and families is apparent.

The Holiday Activities and Food programme has been successfully implemented across the county with over 50,000 opportunities taken up by families during Easter, summer and at Christmas. The programme has been commissioned with Somerset Activity and Sports Partnership (SASP) who have helped around 6000 Somerset children to have a fun and active holiday with healthy food. During Easter's pandemic restrictions, online cookery activities were provided alongside food boxes, which saw families cooking together and particularly helped rurally isolated families who could not travel. One child said, For the first time ever, I have something to tell my friends about back at school. I am going to tell them "I made a den!"

6.2 **Securing enough homes for children and young people**

Securing local, good quality homes for children and young people in care or who are care leavers remains a challenge. This context coupled with more young people with complex needs, has resulted in fewer homes being available and rising costs.

The Competition and Markets Authority (CMA) and the Care Review are looking at the national issues of insufficient good quality homes for children in care and the provider market for homes and independent fostering agencies. They both highlight rising costs, insufficient supply and no corresponding improvement in outcomes for children and young people. Both have made interim findings ([CMA interim report, 22/10/21](#), [Care review 'case for change', June 2021](#)), which identify the fact that current arrangements are not working for councils or children. Substantive recommendations for reform, regulation and commissioning practice are expected in the Spring of 2022.

Work to disrupt the children's homes market and increase the availability of good quality children's homes and fostering homes for Somerset's complex children and young people is well under way. SCC and Homes2Inspire (not for profit, part of the Shaw Trust) have begun a 10-year strategic partnership. The partnership signals a move away from transactional commissioning towards a more relational and shared way of commissioning homes and support.

This partnership will provide about 10 small children's homes across Somerset, around 20 specialist fostering households and therapeutic

education for the most vulnerable children and young people aged over 11. The ability to offer blended fostering and children's homes and to prioritise children and young people's learning and stability will be key. Council revenue (£70 million over 10 years) and capital (£3 million) investment will be supplemented by £1.02 million from a successful DfE capital bid.

Children and young people who are living in homes provided by external providers as at November (2021) are as follows:

• Independent foster placements	=	154
• Residential children's home	=	52
• Supported accommodation	=	44
• Parent and child fostering	=	8
• Education/Boarding	=	13
• Parent and child residential	=	9

Increases in all types of provision have been observed.

The existing step-forward programme which identifies children living in residential homes who are ready to move to a family has successfully supported 8 children and young people to make the move to a long-term fostering home.

The South West sufficiency project, which involves 14 local authorities across the South West, will produce a market position statement in April 2022. The statement will include recommendations to work more collaboratively as a region to address sufficiency issues.

The current contract to provide supported accommodation for young people with YMCA Dulverton Group and Brunel Group has been extended until the end of March 2024 to align with LGR developments. This year 11 innovation pilots for 16–25 year olds who are at risk of homelessness or needing supported accommodation have been developed. The pilots are testing out different housing support models and accommodation, wellbeing activities and targeted support around substance misuse. The 12-month pilots which started in November 2021 will be evaluated and the results will inform the wider supported accommodation procurement which will start in early 2023.

6.3 **Children's Social Care – adult focused support**

The council's investment in Family Solutions enables support to be provided to families, to enable them to parent and look after their children successfully. Taking an approach that helps parents to address underpinning problems (such as poor mental health, domestic abuse, substance misuse and isolation) results in more children living with their families.

Family Solutions is a suite of four graduated stages of intervention which address issues from early help – delivered by the organisation Safe Families, through children’s social work teams with integrated adult practitioners (Family Safeguarding), the Family Drug and Alcohol Court (FDAC) and the Pause project (delivered by the Nelson Trust).

Safe Families has been commissioned across Somerset to match volunteers with families in their community who are experiencing complex issues and need additional support (including overnight breaks). Nearly a third of referrals to Safe Families have been for children and young people with either a CP plan, CIN plan or were children looked after. Of these, over half (55%) no longer need intervention from statutory services and their cases are closed to children's social care. One parent reports: 'I'd be lost without the support from both the organisation and my volunteer. This service has helped me from going down a dark path that I've been down before, it has helped prevent me feeling so hopeless.'

Family Safeguarding integrates substance misuse, domestic abuse and mental health workers in children’s social care teams, to work alongside social workers to provide support and help to parents to address their underlying issues. These workers are commissioned from Turning Point (substance misuse interventions), The You Trust (domestic abuse support), and Open Mental Health (consortia of VCSE organisations, mental health support). The programme has delivered a decrease in the rate of children coming into care (from 49.9 per 10,000 in Nov 2020 to 48.5 in Nov 2021), and children on a child protection plan (from 26.4 per 10,000 in Nov 2020 to 23.4 in Nov 2021). Levels of job satisfaction in the team are high (93% said they are satisfied with the job they do) and vacancies have reduced significantly. One social worker stated: 'We had a parent alleging domestic abuse and we were able to immediately call in the domestic abuse worker first for advice, and then to contact the parent directly and arrange a safe place for the parent to go to. This immediate assistance is so different from our previous experience.'

FDAC seeks to offer a last chance to parents with significant substance misuse problems to address them and parent their children successfully. Under the supervision of the family courts, intensive support coupled with intensive oversight by a family judge can change things for parents and their children. This specialist team has adult focused support provided by The You Trust, Turning Point and Second Step. Although 60% of cases have not yet concluded, significant decreases have been seen in domestic abuse (from 86% experiencing domestic abuse at the start of the programme to 29% currently) and substance abuse (from 43% 'high use' at the start of the programme to 14% 'high use' currently). Feedback from families and judges has been very positive. One parent said that by speaking with the Judge directly she felt listened to – she said that she enjoyed being able to speak first.

The Pause project provides intensive support to women who have had two or more children removed into care to take a 'pause' from pregnancy and to take time to address the issues which prevented them from parenting safely and effectively. Commissioned from the Nelson Trust for a second 18-month programme, positive outcomes have been observed. Of the 20 women who have already completed the Pause project, none became pregnant during the programme, and all had improved their circumstances, including resuming good quality contact with their children, engaging in training, gaining confidence and resolving complex housing issues. Previously between them these women had had 70 children removed from their care. One parent reported: 'The times I have been able to meet some of the other women on Pause it has been nice as I am with people who have had similar experiences of having children removed. Even if we don't talk about it, I already feel comfortable knowing that we have that in common and they might be feeling the same as I do.'

6.4 Joint Commissioning and Integration

A joint NHS and council commissioning plan is in place detailing the improvements that are required to make sure that children and families are offered more joined up care. The progress of this plan is reported to the SEND Improvement Board. A key activity is to understand need and how better use of resources can support families more effectively. To support this a new Joint Strategic Needs Assessment for Children (JSNA) will be developed during the early part of 2022.

Other activities include the development of the autism and attention-deficit/hyperactivity disorder pathways, an action plan to better integrate therapy services and delivery of an integrated community equipment and wheelchair services (joint tender). To further strengthen the plan and ensure the approach is truly integrated, key leaders from across the system have shared their financial information. This will further prioritise the work areas to ensure joint commissioning activity is directed towards activity that will have an impact.

In December 2020, the Somerset system was formally designated as an Integrated Care System (ICS). Children's commissioning plays an active part in the development of the ICS through participation in the leadership forum and other joint fora. These include a joint group to develop mental health and wellbeing services and women's and children's services. As a result, the Children and Young People's Mental Health Transformation Plan has been co-produced and a joint bid to NHS England to pilot a joint Child and Adolescent Mental Health Services and Social Care team to respond to young people in crisis has been successful.

6.5 Partnership Business Unit

Reporting against safeguarding and CYPP priorities from the Children and Young People's Plan 2019-2022 has continued on a quarterly basis, with the

Somerset Safeguarding Children's Partnership taking oversight of this plan, supported by the SSCP Business Unit, hosted by SCC.

Consultation on the new Children and Young People's Plan, to take effect on 1 April 2022, is at an advanced stage with significant input from children, young people and stakeholders. The emerging three priorities for the overall plan are:

- keeping children and young people safe
- supporting physical and emotional resilience
- enabling children and young people to learn and thrive.

More specific safeguarding priorities will include safe education, support for emotional, mental and physical health, neglect, and child exploitation.

Extensive work has been undertaken across the partnership to ensure that thresholds for services are applied correctly via a refresh of the Effective Support for Children and Families in Somerset guidance. Work continues to address neglect and an update and renaming of the neglect toolkit by the partnership is underway. Partners have restated the importance of pre-birth planning and developed a pre-birth workbook as a resource to support vulnerabilities in the ante-natal period. A successful bid to Research in Practice resulted in a needs assessment regarding child exploitation, and a new strategy, launched in December 2022, was based on this needs assessment. Further work is ongoing to provide a more up-to-date child exploitation screening tool for use by all partners.

Two SSCP Safeguarding Children weeks were held online in June and December, sharing key local and national safeguarding messages and reaching more than 200 members of the workforce during each week. These online events were designed both to promote engagement with the SSCP and to enable understanding and learning from local and national research, and they complemented the ongoing multi-agency safeguarding training offer.

6.6 **SEND – Strategic commissioning of Specialist School Places**

A regional approach to the commissioning of specialist independent school places is progressing. Aiming towards taking a more strategic approach to providers, the project has conducted extensive data analysis and produced a market position statement. The research highlighted the following:

- A high level of requests for specialist places, especially for Year 7
- An increase in requests for Reception places
- A rise in requests for assessment in the Early Years and Year 6.
- A lack of confidence of parents and some professionals that mainstream school or special school can meet the needs

Emerging priority areas for action are themed as follows:

- Assessment of need
- Market development
- Partnership
- Effective use of resources

The Somerset picture reflects the regional findings. At the start of 2018, SCC maintained 1,730 EHC plans. Around half of these (857) were for children and young people attending a specialist setting (maintained special school or academy, pupil referral unit, independent non-maintained special school, or specialist resource base/SEN unit). At the start of 2022, we expect to maintain over 4,000 EHC plans – an increase of 136% in four years. Around one third of these (1,290) will be for a child or young person attending a specialist setting.

To respond to these challenges, Somerset's deficit management plan will focus on three key priorities.

1. Reduce the subsidy from the high needs block of the dedicated schools grant (DSG) to individual schools for commissioning non-statutory SEN support provision
2. Focus resources and investment on effective early identification and intervention to enable children to access the right support at the right level at the right time in order to reduce demand on statutory/specialised services
3. Ensure sufficiency of special educational provision that is financially sustainable and enables children to access local inclusive provision wherever possible.

In addition, a new SEND Strategy will be developed during 2022 to reflect Somerset's priorities for improvement which will emerge from the JSNA and the regional findings.

7. **Support Services**

7.1 **Human Resources and Organisational Development (HR&OD)**

The HR&OD Service has continued to support all areas of Children's Services in a variety of ways, using and directing its expertise and specialisms where required. Its advice and support is well received by the service and there is a strong and collaborative relationship based on improving outcomes for CYP and their families and working to support our staff and teams to enable this.

This is happening through a number of routes tailored to service requirements as follows:

Children's Social Care

The number of frontline social workers has remained steady across the year with around 82% of posts (data up to the end November 2021) permanently employed by SCC. Turnover for front line social workers has reduced across the year from around 19% to 13, and for all social work qualified roles has remained steady.

A successful mixture of recruitment activities has included:

- Advertisements aimed particularly at attracting newly qualified social workers to Somerset for their assisted and supported year in employment (ASYE)
- Student placement and 'grown your own schemes
- The particularly pleasing development of current staff to enable them to fill more senior roles as they became available, thus retaining these staff in Somerset.

Despite the above a number of vacancies still need to be filled. A range of new and innovative approaches is being employed. There has been a significant increase in the number of staff on maternity leave (who will return in the future) whose posts need to be backfilled on a temporary basis. The recruitment and engagement officer has advised and assisted managers on adverts, campaigns and images. Applications have been reviewed daily and passed to relevant managers to ensure pace. Interviewing ahead of closing date guidance, keeping warm calls and on boarding, induction (welcome calls to all new starters at around week 3) and retention calls prior to anyone leaving have all been put in place. Support has been given to the children's transformation programme including working with external partners on new projects such as Family Safeguarding and FDAC, with colleagues in the fostering service after their restructure and on the social workers in schools project as well as linking with Reed re temporary labour, and our recruitment events management.

HR&OD officers set up and attended two events over the Autumn of 2021 alongside colleagues from children's services – the Hampshire County Council Social Work in the South West 1-day event and the Community Care Live 2-day event in London which, as hosts included running the Childrens seminar on day 1 which was based around our Family Solutions Somerset work.

HR&OD is always looking to improve and use innovative approaches to try new things. SCC was previously signed up to a full package of support via Community Care but found it was not possible to demonstrate the return on investment. Instead, last year, SCC invested in the Indeed platform and package and has gained Featured Employer Status including sponsoring

advertises where necessary to increase visibility which has led to some success. SCC's Indeed rating has increased from 3.2 to 3.6 (out of 5) this year with one respondent saying 'I have worked for SCC for 6 years and in that time, they have really invested in my personal development, as a result I started as a newly qualified worker and am now part of the management team. I have really felt part of the SCC journey.'

SCC's Glassdoor ratings have increased from 3.6 to 4.3 with 91% of staff who have completed ratings saying that they would recommend SCC as an employer to a friend and 99% approving of Pat as our CEO.

Significant work has been undertaken on our employer brand and new SCC recruitment website as well as multimedia sites and advertising on our SCC Careers pages – Facebook, Instagram, LinkedIn, Indeed and Twitter, these are separate from the main SCC corporate site as they just cover culture and recruitment content.

Feedback from managers and staff on previous work on recruiting social workers from overseas has informed a project that is just starting with a new provider who has a successful track record and has worked with other LAs. This provider undertakes a 3-step recruitment process which includes a written test before candidates are put forward to managers in Somerset to interview. The company also provides support with relocation and, once the recruits are in the UK, a full training package on the differences between practice in Southern Africa and in the UK. Consultant social workers are involved in designing peer support to this group when they arrive in the Spring of 2022. Interviews take place in Jan 2022, with the hope of recruiting at least 10 as our first cohort.

The already hard to fill role of social worker has become even harder to fill this year. In addition to all the work outlined above there has been a focus on SCC's learning and development (L&D) offer and pipeline, supportive culture and creativity to support staff to enable them to fulfil their roles and maintain excellent practice.

Considerable work from the Children's L&D team (currently managed by the HR Organisational Development Manager) has utilised a range of successful 'grow your own' and development schemes, working with varying providers to ensure there are locally qualified social workers to bring into the authority. Last year, this involved a number of Children's teams supporting placements for 65 students with the aim of persuading them to stay in Somerset once they have qualified. Existing staff have continued to be supported to upskill via apprenticeships. A number of Children's Services staff have accessed the funded qualifications, most notably third cohort of social work degree apprentices has begun, paired with the University of Gloucestershire.

The first cohort of the award-winning programme that SCC set up in

partnership with Yeovil College qualify in 2022. It is currently predicted that 10 of those students will join SCC to start their ASYE year. There are currently 26 staff undertaking their ASYE year.

SCC is leading the Step Up to Social Work programme in the South West, supporting 48 University of the West of England social work students to qualify as social workers over the 14-month programme. Nine of the students will undertake their placements at SCC and it is hoped they will take up roles within Children's Services in Spring 2023. SCC continues to support Frontline (4 students) as well as the social work degree apprenticeship route mentioned above (15 existing Children's Services staff completing the qualification), and those directly from higher education institutions.

External recruitment for newly qualified social workers continues.

The team has commissioned and run 183 courses for existing staff covering 1699 attendees.

In addition to more business as usual areas of advice, support and training, this year HR&OD has also:

- Worked with the service to create and launch a 7-point retention plan for frontline staff covering a range of areas such as development, quality of practice, getting teams together and pay elements.
- Provided significant input from the HR Advisory Service on a restructure within fostering.
- Supported good employee relations with trade unions via half termly JCC meetings chaired by the Deputy Director for Children's Services.
- Recruited additional family intervention workers and senior social work assistants to ensure support to qualified roles and further enhance routes into social work supported by apprenticeships/other qualifications.
 - Supported a range of initiatives around residential units on performance, structures and recruitment
 - Corporate work around working well initiatives such as monthly challenges, Display Screen Equipment seminars, getting equipment out to staff to ensure working safely at home
 - Health and safety risk assessments and keeping staff in work and in offices on rota systems to comply with government Covid legislation but to ensure ongoing collaboration to reduce risk to CYP and families.
- Worked with the CSC teams, including engaging with staff and under-represented groups to create a new workforce strategy covering to the end of 2024.

Inclusion Services

This year considerable input from HR&OD colleagues has gone into Inclusion,

specifically as a result of the Ofsted inspection and the written statement of action. The HR Business Partner leads one of the 9 system-wide improvement priority areas focusing on leadership and culture. This has involved 2-weekly delivery group calls, managing large system wide programmes of work, presenting progress on Ofsted and DfE monitoring calls and taking part in the monthly service quality and performance calls reporting back on all areas of HR&OD. The HR Advisory Service was particularly involved in advising and supporting on a TUPE transfer out of staff in 2021.

Wider Children's Services

HR&OD teams have also supported the wider range of Children's Services such as Education and Partnerships, (including SSE) and Commissioning with professional advice and guidance on areas such as restructures, recruitment, TUPE, terms and conditions, wellbeing, pay, sickness absence, performance management, health and safety including risk assessments, equalities impact assessments, learning and development and apprenticeships.

7.2 Finance

The finance team continues to work closely with budgets holders in improving financial management information, monitoring, forecasting, and reporting. The informative monthly budget monitoring report and monthly metrics report bring service activity and performance data together with financial data, focusing attention on the cause of financial pressures and the impact of Covid, greater complexity of need and strategic and operational decision-making. Both reports highlight and monitor against management action and risk to strengthen good financial management in a challenging financial environment.

The finance team continues, as it did last year, responding to Covid by understanding and quantifying its financial impact in the short and medium term and in securing government funding.

The focus for finance this year has also been on providing financial advice and expertise in support of the Children's Transformation Programme.

Finance has been working closely with the SEND Improvement team around joint commissioning and the development of a joint commissioning finance report, providing transparency, a shared understanding of current commitments and opportunities, while developing stronger partnership working. The finance team has also provided support and challenge in relation to the written statement of action business cases, ensuring they are robust and achieve value for money.

Finance have been working with the service on Education Partnerships and Early Help projects, specifically in relation to the Crewkerne and Ilminster reorganisation and the Family Hub transformation.

The Finance team continues to support the Building Local Capacity and Sufficiency project, providing revenue and capital advice and expertise on the 10-year partnership with Homes2Inspire.

And finally, finance has worked alongside the Assistant Director for Inclusion in the development of the DSG deficit management plan with significant improvement in the financial and performance information available to inform the DMP and ensure that it is robust, realistic and achieves a sustainable financial position going forwards.

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Somerset County Council

County Council
– 23rd February 2022



Cabinet Member Report to Full Council – Public Health

Cabinet Member: Cabinet Member for Education and Public Health

Local Member(s) and Division: All

Lead Officer: Trudi Grant, Director of Public Health

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1. Introduction

- 1.1.** It continues to be an unprecedented time for public health; the Covid-19 pandemic continues to touch every part of life and every Somerset resident. Both the direct and indirect impacts of Covid-19 continue to be significant. Importantly, we must reflect upon the hugely sad effect of 1,043 deaths in families across our county, as of the week ending 28th January 2022.
- 1.2.** This report provides a high-level overview of the work undertaken in the past year under the whole of the health and wellbeing portfolio. It focuses particularly on the excellent work done during the pandemic to protect, maintain and improve the health of the local population. It gives some insight into the hard work and considerable successes that the public health team have delivered or enabled throughout a further turbulent year in responding to Covid-19 and provides a picture of what worked well and what can be improved for the future.

2. Covid-19

- 2.1.** The Public Health Incident Room continues to operate. It has now been in place for two years, having been set up ahead of the virus reaching the UK in order to prepare. At the time of writing, Somerset and the UK remains in a Major Incident. In May 2021 the National Covid-19 Alert Level was reduced to Level 3, meaning the epidemic is in general circulation. As of 1st December 2021, there were 68,907 cases of Covid-19 in Somerset and sadly 952 people died within 28 days of a positive test for Covid-19.
- 2.2.** Public health leadership of the local pandemic response continues to be of paramount importance. The Director of Public Health (DPH) chairs the weekly Health Protection Board, bringing together senior clinical and professional leaders across Somerset to work together and make strategic decisions to enable management of the pandemic. The team of highly trained public

health Consultants and Specialists employed by Somerset County Council (SCC), supplemented by the recruitment of a dedicated Covid-19 response team, provides the specialist public health advice to support the management of cases, clusters and outbreaks.

- 2.3. The DPH and public health team continues to reach right across the Somerset system, as well as reaching into the regional and national systems, to provide the leadership and specialist scientific public health advice required.
- 2.4. The key areas of activity as part of the response have been outlined below:

Epidemiological Disease Surveillance and Control: Throughout the past two years, the public health team has worked tirelessly to undertake local epidemiological surveillance and manage cases, outbreaks and clusters of infection, seeking to reduce and slow the transmission of the virus in order for local health and care services, and all forms of business, to withstand the increasing needs and staff sickness. The actions and governance used has been fully described in the Local Outbreak Management Plan, which is on version 6, as this has been revised each time the national Contain Framework is rewritten.

Test, Trace and Isolation: The Somerset DPH is the regional lead for contact tracing and Somerset was the first local authority in the southwest to pilot and develop local contact tracing, working alongside the National Test & Trace teams within the NHS. Between 1st April 2021 and 19th November 2021, SCC staff identified the close contacts of 9,019 people with Covid-19. As a whole trace service (National Test & Trace, self-completion and SCC) 43,831 cases have been contact traced. Consistently, Somerset has succeeded in reaching well over 80% of cases, which is the level at which contact tracing is deemed to be effective.

In addition, the public health team have led the Somerset multi-agency testing cell to advocate for, and ensure that those people who have symptoms of Covid-19, have access to PCR testing. Between 1st April 2021 and 31st October 2021, 878,344 PCR tests were undertaken on Somerset residents.

Asymptomatic testing has been a significant key strand of our local testing strategy and containment of the infection. Evidence shows up to one third of people are thought to be infected but have no symptoms. Between January and May 2021 public health and other SCC staff led the development and running of asymptomatic testing sites for our population. Between 1st March 2021 and 31st October 2021, 1,718,092 LFD tests were undertaken on Somerset residents. In total 2,596,436 Covid-19 tests have been undertaken on Somerset residents between 1st April-31st October 2021.

Preventing the Transmission of Covid-19: A monthly Engagement Board, chaired by the Leader of the Council with our portfolio holder as vice chair, has overseen the public communications and engagement work, designed to support our population to adopt positive behaviours to help prevent the spread of Covid-19. During the pandemic the public health team have

developed a specialist Behavioural Insights Unit, recruiting specialist behavioural scientists to ensure that our messages are evidence-based and using a behaviour insights approach, targeted to specific audiences to achieve a behaviour change outcome. This unit has already been a huge asset to our local management of the pandemic and will be developed further in the future to support other behaviour change interventions.

The public health team continues to provide support to schools, care homes, workplaces, independent and NHS hospitals, hospitality venues and many other settings that have experienced outbreaks. This work has been undertaken in partnership with the new UK Health Security Agency, District Council Environmental Health colleagues and Covid-19 wardens.

Ensuring Access to Vaccination and Pharmaceutical Interventions:

The public health team has worked across the system to ensure that as treatments become available, they are accessible to those that they are indicated for. As pharmaceutical interventions continue to be advanced this work will need to develop further; in particular, focusing on reducing inequalities in access.

The team has provided specialist public health advice to the Somerset vaccination programme and supported the successful uptake of vaccination in all age groups. Of particular note is the 'Access For All' element of the Covid-19 vaccination programme which has been led by the public health team. Through a process of data analysis and community engagement, this work identifies which populations have not kept pace with the majority vaccination rates. This includes small geographic areas, groups of ethnic origin and nationality and more vulnerable populations such as homeless people, those with drug and alcohol problems and sex workers. This information has been used to develop communications materials, engagement work using trusted community figures and to deliver targeted outreach vaccination clinics.

Some successes in this approach over the last year included the SCC Refugee Resettlement service, which supported all refugees in Somerset to be vaccinated, with all but one person taking up this offer. In the first phase of the programme over 80% of Somerset's homeless population were vaccinated and the public health team worked with NHS partners to organise vaccination clinics for sex workers and in drug and alcohol services. They also worked with the Polish Catholic Priest to organise information and reassurance for our Polish-speaking communities, then arranged transport after Mass to the vaccination centres. With the support of local businesses, clinics have been held at various workplaces throughout the county, including in partnership with Hinkley Healthcare at Hinkley Point. These interventions have led to an additional 1,000 people from a 'white, other' population being vaccinated.

This approach has meant that Somerset has one of the highest rates of Covid-19 vaccination in England across all age groups. The public health team continue to review information on uptake, including on booster doses.

2.5. Homelessness

The pandemic has been particularly hard on many vulnerable people in our society, including homeless people. Some of the worst health outcomes in society are experienced by those who are homeless and rough sleeping. The first year of the pandemic saw co-ordinated action between local agencies to bring “everyone in” from the streets into accommodation.

This presented challenges and opportunities. Some of the most entrenched rough sleepers were able to make changes to their behaviour and remain in accommodation. Sadly, when lockdown restrictions were relaxed, we saw the impact of the pandemic on people’s mental health and addictions take hold, so challenges have only increased over the last year. We have made significant progress in the establishment of the Homelessness Reduction Board. This now reports to the Health and Wellbeing Board and co-ordinates a county-wide approach to both accommodation and support for homeless people. Crucially, following a successful bid for a pilot project last year, we now have a fully funded, permanent Homeless Health Service, managed by Somerset Foundation Trust. This is a significant advancement and we have been able to use these structures to promote better health outcomes for homeless people and much needed support to access healthcare and preventative services.

Over 80% of our homeless population has been vaccinated against Covid-19, both those in hostels and those still sleeping rough. The vaccination programme provided an opportunity for general health checks and to register any people needing a GP. Our homeless population is not static; the end of furlough, together with the return to evictions, has driven the need for us to implement rolling processes to ensure all new presentations have their health needs met.

2.6. Building Stronger Communities

The pandemic continues to present a challenge to the way we work with, and support, our communities. New working practices were quickly developed and many have been embedded as everyday practice. Improved collaborative working across the public and voluntary sectors has been sustained through regular forums including the Community Resilience Partnership.

In the early days of the pandemic, Spark Somerset was commissioned to co-ordinate and support coronavirus volunteer groups. This work continues as groups identify their ongoing role; some will stand down while many will broaden their focus to support their communities with a range of issues beyond Covid-19. Spark will support these relatively new groups to establish for the long-term and take their place in Somerset’s voluntary sector.

Throughout the pandemic response, volunteers have been crucial. By distributing food and medicines, providing practical and wellbeing support, individuals and groups of volunteers across Somerset’s communities have responded effectively to the challenge the pandemic presented. The Central Volunteer Service within the public health team continues to support the

recruitment and deployment of volunteers and is working hard to return volunteers to activity after many were stood down during the pandemic restrictions.

2.7. Covid-19 Emotional Health and Wellbeing

The impact of the pandemic on mental and emotional wellbeing has affected all our lives in profound ways over the last year. Covid-19 can be seen as a collective trauma, but we are not all experiencing it in the same way.

Impacts of trauma are likely to be greatest and longest on those worst affected by:

- The virus – getting Covid-19, loss of someone
- The lockdown effects – social distancing, social isolation, restrictions on physical activity and being in nature, personal safety concerns
- The economy – loss of income, debt, housing problems

Groups with the highest risk of adverse mental health outcomes as a result of Covid-19 are:

- People with existing mental health difficulties
- People with long-term physical health conditions
- People directly affected by Covid-19 including patients, health and care workers and bereaved family members, friends and colleagues
- People who experience heightened risks from being locked down at home
- People on lower incomes and with precarious livelihoods
- People from Black, Asian and minority ethnic communities

National studies have predicted a rise of 20-30% need for mental health support and that as the pandemic waves start to fall, the mental health need will start to slowly rise. There is no vaccine for mental distress.

An ongoing national survey undertaken by Mind of just under 12,000 people with mental health problems, has been tracking coping behaviours:

Top five most popular coping mechanisms for adults are:

1. Spending time outside (75%). (People living in households receiving benefits are around 20% less likely to spend time outside)
2. Reading, watching TV/films or listening to music/radio (72%)
3. Eating too much or too little (70%)
4. Connecting with friends, family or a partner online (62%)
5. Sleeping too much or too little (61%)

Top six most popular coping mechanisms for young people:

1. Sleeping too much or too little (77%)
2. Spending time outside (75%)
3. Reading, watching TV/film or listening to music/radio (75%)
4. Spending time on social media (73%)

5. Eating too much or too little (72%)
6. A third (32%) of young people have self-harmed to cope

Further information on the national research and cohort used can be found at the following link: [What has the impact of the pandemic been on mental health? | Mind, the mental health charity - help for mental health problems](#)

Support and resources to help people to look after their wellbeing have been a critical part of the Covid-19 response. It has challenged all of us. Feelings of anxiety, worry or loneliness have been normal reactions to uncertainty and challenging times. In response to this, public health, working with others, has developed a range of initiatives to support and promote wellbeing. Some of these are detailed below:

- Mindline: Additional investment has been provided to expand this day-time telephone service to be open 24 hours a day, 7 days a week, with 500-600 calls a week received.
- Bereavement Support Service: This service provides accessible and immediate support to those affected by bereavement (for any reason, not just Covid-19 related) throughout the year. Over 270 people have been supported. A new Bereavement and Coronavirus booklet was developed and given to everyone registering a death.
- Communications work: We have focused on providing regular and timely public mental health messages through a range of media:
 - "Wellbeing Wednesday" on BBC Radio Somerset has been particularly well supported. Running every Wednesday evening for a year until Spring 2021
 - Every Mind Matters – this is a digital hub that offers a range of useful resources to support mental health needs
 - Written resources including a simple guide to mental health services leaflet and a Look After Yourself booklet
 - Contributions to newsletters, Your and Our Somerset, Healthy Somerset web pages
 - The Covid Champions was launched in November 2020 and Vaccine Buddies in early 2021. These are volunteer led schemes funded by Public Health and co-ordinated by Spark Somerset
- Men's Mental Health Project – Stepladder formally launched as part of the Open Mental Health to help address suicide risks (further information on Stepladder can be found under section 4.6)
- An additional investment of £1.2 million has been made to provide support to those whose health and wellbeing have been disproportionately impacted by Covid-19 and seek to reduce or prevent further impact. The

investment is supporting community-focused positive mental health projects, such as working with Open Mental Health, to deliver a community grants programme, a 5 Ways to Wellbeing community project and targeted interventions for peer support groups, post Covid-19 recovery services and suicide prevention awareness. These grants will enable people, families, and communities to find solutions that will help build emotional resilience and promote mental health while preventing mental illness. They will help find longer-term sustainable solutions, recognising that mental health is not a static state.

- Public health and LIFEbeat have collaborated to design and deliver two 'stressbusters' online selfcare courses for school staff. Sixty-five staff registered with the six-week programme. All participants reported that the course enabled them to remain resilient during the pandemic, preventing them from taking sickness absence due to stress. All staff had made positive changes to their lifestyles as a result of attending the programme; examples include implementing relaxation techniques as a daily practice, improving diet and increasing physical activity levels.

2.8. Covid-19 has highlighted health inequalities. Differences in the risk and outcomes of people infected with Covid-19 have demonstrated that age, where and how you live, deprivation, occupation, and pre-existing conditions all impact negatively on outcomes. Tackling health inequalities has always been at the very heart of public health, but Covid-19 has shone a light on just how important this issue is now and going forward.

2.9. Strongly related to inequalities, is the need for us to improve the health and wellbeing of our population overall. Those with existing health conditions (some of which are preventable) have been particularly vulnerable to the virus.

3. Improving the Health of Children and Young People

3.1. Health Visiting and School Nursing (Public Health Nursing)

The Public Health Nursing Service (PHNS) includes health visiting and school nursing, and became part of SCC on the 1st of April 2019, joining with the existing public health team. The PHNS provides universal and specialist services to all children aged 0-19 and leads the delivery of the Healthy Child Programme (2009), an evidence-based programme for children, young people and their families, focusing on prevention and early intervention.

Health Visiting Services provide an opportunity for all children aged 0-5, and their parents, to access a range of professional and clinical support in relation to the transition to becoming a parent. They offer specialist advice and support in relation to infant feeding, perinatal mental health for mothers, fathers and partners, child development, oral health, healthy weight, and the wider determinants of health. In addition, they play a key safeguarding role for children and adults.

This year, the Health Visiting Service has continued to offer the five mandated review appointments to all families to provide routine development and screening checks, despite on-going challenges due to the pandemic. Parents have welcomed the return of baby clinics and important support groups such as infant feeding, post-natal groups and the Horizon group for parents experiencing difficulties with their emotional and mental health. The groups have been delivered face to face in Covid-19 secure settings and online. The service has also continued to work towards the World Health Organisation (WHO) Baby Friendly Initiative standard to improve the quality and access of infant feeding support for all parents, and re-accreditation is anticipated in May 2022.

School nurses have continued to adapt their service this year to respond to the emerging needs of local children because of the pandemic. They continue to prioritise the safeguarding of all school age children, in addition to school based clinics, 1:1 work, support with continence, looked after health review assessments and school health profiling to identify the health needs of wider school communities. In response to schools, they have delivered primary school Covid-19 talks, translating information for young children about the virus, infection control measures and looking after emotional health and wellbeing, online school readiness sessions, to ensure children get off to the best start in their school life and anxiety management sessions where there has been reported increase in anxiety because of returning to school. Some of the teams have also volunteered to be redeployed to support our local NHS trust to roll out the Covid-19 schools immunisation programme.

In addition, David Fothergill on behalf of the LGA and the School and Public Health Nurses Association (SAPHNA), launched a national vision for School Nursing in September and the Somerset school nursing team will work with SAPHNA this year to develop the vision.

3.2. Maternity and Early Years

The Local Maternity and Neonatal System (LMNS) have made a significant commitment to addressing and prioritising the prevention agenda. Progress within the prevention workstream includes a current focus on tackling maternal obesity and strengthening the pathway for smoking outcomes and carbon monoxide monitoring, both in pregnancy and at time of delivery. The LMNS Maternity Equity Strategy aims to build a collective understanding to reduce inequalities in access to preconception and antenatal information and support, breastfeeding and nutrition support and access/uptake of the national Healthy Start Scheme to name but a few.

Somerset LMNS and the wider system has committed to implementing ICON, a prevention programme to tackle non-accidental injury and incidence of abusive head trauma in under-ones. Nationally, and in Somerset, there has been an increase in incidents involving the infant's father or mother's male partner. Fathers and men have become a raised priority in Somerset with emerging evidence that prevention opportunities are being under optimised.

A multi-agency action plan and roll out of the evidence-based ICON programme is underway to help to address this. The training and resource programme will be launched in January 2022.

Somerset is 'Going for Gold'; the Somerset maternity and neonatal units, and PHN are working towards re-accreditation this year and the acclaimed UNICEF Gold status in the Baby Friendly Initiative in future years. The Gold Award is designed to help embed high quality care for the long term and requires an organisational culture that protects the Baby Friendly standards. The SCC Working Well group are developing an e-learning module to embed in the future Somerset Council for all staff, promoting the standards and raising expectations and the quality of support offered to all staff while transitioning into parenting and their return to work. Members of staff at SCC, on maternity leave and returning to work, have supported in the design of these developments.

The early years sector and providers are engaged in planning a whole setting wellbeing framework. The Wellbeing Framework for Early Years outlines the EYFS and incorporates strengths of the whole-school approach (used in the wellbeing framework for schools) to support engagement in the wider public health, prevention, and health improvement agenda. A key aspect of this is the inclusion of ACE (Adverse Childhood Experiences) and trauma-informed Somerset.

The public health team are working with partners in the early years sector to design and launch an "Early Years offer", which incorporates public health priorities of obesity and oral health. Workforce training, national HENRY (Health, Exercise and Nutrition for the Really Young) training, oral health improvement interventions and physical activity projects are currently in development. Engagement and planning are scheduled for early 2022 with an ambition to initiate the new offer in Spring 2022.

3.3. Wellbeing for Education Return (WfER)

As a follow up to the Wellbeing for Education Return (WfER) package, this has now been continued and extended into Wellbeing for Education Recovery.

A legacy of themed videos has been recorded by public health, in collaboration with educational psychology partners and Young Somerset as a direct result of the initial WfER training. The videos cover topics requested by staff who attended the training for further input, including a series of self-help videos developed by young people for young people, helping to expand peer support.

Public health continues to host a dedicated [Wellbeing for Education Recovery page](#) for children & young people (CYP) practitioners, as well as schools, which includes a link to the videos, a service directory for Somerset and signposting to information.

A further web resource page has been developed as part of WfER, specifically regarding eating disorders and body image. This provides an e-learning offer

developed by Child and Adolescent Mental Health Services (CAMHS) for schools on this topic, with signposting and general advice.

3.4. Senior Mental Health Leads (SMHL) Training

With colleagues in educational psychology, Young Somerset and CAMHS: Mental Health Support Teams, public health has joined in forming the Somerset Mental Health Leads Training Partnership. In the Autumn term we were successfully approved by the Department for Education as an approved provider for delivering both the Beginners and Intermediate training courses for senior mental health leads in schools and colleges. Developing a whole-school approach is a fundamental part of this training and for Somerset, supporting schools to use and embed the Somerset Wellbeing Framework in practice in their setting.

Each course offers two days direct learning with time between each day for implementation within settings, which is further supported by coaching sessions for the SMHL. November saw day one of the beginner's course delivered virtually, with 88 Senior Mental Health leads receiving training.

3.5. The Somerset Wellbeing Framework (SWF)

There are now 163 Somerset schools actively working to the Somerset Wellbeing Framework. Throughout the pandemic, schools have continued to engage with and share their wellbeing work and we have continued to see an increase in schools' use of the audit tool over the past 12 months. We have developed areas within the framework in response to need including the addition of the [Somerset Wellbeing Framework animation](#).

The SWF continues to bring further alignment with the SMHL training and has enabled us to host a video from a local school Deputy Headteacher, sharing their experiences of [using the SWF in action](#).

Throughout the pandemic, we have transitioned some of our core training deliveries to a virtual offer. This includes the Mental Health First Aid Youth training, where five half-day virtual Youth Mental Health Aware courses have reached 75 schools' staff and CYP practitioners. In supporting staff wellbeing, we have our newly commissioned Compassionate Mindful Resilience course, which has seen five courses delivered virtually to 48 school staff and CYP practitioners.

3.6. Young Person's Wellbeing Champion – Pupil Participation

In developing the SWF principle of pupil participation - ensuring pupil voice is at the heart of the SWF - public health commissioned the position of a Young Person's Wellbeing Champion. This role provided a research opportunity from a young person's perspective of pupil participation in emotional health and wellbeing within school or college settings. This resulted in a young person-led development toolkit of recommendations and resources for how schools can better support and empower the student voice within their settings, focusing on emotional, mental health and wellbeing experiences. This was a short-term, small-scale project with 10 schools and colleges invited to be

involved and whilst the pandemic presented some challenges, 7 students joined the core Student Voice Group with teachers from 6 schools also providing their perspective. A wider student response was captured, through a student developed survey which was shared with over 60 schools.

3.7. Somerset Youth Wellbeing Residential

This year in response to the pandemic, public health teamed up with SSE Outdoors to deliver SCC's first in-house wellbeing residential programme for 40 young people aged between 12 and 18 years at Kilve Court Residential Centre.

The five-day residential programme included a range of creative and outdoors activities to promote self-care, build confidence and self-esteem and to support young people in building positive relationships. The camp included a youth-led day whereby the young people designed and delivered their own workshops and activities. 86% of those attending reported that they really enjoyed the camp and had rated 'making new friends' the best thing about the camp. All participants had reported an increase in confidence and teamwork skills as a result of the residential programme. Outdoor activities, drumming and the youth-led day were the most popular activities rated by the young people. Seven of the young people went on to become youth mentors in the autumn LIFEbeat camp in October 2021. SSE plan to offer more camps in the summer of 2022.

LIFEbeat successfully delivered their second camp during the October half term. The six-day camp was attended by 40 young people aged between 14 and 18 years old from across the county. Two of the peer mentors were from West Somerset. Building on from the summer camp, the programme focused on building positive relationships with the self, others and wider world. Young people explored the themes of celebrating diversity, difference and emotional literacy as well as connecting with nature as means of enhancing self-care. All young people created their own personal development plans. As part of the youth-led day, they created their own film which will be used as a teaching and training resource for schools as part of the Relationships, Sex and Health Education (RHSE) curriculum. LIFEbeat will continue to offer reunions and online activities to build on the success of the autumn camp. Further camps are planned for 2022.

3.8. A-Level Transition Days

As a new initiative, public health, LIFEbeat and Young Somerset collaborated with Somerset Works to provide a series of emotional literacy and self-care workshops for students who were transitioning into further education in the academic year 2021/22. 424 Somerset students attended the sessions with two thirds of delegates reporting that they found the events useful and informative.

3.9. Relationships Sex and Health Education (RHSE)

The public health team continue to commission LIFEbeat to offer a series of online Relationships Health and Sex Education (RHSE) briefings for School

Leaders. 35 schools participated in this year's briefings. A further 119 schools have attended the Creative Approaches to Relationships and Sex Education Curriculum and Delivery Online day workshops. Training remains highly rated by school staff with a positive average score of 4.7 out of 5 for training delivery.

In addition to the RHSE briefings and curriculum development, 20 schools also took part in two bespoke online courses on pupil participation and parental engagement to enable deeper level conversations on the RHSE curriculum and a whole school approach to wellbeing with pupils and the parent/carer community.

3.10. Schools Health and Wellbeing Survey

This year, for the first time, the pupil wellbeing survey was designed and co-ordinated in-house by the public health team in consultation with education, schools and Children's Services. The survey provides a valuable insight into the lives of Somerset school-aged children. It is a large survey with almost 8,500 Somerset children and young people in Years 2, 4, 6 8 and 10 participating this year.

Findings have shown that even after so much disruption, 34% of Year 2 children said they always felt happy while 65% of secondary children said they felt cheerful and in good spirits most of the time. There are many children who have struggled and continue to do so, but there are children who saw benefits from lockdown, including more time outdoors, more exercise and a better relationship with parents.

Another key message from the survey shows only 10% of secondary aged children reported getting the recommended 9 hours of sleep every night. Getting a good night's sleep is an important way we can all support good mental health, and this is even more important for young people who are wrestling with the ups and downs of adolescence.

Summary reports are available on: [Somerset children & young people : Health & Wellbeing : New Home \(cypsomersethealth.org\)](https://www.cypsomersethealth.org) Somerset school staff were invited to take part in an online staff wellbeing survey. The results are due to be published in January 2022.

3.11. Adverse Childhood Experiences (ACES)

Public health has continued to develop and expand on the two initial pilot projects, which were completed through a shared findings learning event in July 2021. This now continues to build on a community approach with training for Somerset healthcare professionals and further ACES training and support for school staff in a small number of identified secondary schools.

Practitioners have been invited to engage in advanced training using a Mindful Emotion Coaching and an 'all emotions are ok' approach to supporting parental emotional and mental health, which we know significantly impacts upon the child and care giver relationship, with longer-term consequences.

Forty-four practitioners across Public Health Operations are taking part in trauma-informed training, commissioned by the Home Office, and delivered through the Office of the Police and Crime Commissioner for Avon and Somerset, and the Violence Reduction Units. They will join practitioners across Somerset to further engage in developing a trauma-informed system for Somerset.

4. Improving the Health of the Whole Population

4.1. Smoking Cessation and Tobacco Control 2021

During the pandemic, the Smokefree Life Somerset stop smoking service has adapted to remote telephone-based support and smoking medications delivered to peoples' homes and through their local pharmacies. Since January 2021, the team has supported 1,074 people in the service with 736 quitting, with a fantastic 67% quit rate! In addition, the smoking cessation service to support pregnant women has supported 397 mums since January 2021, with 119 quitting at an average 49% quit rate.

Forthcoming service developments include

- New smoking cessation pathways in our hospitals due to launch 2022
- Launch of an evidenced-based smoking prevention programme for secondary schools called INTENT, supporting young people to have the confidence to quit and refuse tobacco related products
- Maternity smokefree campaign for 2022 in partnership with the Local Maternity and Neonatal Service
- Introduction of fully digital stop smoking intervention to ensure people have access to support 24/7 to help them deal with cravings
- Work with primary schools across the county to launch a prevention campaign to support all schools to be smokefree beyond the school gates

4.2. NHS Health Checks Programme

The NHS Health Checks Programme provides people aged 40 – 74 with a cardiovascular risk assessment and lifestyle advice to help them stay healthy longer. Health Checks were suspended nationally in March 2020 due to Covid-19. In Somerset 'Health MOTs' were designed instead as a fully remote alternative since lockdown, with 552 Health MOTs being completed in total from July 2020 – March 2021. Health MOTs stopped in April 2021, for the service to focus on re-commencing face to face health checks.

A total of 652 face to face health checks were delivered between April and November 2021. These health checks have so far helped identify:

- 24% as having elevated blood pressure
- 32% required further tests due to increased risk of diabetes
- 29% with raised cholesterol
- 41% received dementia awareness advice

In total 48% of people were referred to their GP for more support or tests.

The service has been impacted significantly from lockdowns, despite the number of health checks increasing each quarter; ongoing pressure for our pharmacy and GP sub-contractors has reduced the capacity of the service and many community venues have remained unavailable. Despite the ongoing challenges, the service has received 93% positive feedback from service users. The service is now expanding the workplace delivery programme alongside the standard community delivery programme.

4.3. Healthy Weight

Covid-19 has raised the profile of weight and its impact on health. In response to significant gaps in support and funding for the population of Somerset identified last year, the Healthy Weight Alliance has been established. This has been jointly led by public health and the Clinical Commissioning Group as an Integrated Care System (ICS) priority to take a whole-systems approach to healthy weight for all ages for Somerset. This new partnership will bring together clinical and community healthy weight pathways, identify gaps in provision across the county to drive future commissioning and provide simplified and positive messages for the population around healthy weight and lifestyle. An early priority is the development of a weight management programme for people with a learning disability, due to start in early 2022.

Specific work around maternal healthy weight is focusing on:

- Developing an online universal digital offer for all women
- Developing a maternity healthy weight pathway including resources and support for women and their partners and training for health professionals
- Early Years Obesity Pilot – with paediatricians, health visitors, dietitians and public health

4.4. Community Food

The public health team are leading the development of a new Community Food Programme in partnership with Food for Life, Soil Association, Somerset Community Food and Somerset Community Foundation. This programme will support healthy eating, developing food skills to address food resilience, and supporting community groups as well as learning for a future food strategy for Somerset. Work progressed to date includes:

- A programme of train-the-trainer cookery and growing training programmes to support community groups to upskill and share knowledge
- Varied cookery and healthy eating workshops and development of resources
- A community fund for community groups to access to continue or start food and growing related activities
- 'HENRY – Health and Nutrition for the Really Young' commissioned to provide training to early years, social care and some health staff in

Sedgemoor as part of a programme of early years activity, including oral health, to develop and improve the early years offer and evaluate the effectiveness for development of a county-wide offer

- Young Carers wellbeing activities – Each young carer group across the county has been provided funding for wellbeing activities they wish to have access to for 2022 to support their own physical and mental wellbeing
- The charity Action Against Hunger has been commissioned to work with community food groups that have responded to the pandemic to support development of long-term sustainable approaches to reducing food insecurity in Somerset, with a particular focus on increasing the number of food pantries.
- To co-ordinate all of the above, the Stronger Communities team have recently convened a Steering Group with District Council and strategic VCSE sector partners to begin development of a Somerset-wide Food Partnership.

4.5. Physical Activity

Good levels of physical activity positively impact on almost all aspects of health and wellbeing, and Covid-19 has significantly affected many people's physical activity levels. Collective efforts this year have ensured there has been continued and additional support for people to keep active.

Highlights of our public health action in this area include the 'Get Outside' campaign, commissioned from Somerset Activity & Sports Partnership (SASP), Spark and the Community Council for Somerset, supporting people to explore their local areas and enjoy outside activities. Following its success in Bridgwater last year, 'Beat the Streets' has been run in Taunton this year with 5,076 people taking part and a total of 62,645 miles travelled, showing excellent engagement from families and local people. SASP have successfully secured further funding to run Beat the Streets in Yeovil in 2022.

The active travel behaviour change group has focused on 'Modeshift Stars', helping businesses and schools develop travel plans to support healthier lifestyles and the climate change agenda. Although Covid-19 has impacted this roll out, we expect good engagement for 2022.

Health walks have continued as much as possible in all areas, with over 4,000 people engaging in the programme and plans to expand the programme next year.

Physical activity levels for older people have been particularly affected by Covid-19, resulting in deconditioning, increased risk of falls and loss of function or independence. Age UK have been working hard to return both their contracted Stay Strong Stay Steady (falls prevention) and Ageing Well classes. As well as supporting physical reconditioning, participants are

expressing their joy at being able to return to safe physical activity classes in person.

Age UK have partnered with SASP to launch a new 'Active Befriending' scheme enabling older people to get outside with a volunteer, for a short walk and talk. Families and clients have reported significant positive impacts from this scheme on both physical and mental wellbeing.

Further support for populations most at risk of deconditioning from Covid-19 has been provided. This includes a programme of activity focused on supporting the most vulnerable people on the list of those shielding during restrictions. A physical activity grants funding programme was made available for providers of care for people over 65 and providers of Learning Disability services, to boost client and family health and wellbeing activities.

4.6. Mental Health

In addition to the Covid-19 work on emotional health and wellbeing, the public health team have continued to have input to "Open Mental Health". This is the new model of delivering community mental health services for adults in Somerset with a far greater focus on preventative engagement and open access, giving public health a real opportunity to ensure a 'health in all policies' approach.

The prevention of suicides is a system-wide responsibility, currently co-ordinated by public health through the Suicide Prevention Partnership Advisory Group. The local strategy is based on the government's national strategy for England, '*Preventing suicide in England: a cross governmental outcomes strategy to save lives*'.

Factors related to Covid-19 present specific priorities for suicide prevention, including physical health problems, bereavement, and financial insecurities. It is important to acknowledge that the pandemic and associated social distancing measures are likely to exacerbate known suicide risk factors and disproportionately affect those most vulnerable to suicide.

This year, our real time surveillance has been expanded to include Police Sudden Death Notices. This surveillance allows us to look for trends and patterns more quickly, as well as provide timely support for those bereaved. As of today, we have not seen a rise in suspected suicides in Somerset, although every suicide is a tragedy and we would like to see the numbers reduce. Investment has been made to raise awareness around suicide prevention including a new men's mental health project called [Stepladder](#), more training across organisations and communities in suicide prevention, a suicide prevention community grants programme, and The Orange Button Scheme. This scheme encourages button holders to listen and/or signpost suicidal people, their friends or family towards support. The Orange Button aims to make people who have received suicide prevention training visible to people who may need support.

4.7. Refugee Resettlement

In Somerset, public health leads the co-ordination of refugee resettlement schemes across the county. The team, working with many other agencies, groups and volunteers, has supported 116 people impacted by the Syrian conflict to settle across 30 households in the county. Families continue to receive support from the service for up to five years, focusing on access to health services, education, and employment.

In July 2021, SCC agreed to participate in the United Kingdom Resettlement Scheme (UKRS), committing to resettle 7 families per year through this pathway. This scheme aims to work with global partners, like the United Nations Higher Commission for Refugees, to resettle some of the world's most vulnerable refugees.

In Summer 2021, whilst locally public health was preparing to deliver UKRS, the Government called upon local authorities to respond to the emerging crisis in Afghanistan by offering accommodation and support to the Afghanistan Relocations and Assistance Policy (ARAP) and Afghan Citizens Resettlement Scheme (ACRS). Public health, with our partners and the local community, have offered 7 homes to those evacuated from Afghanistan over Summer 2021. Three Afghan families have now been placed in the county, with more families expected in the coming weeks. Due to the emergency nature of the evacuations, work on UKRS has been paused.

5. Healthcare Public Health

5.1. Healthcare Public Health and Population Health Management

Healthcare Public Health has been provided to the NHS since 2013 via a Public Health Core Offer. The NHS nationally is now driving a far stronger emphasis on population health and population health management, requiring a changed and increasing demand for specialist healthcare public health support.

An important cornerstone of population health management is population-level data to build a clearer understanding of those who are not reached by current health initiatives and groups with poorer outcomes. Cardiovascular disease has been an easy first choice to focus on due to its links with Covid-19 mortality and as a key driver of the poorer outcomes in more deprived groups. The public health team have been working with GP practices to better understand the pattern of cardiovascular disease risk factors in our population.

Given the increased demand for Healthcare Public Health we have and will be continuing to increase specialist capacity to take forward this work. The team has successfully bid for funding for a clinical Population Health Fellow to support the work on cardiovascular disease and has secured partial funding for two Primary Care Training Hub GP Fellows (one day a week for a year started July 2021). These clinical Fellows are currently employed in substantive primary care posts in Somerset and so come with a great background of primary care and local knowledge. At the end of September, a new Population

Health Specialist joined the public health team, who will be working on projects across the system with an initial focus on children's data.

5.2. Cardiovascular Disease Secondary Prevention

The secondary prevention programme aims to stop further progression for those who already have early signs of disease. Key factors include hypertension, atrial fibrillation and high cholesterol. Whilst public health work this year has focused on hypertension and atrial fibrillation, in conjunction with system partners, we are building a longer-term plan to address other important cardiovascular outcomes.

High blood pressure is an important risk factor for many cardiovascular diseases. About 1 in 3 adults has hypertension. The team are providing specialist public health advice to the BP@Home initiative currently operational in South Somerset, looking to improve the management of those who are already diagnosed with hypertension. Identifying undiagnosed hypertension is key to its management; we are therefore working with partners to explore how we can introduce blood pressure awareness into local community groups and trialling the provision of blood pressure monitors in libraries.

A smaller trial has looked at opportunities for case-finding of those with atrial fibrillation (AF) who are also attending Covid-19 vaccination sites. Appropriate treatment of AF can reduce the risk of stroke by up to 70%. This small project has generated some important system learning and picked up nine previously unknown cases of AF who have now gone on to receive treatment.

6. Protecting the Health of the Population

6.1. Statutory Duty

The Director of Public Health has a statutory duty to ensure there are appropriate and tested arrangements in place to protect the population's health from chemical, biological and environmental risks. During 2021-22 the entire public health team has contributed to this important aspect of public health.

6.2. Non-Covid Health Protection

During 2021-22, at the time of writing the public health team had responded to 52 non-Covid incidents and outbreaks, ranging from chemical incidents, single cases of infectious disease and disease outbreaks. These numbers are an increase on last year, probably as a result of restrictions easing part way through the year and society 'opening up' again after many months of social distancing. However, it is recognised that having improved hand hygiene measures in place is helping to prevent the spread of many infectious diseases.

During 2020, a Blood Borne Virus Health Needs Assessment was completed. An identified priority for 2021/22 was to work with organisations to focus on the 10 recommendations identified from the needs assessment. A multi-agency group has met to ensure these recommendations are considered in current service planning and improvements made where necessary.

6.3. Screening and Immunisations

Delivery of both screening and immunisation programmes were significantly impacted by the pandemic and regular reporting was also disrupted. A priority for 2021/22 was to support the recovery programme to catch up from immunisations missed due to the Covid-19 pandemic. In support of this priority, the Somerset Local Immunisations Group has been re-convened to support the recovery programme. Other benefits of this group include forming close working networks, sharing information and resolving operational issues.

As of mid-November 2021, over 70% of the over 65 population have received the flu vaccination, as well as over 40% of 50-64s and 2 and 3 year olds, and approximately 30% of under 65s at risk. We are awaiting school uptake figures – the school flu vaccination process has been more challenging this year due to delivery of the Covid-19 vaccination.

6.4. Sexual Health

Sexual Health Services commissioned by SCC provide all forms of contraception including: emergency and long-acting reversible contraception (LARC), pregnancy testing, diagnosis and treatment of sexually transmitted infections (STIs), HIV testing (including rapid results point of care testing), FE college clinics, chlamydia screening for 15-24 year olds, advice on sexual abuse and abortion services, targeted sexual health outreach for young people at risk of poor sexual health and child exploitation, targeted sexual health promotion with at-risk communities and groups, condom distribution and support for people living with HIV. During the pandemic the virtual delivery of many of these services, including online testing, was developed and has been well received by clients.

The new HIV Prevention and Health and Wellbeing Service provided by The Eddystone Trust commenced on the 1st of April 2020. Due to Covid-19 they have not been able to provide services in the normal way, stopping most face-to-face contact. They continue to provide digital support, condom drop-offs and social support for people living with HIV, including at the HIV clinic and online peer support. Response to online support for people living with HIV has been positive and enabled more people to meet across the region.

The Somerset-Wide Integrated Sexual Health Service (SWISH) has increased the provision of online asymptomatic STI and HIV testing, which continues to be well received along with telephone consultations and face to face appointments where appropriate. A recent survey showed that the majority of service users either prefer telephone consultation or don't mind if telephone or face to face. The service provides outreach to vulnerable young people and adults, including support to the Nelson's Trust as part of the Pause programme. Following the routine commissioning of pre-exposure prophylaxis for HIV (PrEP), SWISH has successfully recruited and continues to support people in Somerset who are at high risk of contracting HIV.

During the early stages of the pandemic, primary care and sexual health services were not able to provide LARC, leading to long waiting lists of women both for SWISH and general practice. SWISH, having a waiting list of several hundred, implemented a catch-up programme which was very effective, and they currently have no waiting list. Pressure remains in general practice as they respond to Covid-19 demands. Many women have been offered a bridging method of contraception as an interim measure and support has been given to Primary Care Networks to reduce their waiting lists. 55 procedures (of 66 booked) were carried out in five locations to help reduce lists. In addition, where practices are contracted to deliver a LARC service and have been limited in ability to deliver because of their Covid-19 response, SWISH have offered to see these women through GP referral as an interim measure.

6.5. Drugs and Alcohol

Somerset Drug and Alcohol Service (SDAS) are consistently amongst the highest performing within their comparator group at supporting people through treatment and into recovery. This is vitally important work, as around half of those in treatment have parental responsibilities and we need to protect children from the lifelong harm caused by exposure to adult substance use.

During 2021/22 SDAS adapted to a 'blended' model of treatment which enables service users a greater choice in how they engage with the service, whilst still receiving the right interventions (pharmacology & psychosocial) safely and effectively.

In Somerset we are fortunate to have an excellent Peer Mentor programme in which ex-service users volunteer their time to support others. Several of our peer mentors have gone on into employment due to being involved in the programme. This service has evolved over the pandemic. As peer support went virtual, many of our peer mentors were creative and developed their own offer to support one another as well as their service users.

Somerset successfully used its allocation of one-year additional drug treatment funding to pilot new initiatives with service users, including a programme to promote the range of mutual aid in the community that helps people sustain their recovery after treatment.

Over the year SDAS has trained over 200 staff across homeless services, hostels and housing support agencies in Somerset to understand and be able to use Naloxone, a medication to reverse the effects of an opioid overdose that can save someone's life. This has led to the set up a Peer-to-Peer Naloxone Champions Project. This is an extremely effective way of both getting Naloxone to those not engaged in services and increasing service Naloxone provision. Peers have unique access to populations that services may not reach, are trusted in these communities, and often have established relationships. The first location is Taunton and six people with lived and living experience of problematic drug use have been recruited to become Naloxone

champions. The goal was for them to be trained to both be able to administer Naloxone in an emergency and to be able to train others to do the same.

A successful joint campaign was run for Alcohol Awareness Week in November 2021 between public health, communications and SDAS to promote awareness of the impact of drinking on relationships. During the year, an e-learning package on alcohol awareness was launched on The Learning Centre for SCC staff and external agencies to promote talking about alcohol and reducing harm.

This year we have developed a new analysis tool to assist licensing responsible authorities in understanding alcohol harm by locality, called HaLO (Health as a Licensing Objective). Using datasets from various partners including the police and NHS, we show which areas experience the greatest levels of alcohol harm in order to inform licensing policy and decisions on applications for new licences and variations.

The tool will soon be available publicly, enabling potential applicants to take into account alcohol harm in their applications, and the public to understand and make use of the tool in making representations to the licensing authorities.

6.6. Air Quality and Climate Change

Last year we noted that a side effect of the Covid-19 pandemic was a short-term reduction in vehicle mileage and therefore exhaust emissions, which resulted in the air quality management areas (AQMA) in Taunton and Yeovil achieving compliance with mandatory standards for the first time. Vehicle exhaust emissions are the main modifiable pollutants affecting air quality in urban areas. However, motor traffic has increased back to pre-pandemic levels, albeit with a slight change of vehicle mix, as HGV and LGV traffic has increased, while car traffic is around 90% of prior levels.

The Somerset Air Quality Steering Group has been resurrected and is moving forwards with plans to install real time air quality monitors in Taunton and Yeovil Air Quality Management Areas, as well as a couple of portable monitors that can be deployed to locations of interest around the county. These might be used, for example, to take before and after measurements around new development sites, or around schools with high traffic levels.

6.7. Community Safety

This year, we have been successful once again in securing Home Office funding of £362,225 for the Somerset Violence Reduction Unit. The unit has delivered all of its compulsory work and implemented this year's action plan. Our current priorities are:

- Early intervention to prevent violence, with a focus on children aged 10-17
- Advocate and influence systems improvement for repeat and prolific offenders
- Tackle weapon possession offences amongst youth cohort

- Tackle key risk factors and advocate for systems change in relation to cumulative risk

2020-2021 has presented numerous additional funds for improving community safety in Somerset and the team have been successful in bidding for the following:

- Safer Streets Project to reduce violence against women and girls
- Violence reduction inclusion programme – to provide interventions for children in mainstream secondary schools who are at risk of multiple temporary exclusions
- Trauma-Informed Practice - offering trauma-informed training (youth focus) for over 250 staff across Somerset

In addition to this success, and on behalf of the Safer Somerset Partnership, the team is also leading transformation in the way prolific and priority offenders are managed, with a redesign of the Integrated Offender Management programme for Somerset.

6.8. Domestic Abuse

The impact of Covid-19 on victims and families experiencing domestic abuse continues to influence key activity in domestic abuse. A successful **#Nocloseddoors2020** campaign continues to run to improve awareness and uptake of support. As an example of the success of this campaign, the pre-campaign annual average of visits to the Somerset Survivors website was 1,999. By week 10 of the campaign in May 2020, there were 4,874, with an annual average now being maintained at 4,401 visits. The Somerset Integrated Domestic Abuse Service (SIDAS) has received additional resources to be able to respond effectively, and a multi-agency task group continues to meet to monitor referral and demand data across the system to make sure that any issues can be resolved quickly.

April 2021 saw the first ever legal definition of domestic abuse with the commencement of the Domestic Abuse Act 2021. Alongside this came a host of new and additional responsibilities for all tier 1 local authorities. A new strategy and plan have been produced to ensure that SCC meets these new duties, which include enhancing the current level of support within SIDAS, implementing a new accommodation and commissioning strategy and refreshing the Somerset Domestic Abuse Board, now recognising it as a statutory partnership board.

7. Summary

- 7.1.** 2021 has been a challenging year for public health and work has focused, understandably, on the health protection domain of public health and the management of the pandemic. Despite this, significant progress has been made on many other issues and we have particularly focused our efforts on progressing areas of public health that have been influenced by the pandemic

or minimising the indirect consequences of it. The focus now needs to shift towards “living safely with Covid”.

- 7.2.** Whilst the public health team continues to respond to the management of cases, clusters and outbreaks, we also need to turn our attention to further mitigating the indirect impacts of the last two years on:
- Mental health and wellbeing
 - Deterioration of physical conditioning and long-term conditions
 - Diseases such as cardiovascular disease and cancers that pose a significant burden on the public’s health
 - Other social determinants of health which have been negatively impacted on during the pandemic such as inequalities in educational attainment, job security, food security and so on
- 7.3.** There needs to be a review of the Public Health Operating Model following the pandemic response. Going forwards, the work of the team will need to move towards more of a balanced split between the health improvement (including tackling inequalities), health protection and healthcare public health domains.

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Lead Member Education & Public Health: Education Annual Report

Cabinet Member: Cllr Clare Paul, Cabinet Member for Education & Public Health

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1. EDUCATION STRATEGY

1.1 Strategy Board and Schools Forum

One of our priorities during this period has been to shift to a more strategic focus. While the pressures of the pandemic have meant that teams have at times necessarily been reactive to a rapidly changing environment, we have had some notable successes in looking at the big picture and putting in the groundwork for a more strategic approach in the coming months and years.

We commissioned of Schools Forum, a statutory decision-making body for consultation and decision-making in relation to education finance. This informed a programme of reform focused on refreshing the membership, updating the constitution with a tight focus on our statutory responsibilities, establishing a clear annual timetable for financial decision-making and introducing a regular programme of continuing professional development (CPD) to enable all Forum members to gain insight and understanding of this complex area. While reforms remain new, early signs are that these are delivering the desired effect of productive debate and informed voting.

To support Schools Forum and introduce a new focus on our long-term strategy, we have established a new Somerset Education Strategy Board. Two external advisers, Sir Michael Wilshaw, previously Chief Inspector of Schools, and Loic Menzies, author of *Young People on the Margins*, have been asked to help us shape an ambitious, wide-ranging strategy to create education in Somerset that rivals the best in the country. We aim to report at the end of 2022.

1.2 Relationships with our sectors

One of the unexpected benefits of the pandemic has been that it has prompted the creation of better lines of communication between the local authority and schools. Regular meetings that were set up in the early days of the pandemic have been evolved into essential touchpoints to share developments and shape our practice. A new weekly bulletin now reaches over 1,000 stakeholders each week, and data on readership and 'click-throughs' for articles exceeds industry standards. Our focus is on providing 'a human face' and senior leaders write personal messages and are available every week for a 'drop-in' session for school leaders which has attracted a loyal following.

While we have experienced some turbulent times as the profession has faced exceptional levels of challenges and stress, we are seeing many signs that relationships between the local authority and schools in the county are better than they have been for many years.

1.3 Somerset 'Patchwork'

In January 2020 Ofsted published a research report, "How 'stuck' schools are overcoming isolation", which identifies the risks that isolation and weak capacity can have for schools and the school system as a whole. We are making it a priority to evaluate what active steps we can take to improve capacity, particularly within local authority (LA) maintained schools. There are 144 LA maintained schools in Somerset, and over 100 of these are below the level of a single form entry (210 pupils), and more than 50 are what the government would consider 'very small schools'. We hugely value our small rural schools, but without careful consideration and support they can be vulnerable to shocks and financial and/or staffing pressures. We have seen in the pandemic how any school can become fragile if it does not have the right supportive services and networks around it.

We have discussed with LA schools whether there is potential for schools to work together with back-office functions enabling Head Teachers to focus on teaching and learning. The "Patchwork" looks at all services needed by schools and seeing if schools can share the work across a group of schools or join forces across the County to establish economies of scale. Consultation was undertaken with schools during the Autumn term with 35 schools volunteering to join a test and learn project in 2022.

2. SCHOOL IMPROVEMENT

2.1 School standards

Inspections started again in September 2021. To date 11 Somerset Schools have been inspected and have had the final report published. Although only one of those schools has increased its overall Ofsted grade this does not give a true representation of either success or challenge. Retaining a grade of Good or indeed Outstanding is success and illustrates a school who is meeting the needs of its community. Out of 11 inspections, all of which were inspections under a new framework with new criteria for success, 7 are now Good (5 schools having retained that grade from the previous framework inspection). The team have identified a more accurate measure for quantifying success across Somerset in inspections where a percentage can be attributed to the judgements, this enables us to make comparisons not only of overall judgement but judgement of discreet areas. A score of 75% being a grade 2 (Good) across all areas. 6 schools have achieved 75%, 2 schools over 60% (two areas 'Good', two 'Requires Improvement'), 1 is at 56% (1 area good) and 3 schools have scores at or below 50% meaning all areas Require Improvement or worse. Over the course of time, we will be able to use this conversion to identify 'real' improvement.

A priority this year has been on creating a sharper and more transparent process for challenging school performance where this is significant enough to raise concerns, maximising the impact of the statutory 'schools causing concern' regulations and guidance.

There is now a clear process to enable accurate assessment and identification of schools who may be experiencing challenge, a clearly defined support package for improvement and escalation and exit pathways for increased or stepped down support. The internal process for sharing intelligence across teams has tightened throughout the year as a key element of the Schools Causing Concern process. This tightening has enabled services to work together on emerging cross sector priorities that are more accurately identified and will lead to significant systemic change such as the allocation of capital funding for repairs and ongoing maintenance in schools.

2.2 Partnerships for improvement

A self-improving system is reliant on credible professionals with identified skills, knowledge and expertise being able work with schools who are able to not only accurately self-assess their needs but identify where that 'expertise' lies to seek and broker support, advice, and the sharing of practice. For many years the knowledge about our schools and the key relationships with them have been held by Somerset's Education Partners (SEPs). This programme has been redesigned and over the last 6 months the School Improvement Team have increased their direct engagement with schools, Multi Academy Trusts and National Leaders of Education with a focus on working with serving practitioners within the system. The range of support that can now be offered to schools is bespoke, strong and we are getting feedback that it is 'trusted' by the system. All external partners complete work that is directed by the team and a system of reporting is being embedded, enabling the team and whole sector to benefit from practice across the board, as well as enabling the team to complete sector wide needs analysis.

2.3 CPD and leadership development

The framework for newly qualified teachers has undergone significant reform nationally, and a new framework for Early Career Teachers was introduced as of September 2021. The Local Authority are one of two appropriate bodies which schools may choose for the assessment and monitoring of Early Career Teachers. The programme now lasts two years. Within Somerset there remains 24 NQTs finishing their qualification and there are currently 76 ECTs registered for which the School Improvement Team are tracking and monitoring progress and instigating support when required. There are currently 3 out of the 100 with concerns.

The success of our education system is dependent on our school leaders. Aware of the continued pressures that continue to grow on the shoulders of leaders, we have a School Leader support working group running identifying specific pieces of work that will enable us to have greater security in retaining strong leaders within Somerset's education system. The success of our work with school leaders is also reliant on Somerset being able to identify potential effective leaders early in their career. Improving our current leadership development is a key piece of work to enable us to grow and develop leaders and retain them for the children of Somerset. The school improvement team are planning a program for the future that is specifically aimed at potential leaders and equipping them for future roles within our schools.

2.4 Curriculum and assessment

A curriculum project board was set up and is now moving to a further iteration to ensure it meets the needs of a sector now highly conscious of the return of inspection. The meta-curriculum project which commenced in the 2020/21 academic year continues to grow with the support of TKAT, a national multi academy trust (MAT) known for their work on curriculum development. Alongside the meta project is the introduction of a collaborative project focused on primary science and the appointment of a serving school leader to lead on religious education (RE) within the county – both areas of work aimed at developing expertise, knowledge and confidence in these discreet areas.

Moderation of assessments is a statutory requirement at year 2 (Key Stage 1) and year 6 (Key Stage 2). It has not been undertaken since 2019 due to Covid but is fully in place for 2022. The process begins when guidance is issued in the pre-ceding July.

The school improvement team continues to hold responsibility for Key Stage 1 and 2 moderation. Although key elements of the work are outsourced under an already serving contract, the coordination and monitoring of the programme sits within the team. In the future the school improvement team will likely hold the full package for moderation without outsourcing - this can be achieved through increased knowledge of 'experts' within Somerset schools – some of whom have supported the programme as moderators for many years. There are currently 35 moderators across year 2 and year 6. The programme of training and moderation advice is open to schools beyond Somerset and to date 374 teachers have accessed this training as either being new to year 2 or 6 or requiring update.

2.5 School improvement support through the pandemic

The school improvement team has continued to play a crucial role in the support to schools throughout Covid. The team attends all the individual meetings with schools and Public Health in relation to outbreaks as well as most recently responding to the current potential challenge around staff capacity related to absence. The team are monitoring schools weekly to enable us to ascertain a county wide picture of absence in schools and whether schools are having to change provision away from expected i.e., combining classes or moving children to online learning. Through liaising with the inclusion teams and in particular the statutory SEND team we are also reviewing weekly schools' ability to continue to provide for vulnerable learners should they have to make decisions to move away from their normal structures.

3. SOMERSET'S TRADED OFFER TO SCHOOLS

Somerset County Council supports a very wide range of schools, trusts and organisations through Support Services for Education (SSE), our traded offer. SSE Services drew down £114k from its reserves for planned investments and received £1.341m of Government grant funding to compensate for 'loss of income' arising from the Covid-19 pandemic. SSE ended the 2020/21 year with a £26k surplus and contributed £793k to fund its use of SCC corporate services, as part of recovering the full cost of service delivery.

3.1 Services through the pandemic

SSE services continued to support schools through the Covid-19 pandemic, optimising technology, and different ways of working, wherever possible. Many training courses and events continued online and over 400 courses were available through SSE. 558 schools accessed services from SSE during the year, both within and outside of Somerset, with support provided to a further 713 customers – covering early years providers, colleges and parents.

The SSE website continued to provide a 'one-stop shop' of over 60 different support services and a comprehensive central resource hub of information for schools. Regular Covid-19 updates and guidance have been published on a new Covid area of the SSE website.

Our SSE Outdoor centres were significantly affected by Covid-19 restrictions and unable to provide their usual residential activities. However, the centres and staff remained open and redirected their focus on working closely with Children's Social Care and partners to provide a range of alternative provision and support to 570 vulnerable young people. The service supported over 4000 placements on the Holiday Activity and Food programme, ensuring young people had hot lunches alongside engaging activities.

3.2 Service improvements

During the course of recent months, we have had a focus on improving communications with schools, enhancing the quality of the offer available and looking for opportunities to help schools use their resources more efficiently. For example, we have seen an increase in take up of bundled business support and compliance packages over multiple delivery years - improving school planning as well as offering them better value for money.

SSE have been instrumental in introducing the new weekly bulletins to Somerset schools, with all articles published on the SSE site for further reference. The site now includes additional content to support schools in becoming more environmentally friendly, following collaboration with key partners including Eco Schools.

The Capita SIMS Support Service are now accredited and able to support schools with other proprietary management information systems such as Arbor and Bromcom. They received over 4,000 calls this year through their help line with 99% of all First line meeting target response times.

The Kilve Outdoor Centre installed a new lake and is now able to offer water sport activities to customers onsite, including paddle boarding, kayaking and raft building, which has already been used by many schools and groups. We have seen an added benefit in terms of reduced cost and environmental impact of transport to other sites.

Somerset Centre for Integrated Learning (SCIL) managed to continue to deliver their programmes to over 800 learners- moving from online delivery to a blended approach as restrictions were lifted. 47 trainee teachers were awarded PGCE qualification and Qualified Teacher Status (QTS) in July 2021 and 55 newly qualified teachers (NQTs) completed their induction with SCIL.

The SSE HR team have been heavily involved in supporting the Crewkerne and Ilminster area review, alongside providing over 200 schools/academies with advice and support.

The School Library Service expanded its offer to school, which now includes technology boxes, class sets, story boxes and Early Years resources. It invested £21k in new resources and loaned over 80,000 books to schools during the year.

Successful provision of 'DofE with a Difference', which has helped to ensure over 2,000 young people are supported. Six new programmes have been established for those struggling to engage with education.

The Catering and Cleaning Advisory service helped to support the provision of over 800 food boxes to the community during the pandemic, alongside delivery of 154 audits of school catering/cleaning arrangements.

The Arts Council confirmed £80m for Music Education in 2020/21 and despite pandemic restrictions Somerset Music managed to support 4,390 students through the First Access Scheme, working with 77% of Somerset schools. 681 students accessed online lessons during the lockdown and over 11,500 people viewed the YouTube Music channel material.

Working closely with the Somerset Waste Partnership (SWP), the school refuse service, which is bought back by schools through SSE and delivered by SWP continued throughout the pandemic, despite switching to a new supplier contract and achieved a 10% saving in the process. The service rapidly instigated a specific collection service for LFT waste – at no additional

charge to schools.

The Education Technology Team continues to support primary schools in the Southwest as Subject Matter Expert Consultants for the National Centre for Computing Education (NCCE).

The SSE Property team have worked closely with corporate colleagues on school capital projects and supported the bid for decarbonisation funding. The service raised 2025 reactive orders in the year and supported 113 schools with their ground's maintenance contracts and 204 schools with play equipment safety inspection 135 schools and academies have been supported in their budgeting process and most of these were also supported with closing their accounts in 20/21. Several schools had unforeseen financial management demands in the year due to vacant posts and the team helped to cover with over 400 hours of support.

Finally, we are very proud that having been nominated by a local MAT, Ann Adams, manager of our SSE Governance service was a finalist in the 'outstanding lead governance professional' category of the National Governance Association (NGA) awards 2021.

4. CAREERS, EMPLOYABILITY AND POST 16

4.1 Reducing NEETs with Somerset Works

After securing a £1.2 million ESF bid 'SomersetWorks' was created and started in September 2020. The 3-year project now supports 15–18-year-olds who are at High Risk of becoming NEET (Not in Education, Employment or Training) in Year 11 and those that have become NEET in Year 12 and 13. To date we have received 967 referrals to the service of which:

Total with EHCP – 180

Year 12 and 13 with EHCP - 124

Year 11 with EHCP – 56

Out of Education with EHCP – 75

SomersetWorks has managed to attract further funding to expand the staff delivery team (from two to seven), which has enabled increased focus on Children Looked After, Excluded students, College early leavers, West Somerset High Risk students and those most vulnerable in Year 11. SomersetWorks was successful in securing £150K of EEF/Sunday Times funding to deliver a 2021 Summer Holiday programme for Year 11 Somerset young people. 1,730 young people signed up to our virtual platform (which had lots of supportive information and activities), and 2,443 actual activities were delivered across the summer holiday period. An additional £165K of Emergency Covid funding has now been secured to deliver a similar programme across Somerset in Summer 2022.

Through the work of SomersetWorks we have identified that many young people need a higher degree of support and an extended period of time to help them prepare for Post 16 opportunities. We have been successful in securing additional funding that will enable us to test and pilot a bespoke range of new interventions, including:

- £646K of Community Renewal Funding (CRF) to run a test & learn pilot Partnership College offer from January to June 2022
- £680K of Covid Emergency Funds to then rollout the best practice and learning from the CRF pilot over the next 2 years until the end of December 2023.

SomersetWorks focuses on a collaborative community partnership approach to delivery and services include young people support HUBS in 7 locations across Somerset, an online English & Maths tutor service, bespoke 1:1 support and brokering / commissioning of a range of activities and opportunities to help re-engage our most vulnerable Post 16 young people.

Digital upskilling and access to digital technology is key to supporting many NEETs – SomersetWorks has been successful in securing £150K to purchase and rollout 300 laptops to partner youth agencies and community libraries – so that we can extend the reach out to our target 15-18 year olds, along with another £180K to recruit a Digital tutor, train young people to become Digital Champions, develop virtual work experience opportunities and upskill cohorts with a range of Digital qualifications. We have recently appointed a NEET young person into a Kickstart Digital Content Developer role.

4.2 Careers Education, Information, Advice and Guidance (CEIAG)

CEIAG in secondary school is of key importance to help prepare young people for their post-16 journey. In response to the pandemic, we moved our annual Careers Fairs (in Taunton and Yeovil) to a virtual offer. £20K of external funding was secured to provide 4 virtual Fairs across 2020/21 –

including two Careers Fairs, an Apprenticeship & Skills Fair and the Summer Holiday Activities Fair. The October 2021 Fair attracted over 2,500 Somerset students and Teachers who accessed digital resources and content that can also be stored and used in the future.

The Somerset TalentEd Academy programme has been developed and delivered to showcase key employment sectors and employers in Somerset and beyond. 14 sectors were showcased in 2020/21 which attracted over 26,900 live views and an additional 8,500 'on demand' views to date. The 2021/22 series launched in November and will include (covid-allowing) visits to key employers in the summer term.

The Somerset EBP (Education & Business Partnership) continues to flourish and provide the essential link between employers and education. Originally funded through the HPC Community Fund and managed by SCC, long-term funding has now been secured to enable the Somerset EBP to increase the reach and scope of its work as well as lead on the production of TalentEd Academy briefings and curriculum teacher insight briefings for our schools. www.somerset-ebp.co.uk/talented

The Somerset EBP manages our Youth Employment UK website Somerset Youth Friendly places which we have funded through the Opportunity Area [Youth Friendly Places - Somerset - Youth Employment UK](#)

4.3 Preparation for employment for pupils with SEND

We have worked with SEND training provider specialists MENCAP to plan and deliver a Supported Apprenticeship programme for 15 young people, based at SCC. This is in addition to 2 cohorts of Supported Traineeship programmes being delivered at Hinkley Point C prior to lockdown. We are now working with Avon & Somerset Police Constabulary to develop and implement a Supported Traineeship programme from September 2022 for 8 young people with SEND.

To enable the development of Supported Employment opportunities we linked with Abri Housing Association, applied to the HPC Community Impact Mitigation Fund and were successful in securing £97,896 of funding to enable us to recruit 2 Supported Employment Coordinators to help drive this initiative forward. Since coming into post in September 2021 they have secured agreement with Butlins, Abri and Numatic to develop Supported Employment SEND programmes. In order to understand the scope of need and the future talent pipeline they are undertaking Career Panels with all Special Schools and College Foundation Learning departments to start tracking and supporting young people who want to have an employment destination.

'Bold & Brave' is a joint project with Young Somerset and Sen.Se (Somerset's association for special schools) which has provided young people with SEND an opportunity to manufacture and sell high quality goods in a series of pop-up shops and now in a permanent retail unit in Taunton. In addition, we have recently equipped their digital skills training room with 12 laptops.

SomersetWorks also works closely with the SEND team to track, monitor and support Post 16 young people with an education health care plan EHCP whilst they are at college, supporting those who are struggling or drop-out of their Post 16 destination.

4.4 Higher and further education

We meet half-termly with all of our Somerset FE Colleges to support their work with our most vulnerable young people. Recent work has included funding and delivering summer holiday support programmes for new Year 12 students, including an A Level induction programme at each college. We have secured funding to provide peer-to-peer mentoring for 80 young people across our Colleges with Future First. Recently we have secured access for college safeguarding staff to be able to access the SCC Transform Database which will help to improve information sharing between schools, colleges and other agencies.

We have contributed to the setting up of Skill Up – who broker apprenticeship and traineeship opportunities with employers and link them to appropriate young people. We also work closely with the Dorset & Somerset Training Provider Network (DSTPN) who have the ASK (Apprenticeship Skills & Knowledge) contract – which delivers information sessions to schools, students and parents. This helps us monitor and be assured that our young people are receiving and understanding the full range of Post 16 and Post 18 options that are available to them.

A key partner in relation to Higher Education is Next Steps South West (NSSW), who enable our colleges and neighbouring HE institutions to promote Higher Education (HE) opportunities. Our virtual Careers Fair always has good representation from our HE institutions and with NSSW we are able to organise free visits to HE campuses, access mentoring support and promotional events.

5. HIGH QUALITY SCHOOL PLACES

5.1 School Place Planning

A new £7.3 million primary free school in Taunton has been commissioned with a planning application due to be submitted in the spring of this year. The Local Authority ran a presumption competition to secure an academy

sponsor to run the school. After a six-month selection process, the Local Authority recommended a sponsor to the Department for Education and the Secretary of State confirmed just before Christmas that the Castle Partnership Trust will open the new primary school in September 2023.

The new school will serve the Orchard Grove housing development in Comeytrove to meet the expected demand for school spaces. The 420-place primary, with early years provision, is set to become Somerset's first net zero carbon school, and only the third 'passivhaus' school in the southwest. Somerset County Council has appointed Futures for Somerset to deliver the project, which has been designed by architect firm Stride Treglown to minimise any environmental impact in line with Somerset County Council's commitment to make Somerset carbon neutral by 2030.

5.2 Crewkerne and Ilminster Reorganisation

In response to an escalating deficit and financial pressures in schools in the Crewkerne and Ilminster area, arising from a longstanding reduction in the number of pupils in the area and resultant structural pressures on finance, we initiated a consultation on changing how schools are organised in the area.

Following a previous consultation on a wide range of options for reorganisation, a revised model was consulted on in autumn 2019, followed by a statutory consultation in spring 2020. Many teams contributed to this intensive listening exercise. Regrettably forced online by Covid restrictions, the consultations nevertheless attracted hundreds of online and written responses. Somerset County Council's Cabinet took the decision to proceed with the statutory proposal in March, and teams have been working steadily, in collaboration with affected schools, to deliver a primary and secondary school structure for the area. This includes large scale investment in the school estate within the area, with £1.5m in transition works and £5.1m in condition improvement agreed as part of the Cabinet decision.

The overall cost for the project over twenty years is estimated to be at most £5.9m and is likely to be substantially lower. At the current rate of increase, the annual increase in the deficit in the upper school alone would cost £8m over twenty years. However, the proposal would negate the need for a new school building in Crewkerne which would reduce borrowing costs for the County Council in the order of £5m. So overall, the proposal would potentially release £7.1m over twenty years (unadjusted for inflation) to be re-invested in education.

5.3 School Buildings and Climate Change

Following Somerset County Council's declaration of a climate emergency we

are actively seeking to progress our future builds with future carbon neutrality in mind. Changes to our base scope include, the removal of fossil fuels, and installation of solar PV and EV charging points. We are progressing two builds to Passivhaus standard, one of which is being designed to be net zero in use, including the new free school in Comeytrowe.

The construction industry has been hugely affected by the effects of Covid and Brexit, with the cost of materials increasing dramatically, material shortages, and availability of skilled labour. Unfortunately, this led to a number of delays and increased costs during 2021. However, our project teams and contractors have worked incredibly hard to manage these issues, meaning impacts have been much reduced to that which we may have reasonably incurred.

During 2021, we successfully completed the following projects:

- Somerton Primary (relocation and expansion of a 420-place primary school) - £7.6m
- Huish Episcopi Primary (1 class expansion) - £428k
- Avalon SEN School (refurbishment and condition works) - £249k
- Fairmead SEN School (6 class expansion and 6 class replacement) - £6.8m
- Polden Bower Sen School (new 160 place school) - £22.5m
- Holway PRU (refurbishment and expansion) - £2.85m
- Polden Centre ASC Base (refurbishment and expansion) - £300k
- Fledglings Nursery (expansion) - £140k

The following projects remain active heading into 2022:

- Comeytrowe Primary (new 420 place primary school) - £7.3m
- Holyrood Academy (225 place secondary expansion) - £7.2m
- Robert Blake Secondary School (300 place expansion) - £1.4m
- Wadham Secondary (addition of years 7 and 8) - £550k
- Maiden Beech (conversion to primary) - £1.2m
- Swanmead (conversion to primary) - £500k
- Ashlands (conversion to primary) - £200k
- St Dunstons ASC – (new build) - £1.2m
- Fiveways SEN School (4 class expansion) - £5.5m

6. DILLINGTON

The Covid pandemic had a significant impact across the hospitality sector and Dillington House was no exception. Restrictions resulted in lengthy closures and significant disruption to the services Dillington would normally offer to customers. Weddings were initially prohibited and then only allowed for limited numbers of under 30. National restrictions had a significant impact on conference/meetings, adult education courses, bed and breakfast and social events. Even with restrictions lifted many customers remained anxious about Covid-19, which continues to impact on bookings.

Most staff were furloughed during the pandemic to reduce costs wherever possible, and the Governments 'loss of income' funding was accessed, enabling the outturn position to be in line with the budgeted position.

Following the success of Dillington House as a Covid Testing site in July 2020, it was used as a local vaccination centre between February and June 2021, project managed by Dillington's general manager. The site was used to provide 20,000 people with their first vaccination jab and 18,000 with their second dose.

The Dillington Operations Manager was redeployed as a manager of a vaccination centre in West Somerset and several other staff from Dillington were redeployed to various Covid related activities including Public Health teams supporting track and tracing.

As national restrictions have eased, business as usual activities have started to be on offer again, but many customers remain anxious about Covid-19, which continues to impact on future bookings.

Somerset County Council

County Council

23 February 2022



Annual Report of Cabinet Member for Transformation & Local Government Reorganisation

Cabinet Member(s): Cllr Faye Purbrick, Cabinet Member for Transformation & Local Government Reorganisation

Local Member(s) and Division: All

Lead Officer: Pat Flaherty, Chief Executive

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1. Summary/link to the County Plan

- 1.1.** The progress made on transformation across the major county council services and LGR since my last report to Council has been phenomenal. Staff and elected members have collaborated closely to deliver improved performance for many services and a once in a generation new approach to local government in the county for residents and businesses alike. Staff and members should be congratulated and thanked for these achievements, whilst also dealing expertly with the second year of a global pandemic.

The debate between the different options for local government re-organisation (LGR) in Somerset was robust with different options proposed by District and County Councils. The progress made since the Secretary of State's decision to adopt the One Somerset proposal is therefore all the more remarkable.

Members and officers from across the five Somerset Councils now work closely day-to-day to design and develop the new Somerset Council. The LGR programme is complex and the biggest programme of change ever undertaken in Somerset. A programme governance model was approved by all five councils before Christmas, and committees of elected members have already met. The development programme for the new Somerset Council is now led by a Joint Committee with members from all five Councils. Its work is reviewed by Joint Scrutiny arrangements and each week's work is led by a Programme Board comprising each council's Chief Executive and supported by a Programme Management Office.

Officers from the five councils are working together on six programme workstreams developing over 1,000 identified 'products' to be delivered for the new Somerset Council, many for Vesting Day in April 2023. Each of these workstreams is led by an officer from the county council and a district council, and each has multiple sub-workstreams also led by officers from both district

and county councils.

All of this has happened during a remarkably challenging time for local government. The pandemic continues to place stress on both council services and staff and many officers have worked remotely during this time in line with government direction. However, the excellent working relations between officers of the five councils, further developed to support our county response to the pandemic, have made this five-council partnership working much smoother than it might otherwise have been.

Somerset County Council has, of course, continued to develop and transform many of our services for the day-to-day benefit of Somerset residents. Residents can now digitally report a pothole and follow the progress of its repair, while anyone in the county applying for help towards the cost of adult social care can use our newly developed web-based 'Financial Assessment and Benefit (FAB) calculator.' These are two examples of new digital services that have made life simpler and easier for our customers whilst delivering efficiencies in our back-office teams. As such they set a model for the new Somerset Council

2. Key achievement and Activities

2.1. Local Government Reorganisation (LGR) in Somerset

On 21st July 2021 the future of local government in Somerset shifted radically, when the Secretary of State for Communities and Local Government approved the county council's proposal to create a single unitary authority for Somerset. This decision set us on the path to improved local government in Somerset that will free-up £18.5 million per year to be invested in frontline services and transformation.

In the lead-up to the Secretary of State's decision, the team delivered a wide programme of engagement with partners across Somerset and nationally, to highlight our proposal, collect feedback and win support for it. During the Winter and Spring of 2020-2021 the team delivered:

- Business briefings during March to outline the benefits of a single unitary authority to business and the economy and collect ideas and feedback regarding a future unitary structure and approach.
- Social media content and press releases to outline the single unitary proposal to Somerset's residents, including radio and television interviews.
- Direct engagement with Somerset's MPs on the purpose and benefits of a single unitary Council.
- Engagement with the Town and Parish Councils, including attending events arranged by Somerset Association of Local Councils and a variety of briefings and Question and Answer sessions.
- Identification and direct engagement with stakeholders across the public

sector and voluntary, community & social enterprise sector.

- Regular Member Briefings including Question and Answer sessions and information sheets.
- Regular staff briefings led by the Chief Executive to discuss our unitary proposals, explain the benefits of a single unitary council, and bust myths.
- Detailed information provided to MHCLG to support their formal consultation on the future of local government in Somerset, including each Director writing to their key civil servant contacts.
- We worked closely with nationally recognised experts on local government reorganisation, adults social care, children's services and place-based services, to ensure our proposals were robust and deliverable.

Since the Secretary of State made his decision, the County Council and District Councils have come together to work as partners to deliver the new authority, which will come into existence on Vesting Day on 1st April 2023.

Through the incredible efforts of the teams involved across the County and District Councils, building on the strong relationships developed tackling Covid, remarkable progress has been made since the summer and we are on track to deliver by Vesting Day despite the ever-present need to tackle Covid and its impacts, whilst continuing to deliver services and support vulnerable residents.

Since July, the County Council and four District Council partnership has:

- Created strong governance and leadership for the programme with representatives from all five Councils, including a Joint Committee, Joint Scrutiny arrangements, a Programme Board comprising each council's Chief Executive, an officer Steering Group and a Programme Management Office.
- Set up a Local Government Reorganisation Advisory Board to give the public and partners a strong voice in development and delivery of the new council. These meetings take place in public and are currently focussing on Local Community Networks (LCNs). LCNs will enable priorities to be set and decisions to be taken in the communities that will be affected, right across Somerset, not in remote district or county council offices, and are critical to success of the new council.
- Set up 3 LCN pilots to test a range of ideas and approaches to learn lessons to apply on the final design of LCNs.
- Regular engagement with our towns, parishes and city council on a range of issues including LCNs, asset devolution and supporting communications on LGR to their communities. This has included the first of several planned Town and Parish Council Conferences to promote LGR and discuss opportunities and ideas.
 - Begun work, led by Somerset West and Taunton Council, to create a Town Council for Taunton.

- Started work on an asset devolution pilot with Bridgwater Town Council.
- Agreed to share the £16.5m implementation budget between the five councils: 80% from the County Council, 20% shared between the four Districts.
- Provided information, evidence and advice to the government on their Structural Changes Order which is the legislation that will enable the new council to be delivered.
- Appointed a quality assurance and delivery partner – PwC – to provide independent, “critical friend” advice and support throughout the programme. This is best practice for a programme of this size.
- Appointed an independent communications lead to provide strong internal and external communications and engagement, including common programme branding.

To design and deliver the new Somerset Council we have created six workstreams, jointly led by County and District senior managers, to identify, develop and deliver over 1000 “products” (specific changes that need to be delivered by Vesting Day). These workstreams cover:

- Governance
- People (Human resources, organisational development, culture and ways of working)
- Assets Optimisation (property, information technology)
- Service Alignment and Improvement
- Finance
- Customers, Communities and Partnerships

The work streams are now moving into formal delivery phase which includes an increase in the number of staff working on the programme. The workstreams are also identifying that benefits each product will deliver, dependencies with other LGR work and other programmes, and ensuring that reporting is accurate and timely so the overall programme can be efficiently monitored

Because this is such a complex programme, we have set up a Programme Management Office (PMO) to provide assurance, support and additional leadership for the entire programme.

- This includes holding a detailed implementation plan, coordinating performance reporting, and supporting work streams to manage risk, deliver agreed benefits and manage the resources committed to the programme.
- Progress and performance information is captured on a brand-new system developed by the programme team to automatically populate reporting and scorecards from information used by each work stream, on the basis of “tell us once”. The system also connects products, work plans, risk, benefits and dependencies using automation to allow any part of programme to be viewed and analysed without the need for additional work by the team. This is an exceptionally useful tool for reporting seamlessly to Members, officers and partners without unnecessary administration, and is an example of the talent working behind the scenes to deliver the new Somerset Council.

- The PMO and work streams carried out a checkpoint review in December and January to test the health of the programme and make improvements where necessary. 3 more reviews are scheduled between now and Vesting Day.

Over the last year the team have developed relationships with other unitary county councils including Buckinghamshire, Wiltshire, Dorset and Cornwall to learn from their practical experience of delivering a new unitary council. Within work stream there has also been a strong focus on learning from peers. Valuable advice has been gained across a wide range of topics, including the critical importance of LCN design.

As the programme now presses forward, we can do so having received positive feedback from others: the Local Government Association, Department for Levelling-Up, Housing and Communities, and councils who have been through LGR recently. As well as our rate of progress they have been impressed at how all 5 councils have come together in a spirit of partnership.

2.2 Transformation – Commissioning

The biggest achievement this year for the Commissioning Development team has been the successful delivery of the Co-Labs learning and development programme. We have delivered three cohorts to commissioners and business partners. The participants take part in a series of webinars and coaching sessions which gives them the tools and support for tackling complex priority commissioning challenges. The teams tackle a commissioning challenge together over a 100-day period, so the aim is to make progress by bringing additional capacity and an alternative perspective to an existing challenge. So far, the programme has supported projects from across the organisation contributing to our work on:

- climate change,
- supporting young people into employment, education and training,
- looking at the market for supporting families with care,
- reducing the risk of falls in the older population,
- embedding the priorities of the National Autism Strategy
- developing an approach to ensuring there are enough registered managers to work with children in care.

The ripple effect of the programme is far reaching and influences activity well beyond that which has been directly part of the programme.

The team supported the corporate effort to support the people of Somerset through redeployment to project manage a vaccination centre and is now supporting the development of the new authority for Somerset in a similar way. This flexible use of the workforce has reduced the capacity to develop the corporate commissioning function in the ways planned however this will now be refreshed and rolled into the unitary development work.

Work has commenced on the upgrading of the existing range of internal on-demand learning and development opportunities and the associated tools / guidance - this will be a key area of activity that will run in parallel to the work on Somerset Council.

The Commissioning Development team has worked closely with all commissioning teams and business partners throughout the year. The team has successfully worked in partnership with colleagues from the NHS to support commissioning activity in the Integrated Care System, particularly getting involved with developing tools for and supporting joint commissioning.

2.3. Transformation - Information & Communications Technology

During the past year we have continued to invest in and successfully deliver significant improvements and transformation for ICT and Digital services across the organisation. Emphasis on Resilience, Efficiency, Customer Experience and Innovation driving our activity.

Online customer services

Focus on improving online services for our customers has been at the heart of our work this year. We have launched new online services for 'Reporting a Fault on the Highway' and 'FAB calculator' for applying for help towards the cost of adult social care. These two examples of new digital services have made life simpler and easier for our customers, accessible online, 24/7 from any device whilst delivering efficiencies within our back-office teams. Using the latest technology to enable self-serve, quickly route and process work, we are transforming the way our customers interact with the council.

Link to press releases on 'ReportIt and 'FAB' ?

[Reporting a problem on the road is now a 'hole' lot easier | Somerset County Council Newsroom \(somersetnewsroom.com\)](#)

[| NEW! Financial Assessment and Benefits \(FAB\) checkerOur Somerset \(wordpress.com\)](#)

Cyber security

Another priority this year has been cyber security. Operating in a world with ever increasing levels of cyber-attack, it's critical that we continually invest in and strengthen our layers of threat defence. We have begun a project to redesign our cybersecurity function, focusing on people, processes and tools in order to evolve into a proactive threat hunting Security Operations Centre (SOC).

A new team of cross-skilled roles has been created, supported by investment in training and leading-edge cloud based cyber security tools to establish a dedicated service for cyber security detection and response.

Alongside the creation of the new SOC a programme of staff training and awareness will be delivered across the organisation during the coming year.

Our Journey to the cloud

By adopting SCC ICT's primary strategic initiative of cloud first, we have digitally transformed our service so that any renewals and selected services are now cloud hosted. This has enabled SCC to transition quickly to a remote and hybrid working which has supported our workforce and services during this pandemic. Services such as messaging in the cloud (exchange to O365) and Telephony (Openscape to MS teams, Contact Centre delivered via Genesys and Voxivo for NHS Covid Helpline and Contract Tracers), deliver improved performance and accessibility to a wider range of monitoring tools as a result of this migration. In addition, we have ambitions to conclude the migration of the majority of our server estate by May 2022, leaving the remaining systems on premise only where it is not pragmatic to migrate or where we are required to do so for legal and compliance reasons. This journey could only have been undertaken by teams who have strengthened their skills, adopted new tools, and applied new concepts while adapting to and applying the extensive range of technological changes that the move towards the cloud has brought, working alongside experts/ partners in the industry to ensure that costs are optimised, efficiencies and new capabilities are leveraged, and benefits as far as possible are sought to provide the adaptive service required to meet our needs.

The move to the cloud brings with it the ability to utilise the latest technical innovations and service delivery methods, a diverse array of tools used over unlimited server and storage capacity and allows for the automated scaling up and down of those services based upon demand, cost and performance metrics. It further makes those services much more accessible; secure, monitored and resilient to disruption. It enables immediate and automated disaster recovery and continuity of service in business continuity planning.

Digital Inclusion work within communities

During the Pandemic ICT have worked to supply and support devices for those who are unable to access technology:

The Somerset Libraries tablet loaning scheme was launched in October 2020 and since that time, the scheme has supported over 100 people looking to develop new skills for employment. Feedback from borrowers has been overwhelmingly positive, with some people stating that the scheme has directly led to them finding new employment. Others have benefitted from the health and wellbeing information and links which are highlighted on the devices, whilst some people commented that being able to become more confident in navigating the internet has been very valuable. As well as a tablet, borrowers receive a keyboard and headphones to help them with job

applications, CVs, training and even virtual interviews. The devices are data-enabled and the scheme links directly with the Positive People scheme for more intensive 1:1 support and advice. The project is currently delivered via all 19 core Somerset Libraries and regular liaison with support agencies via the Employment Support Group ensures that the scheme is promoted to potential borrowers and the information/links remain relevant and useful.

Laptops to support those Not in Employment, Education or Training (NEET)

As part of Somerset County Council's Covid-19 recovery plans a scheme has been set up for young people who are currently, or have been identified as having the potential, to fall into the NEETs (Not in Employment, Education or Training) category. One element of this offering is to provide young people assistance in improving digital skills and helping them to be ready for further education or the workplace.

As part of this, 300 laptops have been provided by SCC to act as loan devices during the upskilling workshops being run by the Post-16 team. These workshops are being delivered to young people across the county from a number of locations such as Libraires, pop-up sessions and community hubs.

Laptops for Children to access online education

Somerset County Council has provided refurbished laptops to assist young people who have left care, this need arose during the first phase of the Covid-19 pandemic and prevented a number of young people from accessing online learning. In response to this, an offering of 70 laptops were provided to young people as well as a copy of MS Office to help support online learning for those without access to adequate technology and resources.

Grow our Own Talent

Within ICT we always look to grow our own talent. Developing and promoting up through the lines of service. We also look to all training Schemes the Government and Authority are supporting and have given many the opportunity to start a career in ICT with the Council. We utilised the DWP's Kick Start Scheme, 4 joined ICT last year with all finding permanent employment within the authority. 2 further Kick Starters will be joining our Service Desk as part of the ongoing Scheme.

We have also been the first authority in the Southwest to take on 2 Mencap Apprentices, and they are both doing extremely well. Other Councils are unable to support this at the present time and other areas of SCC are also looking to appoint later in January.

We also have 3 Care Leavers completing apprenticeships within ICT getting experience on the frontline backed by a Level 3 ICT Qualification. Previous

years' apprenticeships have all been a great success, with each starting on our service desk, and has yielded 6 moving into 3rd line technical support roles, roles that would otherwise have cost the council with expensive contract staff.

2.4 Somerset County Council Transformation Programme

The Council's transformation programme comprises a range of projects that are either enabling or delivering transformation and improvement. This includes Children's Transformation where an enormous amount of good work is being done and is discussed in the Children's Services Cabinet Member Annual Report which is also being brought to Full Council today.

Adults Social Care Improvement

Over the last year Adults Social Care has been under significant pressure as a result of Covid however the service has been able to continue improvement activity. This has included focussing on pilot projects aimed at managing increasing demand:

- Technology Enabled Care (TEC) – increasing technology-based options in care plans to increase independence, better support carers and improve care provider capacity. The pilot has a target of 80 nominees testing the technology on offer to meet their outcomes. Proposals are being received and TEC installations and full TEC Assessments have begun.
- New models of micro provision - exploring how we can increase the options available to people and professionals in deciding how their care and support is provided, thus reducing inequalities and promoting locally based inclusive options. The Carers Network (TCN) has been engaged and 24 micro providers have signed up and a Community Champion network mobilised. Benefits tracking and data sources have been agreed, creating an evaluation framework which allows for a mid-point review to be carried out.

The evaluation of the first phase of the Intermediate Care Model has been completed. Valuable data has been collected regarding the impact that different pathways have on maximising a person's independence when discharged from hospital, for example through providing community solutions that offer a short-term period of stabilisation, assessment, and reablement. Owing to Covid, the model has been under significant pressure to deliver their Improvement Plan. To ensure best use of resources and strongest outcomes for clients, the Intermediate Care Board agreed which essential deliverables were needed ahead of winter pressures, with the remainder of the plan to be revisited in the new year.

Inclusive Growth

During summer 2020 as part of discussions on how the County would recover from the impacts of Covid, a working group of officers came together to look at inclusive growth. This became an enabling activity in the transformation

programme and a draft prospectus was developed in autumn 2021. This innovative work has now been moved into business-as-usual within the economic development team and rescoped within the LGR programme to ensure that inclusive growth opportunities are considered in the context of the new council.

New Ways of Working

The Council's journey to new ways of working is driven by the Behaviour and Culture programme. It has established leadership and management as its priority, looking to create flexibility in the ways we work, and looking at what future working practices might be like. Work in the last year has included:

- Ebb and flow planning which will guide the flexibility of the staff when they return to offices.
- Engagement and consultation with staff, including a SharePoint knowledge centre and ongoing support and guidance to encourage adoption of hybrid working.

Recycle More

Despite significant challenge, the Somerset Waste Partnership (SWP) rolled out two further phases of its Recycle More service in the course of the year. The expanded recycling collections were launched in South Somerset at the end of June and Taunton Deane at the start of November, introducing another 130,000 households to the biggest change in Somerset recycling for more than a decade.

Covid control measures (for example staggered starts, additional cleaning/sanitising) have continued throughout, keeping to a minimum its impact on staffing numbers and therefore allowing roll outs and collections to continue largely as usual.

The launch in South Somerset was affected by the national driver shortage however the Taunton Deane roll-out has been the smoothest of all so far. SWP is now gearing up to complete the service roll-out, taking the collections to more than 70,000 homes across Sedgemoor and West Somerset. The impacts of the Omicron variant on staffing are being monitored closely, risks have been mitigated (for example introducing changes to communal properties slightly later in the year) and communications and engagement are now well underway.

3. Background papers

3.1. Local Government Reorganisation in Somerset: Programme Workstreams

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

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Local Government Reorganisation Programme Workstreams and sub-workstreams (as at 4th February 2022)

Governance Workstream

- Unitary Constitution and Structural Changes Order
- Governance & Democratic Arrangements
- Programme Governance Resources
- Electoral Arrangements and Elections
- Corporate Planning
- Records Management
- Corporate Performance
- Commercial Governance
- Programme Legal Advice
- Member development, training and induction
- New Operating Models & Organisational Structures
- Taunton Town Council

Asset Optimisation Workstream

Technology

- Governance, Policy & Standards
- ICT Service Management Function - Priority Products
- Consolidated ICT Asset Register & Asset Management
- ICT & Information Management Policy, technical governance & standards frameworks
- ICT Service Management Function - other Products
- End User Hardware and services, office productivity - staff
- Hybrid Meeting / Committee Facilities
- Digital Strategy, Technology Strategy and Transition Planning
- Members ICT
- Technology adoption and Change plan
- Consolidated management of Inflight Projects
- Applications Roadmap and Contracts review, Integration strategy and systems architecture / Integrated Lines of business
- Single platform / domain for new Unitary and Single Identity Management Solution
- Integrated information security management system
- Cyber Security strategy and Framework
- ICT Compliance and assurance
- Mobile Telephony
- Network & Telephony (network and staff comms infrastructure)
- Disaster recovery & Business continuity
- Operating Model - GIS and BI Services
- Operating Model for ICT function
- Solution and approach agreed for hosted partnerships

- ICT Traded Services
- CAPITA contract exit plan

Property

- Asset Management register and system
- Consolidated Management of Commercial Investment Property
- Consolidated Management of in-flight projects & programmes
- Consolidated Management of surplus property and asset disposals
- Valuations function established, policies and process
- Asset Management Plan & Policy Framework
- Operating Model – Property and FM
- Asset Devolution strategy and Policy Framework
- Asset Rationalisation -
Offices, customer service points, depots
- Facilities and Staff Services

Finance Workstream

- Finance System
- LGR Saving
- Reconciliations & Community Infrastructure Levy. Section 106 agreements and Section 278 agreements
- Insurance and Risk arrangement
- Commercial & Procurement
- Budget Setting and Medium Term Financial Planning
- Revenues & Benefits
- Treasury Management & Banking
- Commercial Investments
- Governance, Transparency & Audit
- HRA
- Statement of Accounts
- Implementation costs
- Finance Function
- Grant Support to Voluntary Sector
- Fees & Charges
- Exchequer
- VAT & Taxation
- Capital Programme
- Pensions

People Workstream

- Cultures & Behaviours
- Organisational Development
- Organisational Design

- Payroll, Terms & Conditions and Transfer of Undertakings (Protection of Employment) (TUPE)
- Recruitment Services
- Wellbeing & Ways of Working
- Diversity & Inclusion

Customer, Communities and Partnerships Workstream

- Customer Experience & Contact Centre
- Digital, Website & Accessibility
- Information & Data Management – Information Governance
- Enhancing Partnerships
- LCNs

Service Alignment & Improvement Workstream

- Housing 1 – Housing Landlord Functions
- Housing 2 – Operational Housing Services
- Housing 3 - Private Sector / Universal Provision
- Building Control
- Growth 1 - Prosperity & Economic Development
- Growth 2 - Planning & Enabling
- Infrastructure Delivery & Active Travel
- Highways
- Traffic Management
- Commissioning
- Climate Change & Water Management
- Waste & Neighbourhood Services
- Environmental Health
- Sports & Leisure & Countryside
- Culture & Universal Community Services
- Community & Family Safety
- Business Intelligence
- Civil Contingencies and Emergency Planning
- Communications
- Corporate Services

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County Council
– 23 February 2022

Quarterly Report of the Scrutiny for Policies, Adults and Health Committee

Chairman: Cllr Hazel Prior-Sankey

Division and Local Member: All

Lead Officer: Scott Woodridge – Monitoring Officer

Author: Jennie Murphy – Senior Democratic Services Officer

Contact Details: 01823 355529 jzmurphy@somerset.gov.uk

1. Summary

- 1.1** The Scrutiny for Policies, Adults and Health Committee is required by the Constitution to provide full Council with a summary progress report and outcomes of scrutiny. This report covers meetings since November 2021.
- 1.2** The Committee agreed their work programme would comprise of 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 three Scrutiny Committees and to contribute freely on any agenda item.
 - any Member could propose a topic for inclusion on the Scrutiny Work Programme.
 - any Member can be asked by the Committee to contribute information and evidence and to participate in specific scrutiny reviews.

The Committee has 8 elected Members.

2. Background

2.1 Scrutiny Work Programme

Each of our meetings had specific agenda items to consider the work programme and allow members and officers to suggest items we should scrutinise in more depth. We also frequently review how we monitor our suggested outcomes and/or recommended actions so we can understand the impact of our work so we can learn how to better focus our scrutiny work to ensure we have made a difference.

Scrutiny Members have endeavoured through the Committee meetings to make suggestions and express opinions to Directors and Cabinet Members after discussion and debate. We have constructive relationships with our sister Scrutiny Committees, particularly the Scrutiny for Policies, Children and Families Committee.

2.2 Meeting 08 December 2021

This meeting was cancelled due to the immense pressure on Adult Social Care services and the GGC and NHS locally. The agenda items were moved forward to meetings in 2022.

2.3 Meeting 26 January 2022 (Advisory Board Meeting) Fit For My Future (FFMF) - Update

We had an interesting update on the Strategy. The progress of the Fit for my Future programme continues to be impacted by the Covid-19 pandemic as staff across the health and care system continue to prioritise the system response, including the delivery of the vaccine programme. The Fit for my Future programme has prioritised some key areas going forward, in conjunction with colleagues from across the system. This includes:

- Refresh of the Fit for my Future strategy moving into an ICS
- Working to develop the vision for community hospitals and how to utilise community hospitals, including inpatient facilities
- Reviewing MIU services at Minehead Hospital
- Hyper acute Stroke Care
- Focus on prevention, specifically healthy weight and hypertension

We discussed the proposed key areas and welcomed the inclusion of Community Hospitals as having a key role to play. It was recorded that they were a valued part of the service and would continue to be so. The overnight closure of the Minor Injuries Unit (MIU) in Minehead was raised as a concern as West Somerset was quite isolated as a community and there were many elderly residents with limited personal transport and limited public transport. A Workshop followed the meeting and the invitation to attend was extended to District Councillors, Healthwatch and the Health and Wellbeing Board. The workshop was well attended by a broad representation and the early feedback was that it was welcomed and valued and will help the refresh of the FFMF Strategy.

NHS Dental Services

We had a report from NHS Dental Services setting out the proposals for addressing the accepted shortfall in NHS Dental provision which had been exacerbated by the pandemic. We heard that the South West would be given about £5 million of the announced £50 million to boost the service. The challenge was making the NHS contract appealing and attracting Dentists to working the South West as many were choosing to stay in bigger cities. We discussed access and waiting times as well as areas where NHS services were not available. We were assured that the new contracts out for tender were more attractive, and interest had been positive.

There was a request for support in progressing a Dental Reform Bill in Parliament as this would help to address the findings of the Oral Health Needs Assessment published in early 2021.

Adult Social Care (ASC) Performance report

We had a report which provided an up-to-date information on key developments in relation to demand and performance activity across adult social care both nationally and locally, as well as associated risks, mitigation activity and reform plans. Demand for care and support has risen sharply since the start of the pandemic. In 2019, Somerset Direct (the Council's 'front door') handled 53,379 adult social care related enquiries; this figure rose to 64,413 in 2020 and has again remained well above pre-pandemic levels this year with a total of 70,139 contacts/calls received between 1st January and 31st December 2021.

We welcomed the report and positive performance achievements. Assurance was sought to confirm that the increase in payments and higher pay was permanent and sustainable, and this was given.

Adult Social Care (ASC) Budget Report

The report highlighted the robust planning and challenge that underpinned the proposed budget increase. We were assured that this increase was sustainable.

We welcomed the proposed increased spend on Adult Social Care that was included in the MTFP (an increase of 12.8%).

2.4 Consultations:

We have during the period shared and commented on a number of papers that were circulated to the Committee as we have not been able to meet as frequently as usual. These have covered: -

Stroke Services

Temporary closure overnight of the Minehead MIU

3 Meetings Overview for 2021-22

We have considered a number of reports on a range of topics and these have included:

- Fit for My Future (FFMF)
- Access to Dental services
- Waiting lists post Covid 19
- Integrated Care Boards
- Changes to Stroke Services
- Improvements to Out of Hours Service
- Care Homes and Nursing Home Support Service (LARCH/CCG)
- Regular clinical quality review reports from Somerset Clinical Commission Group (CCG)
- Dementia Report
- Regular updates regarding Adult Social Care Performance
- Somerset Safeguarding Annual Report and strategic plan
- Somerset CCG finance and performance issues
- Community Hospitals
- Council performance reports

- Learning Disability Service Contract
- NHS waiting times for Somerset patients.
- Somerset suicide prevention
- Mental health and wellbeing
- Medium Term Financial Plan

2.4 Suggestions for the Future

We look forward to an interesting and informative year ahead.

We have always endeavoured to approach our task as a 'critical friend' by trying to be supportive to officers and encouraging them to highlight areas of concern to us, whilst hopefully providing a suitably robust challenge to question poor performance and seek reassurance that appropriate action is taken to achieve improvement. We feel the Council would benefit from Scrutiny being asked to undertake more pre-Cabinet decision work to help the transition from policy development to implementation.

3. Consultations Undertaken

The Committee invites all County councillors to attend and contribute to its meetings.

4. Implications

The Committee considers carefully and often asks for further information about the implications as outlined in the reports considered at its meetings.

For further details of the reports considered by the Committee, please contact the author of this report.

5. Background Papers

Further information about the Committee including dates of meetings and agendas and 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.

Somerset County Council
County Council
- 23 February 2022

Report of the Scrutiny Committee for Policies and Place

Cabinet Member: N/A

Division and Local Member: All

Chair: Cllr Anna Groskop

Author: Andrew Randell – Clerk to the Committee

Contact Details: 01823 357628

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 the Committee meetings held on 7 December, 12 January and the Advisory Board held on 1st February 2022.
- 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 of the Advisory Board will be held virtually at 10.00am on 15 March 2022.

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. 7 December 2021

Local Government Reorganisation in Somerset: Update

The first item the Committee considered the Local Government Reorganisation in Somerset Update

This report set out the Local Government Reorganisation update and reported that the government had confirmed that the Council would be a Continuing Authority, 110 members would be elected in May 2022. The estimated savings of the new Council were in the region of £18,000,000.

The Programme Director provided a presentation with details of the key points which included that there would be a joint local, County and Town/Parish election in May 2022 for a 5-year term, to oversee the start of the Unitary Council in April 2023, running for 4 years to May 2027. Withing the LGR programme there were 6 workstreams led by two senior officers (one County and One District) looking at how services would be managed and these had over 40 sub-groups supporting them.

The committee discussed council tax and budget setting in advance of April 2023 in the first full year of the New Council. Communication with Town and Parish Councils was a concern in relation to LGR and their continuing roles. Parish and Town Councils were encouraged to be part of the twice monthly consultation meetings. Reassurance was provided that communications would be made once the Act of Parliament for the election had been approved for all Councils.

The committee considered and noted the update.

2021/22 Budget Monitoring Report – Month 6 – End of September.

The second item the committee considered was the 2021/22 Budget Monitoring Report.

The report set out a comprehensive view of the Council's Financial position. At the end of September 2021 the outturn revenue forecast expenditure position was reported at £354.4 million, which represented a £3 million underspend against the budget of £357.4 million and was an improved picture from month 5. Overspends were predicted in some services, especially with the continuing COVID impact and placement issues, as encountered in other Councils.

There remained £5million reserves unallocated, and £3million Corporate Contingencies, however Winter Pressures could require some of this funding. Details of the Capital Programme was detailed in the report and set out a year end estimated budget of £171.3 million against a budget of £217.1 million, reporting an estimated underspend of £7.6 million over the life of the programme.

The committee discussed delays and shortages in supplies impacting on the Council in 2022. This was a recognised risk alongside a shortage in recruitment in the workforce in some services.

The committee noted the forecast underspend of £3million.

12 January 2022

Climate Change Update

The first item considered was the Climate Change Update.

The Climate Change Programme Manager introduced the update which set out Climate Change activities at the Council. The key Actions of the County Council included the Climate Emergency Community Fund which had funded 44 projects, Carbon Literacy Training, Energy Assessor and Community Engagement Officer. The Public Sector Decarbonisation Scheme had provided improvements to 12 Buildings including County Hall and Taunton and Yeovil Libraries which had led to a carbon reduction of up to 27% across the non-schools estate.

The committee discussed EV charging provision, housing retrofitting, Climate Change funding, building standards for new council buildings and schools, reductions in car travel alongside better provision in low carbon public transport and the Saltlands Energy Park and a similar project in Glastonbury. Funding for projects across the county set out that 9 had been completed and 35 underway through the Community Fund.

The committee noted the update.

Current Section 19 Flood Investigations

The second item considered Current Section 19 Flood Investigations

The role of the lead local flood authority was set out, and the role of the flood and water management team, and the instance where it was necessary to investigate a flood water event.

Risk Management authorities exercising functions in these events. Publish results of the investigations and notify the risk management authorities. The flooding was a surface water event, the Environment Agency wasn't involved in the flood event. Chard was already a known area of concern within Somerset and there was also an integrated catchment study underway before the flooding event.

A timeline of the incident response was set out. SCC was not a category 1 responder, so role was around emergency planning, recover and investigation.

The Committee discussed lessons learnt from recent flooding events as part of future procedure. Policy when formal investigation work once a section 19 investigation was instigated was considered. Reassurance was provided to the committee that partnership working and integrated studies included partners including Wessex Water, the Environment Agency and Wessex Water.

The committee noted the update

2021/22 Revenue Budget Monitoring Report – Month 7 – End of October 2021

The third item considered was the 2021/22 Revenue Budget Monitoring Report – Month 7.

The overall forecast outturn position was a £1.3m favourable variance after taking into account all service expenditure and contingencies against a net budget of £357.4m which represented a variance of 0.36%. A summary of the budget was provided, with projections and variances on a service by service basis with further detail and mitigations being taken by the responsible director outlined in the body of the report.

Significant variances were set out in the report and included Adults and Children's Services and Economic and Community Infrastructure. Favourable variances were reported in Corporate Costs and Contingencies.

The Committee discussed the funding that remained in the Outbreak Management Fund. Current figures as part of the homecare hours were requested to consider what could be done to prevent NHS bed blocking.

The Committee:-

- a) Noted the overall forecast underspend of £1.3m (section 12) and the key risks, future issues and opportunities detailed in the report which will be closely monitored and updated throughout the year.
- b) To note that all of the £10.8m Covid- 19 Emergency Fund is expected to be fully spent within the year
- c) A receive a verbal update on the MTFP and Finance Settlement.

Selection of Preferred Partner in relation to the future Business Support System

The fourth item considered the preferred partner in relation to the future Business Support System.

The proposal and decision related to the first discovery phase. This would be looked at with the new councils IT requirements, working closely with the LGR team and district colleagues, progressing to the next decision gateway in March 2022. SAP end of life planning had been recognised for some time. A further decision in March would reflect the needs and ambitions for the new council.

The committee discussed what involvement the District Councils had in respect of the consideration of the future business support system. The existing SAP system and the option of further extending this until after the vesting day of the new Council. Concerns were expressed by the committee in respect of the risks around the implementation of the new system due to the short timeframe before implementation alongside the number of partners involved in transferring the existing systems across the County and District Councils.

The Scrutiny for Policies and Place Committee:-

1. The Scrutiny for Policies and Place Committee recommends that Cabinet ensure that full integration with the District Councils occurs on this most critical of decisions, in consultation with the Senior Leadership and Political Leadership Teams.
2. The Committee requested that a full exploration of a fall-back position of SAP takes place, led by the finance team.
3. The risks of this decision be fully considered as part of Somerset County Council's risk register and as part of the Local Government Reorganisation risks.

1 February 2022 (Scrutiny for Policy and Place Advisory Board)

2021/22 Revenue Budget Monitoring Report – Month 8 – End of November 2021

The first item considered was the 2021/22 Revenue Budget Monitoring Report – Month 8.

The projected outturn position was reported at £356.2m against a net budget of £357.3m. This provided a £1.1m favourable variance which represented a variance of 0.3%. This was a small adverse movement of £0.2m since month seven.

A summary of the budget was provided with projections and variances on a service-by-service basis with further detail and mitigations being taken by the responsible director outlined in the body of the report. The significant adverse variances were reported in Adults and Children's Services and Economic and Community Infrastructure. Favourable variances were reported in Corporate Costs and contingencies.

The committee discussed and requested increased funding for highways to enable service and highways improvements.

The Advisory Board:-

- a) Noted the overall forecast underspend of £1.1m (section 12) and the key risks, future issues and opportunities detailed in the report which will be closely monitored and updated throughout the year.
- b) Noted the use of £1.4m Covid-19 Emergency Fund for use against additional pressures in Children's Services relating to the pandemic (sections 14 and 22)

Medium Term Financial Plan 2022/23 Budget Update

The second item considered was the Medium Term Financial Plan 2022/23 Budget Update.

The report introduced the key areas of specific interest within the Medium-Term Financial Plan to the Scrutiny Advisory Board for Policies and Place Services as well as an overview of the overall budget for 2022/23. The report was considered by Cabinet on the 20th January and set out proposals that produce a balanced budget for 2022/23. The appropriate Directors would attend the Committee to provide assurances around the changes made to budgets and funding for 2022/23.

The Board discussed finance risk in relation to Local Government Reorganisation. Further information was requested in relation to carbon capture, tree canopy and funding for walking and cycling initiatives. Funding for Voluntary sector organisations and LGR IT projects was requested to be provided following the meeting

The Advisory Board reviewed and noted specific proposals for changes from previous years, so that they can comment on them and the overall robustness of the proposed budget for 2022/23 as part of the overall assurance framework to Cabinet. As part of that assurance the Committee is requested to identify any matters for consideration

that they would like to highlight to the Cabinet on the 14th February 2022.

Somerset's Enhanced Partnership (EP) Plan and Scheme

Following the launch of the government's National Bus Strategy: Bus Back Better in March 2021, in June 2021, Somerset County Council (SCC) committed to creating an Enhanced Partnership (EP) with local bus operators and published a Statutory Notice of Intent confirming this intention. This was followed by the publication of the initial Bus Service Improvement Plan (BSIP) in October 2021, which following engagement with local bus operators, other key stakeholders and members of the public, sets out Somerset's high-level ambition for public transport across the County and bids for a share of the governments' bus transformation fund.

The Board discussed the prioritisation of the elements of the plan depending the level of funding received by central government, disabled access to public transport and future provision of more environmentally friendly busses across the county.

The Advisory Board considered and noted the draft Enhanced Partnership (EP) Plan and Scheme (Appendix A) in advance of the final EP Plan and Scheme being considered at Cabinet on 16th March 2022.

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 future meetings, 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.

Report of the Scrutiny for Policies, Children and Families Advisory Board

Chair: Cllr Leigh Redman

Division and Local Member: All

Lead Officer: Neil Milne – Governance Specialist

Author: Fiona Abbott – Senior Democratic Services Officer

Contact Details: 01823 357337 fabbott@somerset.gov.uk

1. Summary

- 1.1** The Scrutiny for Policies, Children and Families Committee is required by the Constitution to provide Full Council with a summary progress report and outcomes of scrutiny. This report covers the work of the Scrutiny Committee from November 2021 to January 2022 and provides information on the items to be considered at the meeting on 28 February 2022 and the informal workshop on 6 April 2022.
- 1.2** We continue to focus on the outcomes arising from the Ofsted Inspection, including the Written Statement of Action (WSOA), which prioritises the areas work on Special Educational Needs and Disabilities (SEND) in the forthcoming 18 – 24 months; and on ensuring the delivery of the Children and Young Peoples Plan (CYPP).
- 1.3** Members of the Council are reminded that:
- all Members have been invited to attend meetings of the three Scrutiny Committees and to contribute freely on any agenda item.
 - any Member could propose a topic for inclusion on the Scrutiny Work Programmes.
 - any Member can 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 (with 1 vacancy) and has up to seven co-opted members appointed.

The current position is - two church representatives (one vacancy), two School Governor representatives, one representative from the Somerset Schools Forum (vacant) and two parent governor representatives (both vacant). The co-opted members have voting rights on education matters only.

2. Background

2.1 Scrutiny Work Programme

Each of our meetings had specific agenda items to consider the work programme and allow members and officers to suggest items we should

scrutinise in more depth. This has led to items being added to the work programme and help guide our future work.

At each meeting we review how we monitor our suggested outcomes and/or recommended actions so we can understand the impact of our work so we can learn how to better focus our scrutiny work to ensure we have made a difference.

Scrutiny Members have endeavoured through the Committee meetings to make suggestions and express opinions to Directors and Cabinet Members after discussion and debate.

2.2 Meeting on 1 December 2021

The main points from the meeting were: -

Progress update on the Written Statement of Action (WSOA) – the Council's Assistant Director Inclusion, Dr Rob Hart provided an update on the Written Statement of Action (WSOA). We received the following documents with the agenda papers for the meeting: -

- Written Statement of Action Progress Report, shared with DfE (Department for Education) and NHSE advisors in September 2021;
- Some short summary slides showing the most recent progress update to the SEND Improvement Board in November 2021; and
- The original Written Statement of Action (for context/ background)

Dr Hart covered the following in the presentation – some background to the WSoA ('what trying to achieve'); how the WSoA is being implemented and monitoring; the difference being made, successes and impact; the risks and challenges; and priorities for the next 12 months.

The Committee asked detailed questions and made a number of comments, which were responded to at the meeting, covering – preparations being made and timeline for the reinspection; resourcing to deliver the WSoA; impact of covid on staff capacity; engagement with families; links / relationship of SEND Strategy for 2023 onwards, to the developing Education Strategy; information sharing. Dr Hart said that by December 2022, he is confident will have delivered WSoA and embedded the improvement need to do.

On behalf of the Committee, I thanked Dr Hart for the detailed presentation and asked that the WSoA be brought back to a future meeting to provide information in more depth on the following – the items identified in 'red' on the progress overview (listening to Children and young people and their families; consistency of practice); clarity on resourcing point; data and digital inclusion; explanation / clarity on the relationship with the developing Education Strategy. My Vice Chair and I have discussed with officers the best way forward for this.

Analysis to support development of an Education Strategy for Somerset - we

then received a detailed presentation from the Council's Assistant Director Education, Partnerships and Skills, Ms Amelia Walker, on the development of an Education Strategy for Somerset. This followed on from the presentation given at the October 2021 meeting on changes to the education governance arrangements in Somerset. The Cabinet member, Councillor Frances Nicholson introduced the item and said that the new Schools Forum had held its first meeting recently and it felt positive and effective and that the new Strategy Board would hold its first formal meeting shortly.

In the presentation, Ms Walker outlined the complex education landscape and the local authority role in education. In conclusion she explained that there are a number of areas under development which might feed into a new *system* Strategy, including - the findings from Inclusion Inquiry; a new project working with LA (Local Authorities) Maintained schools (with option to extend to academies and trusts in future) looking at opportunities to get better value for money so we can invest; the Oxford Brookes's project on Early Help; the work underway to re-imagine how SEND services are delivered; expanding opportunities for cross-border working on curriculum and subjects, building on West Somerset Opportunity Area project.

Ms Walker said that these can be reported back to this Committee as they develop over the course of the coming year. Indeed, the findings from the Inclusion Inquiry is scheduled for the February meeting of the Committee.

The Committee asked detailed questions about the development of the Strategy and the partnership approach needed to take this forward. On behalf of the Committee, I thanked Ms Walker for the detailed presentation, recognising that it is still early in the process and the Strategy Board is yet to meet. The Committee would welcome feedback on the development of the Strategy, and this has been added to our outcome tracker.

Supporting eco-friendly schools – we then considered a report and received a PowerPoint presentation from the Council's Head of Support Services for Education, Mr Ian Rowswell on work undertaken on supporting eco-friendly schools [Eco-Friendly Schools | Support Services for Education](#)

Mr Rowswell advised that the SSE (Support Services for Education) website was launched recently and provides useful information on how schools can undertake activities and link into the eco schools programme for example. Mr Rowswell provided some detail of support around school meal provision. He also outlined the next steps, as follows - continue to promote the website and for further online events for schools; adding further information and links to new projects and resources that could support schools; work closely with the School Improvement Team to help evaluate resources and identify good curriculum links and resources; SCC (Somerset County Council) successful bid to the Forestry Commission's Local Authorities Treescape Fund should result in planting 320 trees across Somerset; Closer working with stakeholders and in particular with District Council colleagues; and consider how to address risks

around capacity.

In response to comments made, Mr Rowswell said that the website will provide signposting to other funding opportunities and have focussed attention on additional support which schools can access. He also commented that are working closely with the Somerset Waste Partnership as well.

On behalf of the Committee, I thanked Mr Rowswell for the detailed presentation, and it was agreed that an information sheet would be circulated to all members (and this has now been done).

Information items circulated to the Scrutiny Committee since the last meeting – the Committee noted the following information item which had been circulated recently – CAMHS service delivery update – Report considered by the [Somerset Health & Wellbeing Board at the meeting on Monday 22 November 2021](#)

2.3 Meeting on Tuesday 25 January 2022

The main points from the advisory board meeting were: -

Partnership Children & Young People's Plan 2022 – 2025 – the Council's Deputy Director Children's Services outlined how the financial resources that are available to Children Services are used in relation to both Children Services planning and how that links into the Somerset Children & Young People's Plan (CYPP) 2022 – 2025. Members then received a detailed presentation on the draft Somerset partnership CYPP and the 3 agreed priorities - keeping children and young people safe (priority 1); supporting physical and emotional health and resilience (priority 2); enabling young people to learn and thrive (priority 3).

I thanked officers for the detailed presentation and for the excellent graphics and the policy on a page information, which provides links to all activity going on across partnership; that it is important to recognise the voice of child through this and thanked them for the work on engagement with children and young people; asked officers to consider the points and comments made around transitions, education, early years, the parents voice, and districts involvement in the future unitary work.

Children's Services Business Plan and resourcing through the Medium-Term Financial Plan for 2022 – 2023 – we then considered the budget report which summarised the key areas of specific interest within the Medium-Term Financial Plan (MTFP) to the scrutiny committee for Children and Families. The advisory board was invited to (a) consider the proposed budget for 2022/23 for Children's and Family Services budgets; and (b) review / comment on specific proposals for changes from previous years, to offer assurance to Cabinet and/or identify any matters for consideration that would like to highlight to the Cabinet.

The advisory board additionally received a PowerPoint presentation which

provided the context and the links and inter relationship with the Children's Services Business Plan and the Children's Services MTFP 2022/23.

I thanked officers for the presentation and that Members still have the opportunity to feed into the budget and MTFP process. The advisory board noted the MTFP for Children and Families Services 2022 – 2023 and the Children's Services Plan and requested additional information / clarification on some matters, including, for example, how some of the investments and savings is presented in the papers and early years funding. The advisory board recognised / had acceptance of the uncertainty in the budget due to unknowns around the long-term effects and impact of Covid.

Task and Finish Group – update – I then provided a brief update on the work of the Task and Finish Group on the 'Continuity of Children's Services through Local Government Reorganisation.' A copy of the full statement is attached at **Appendix 1**.

The members of the Task and Finish Group were - myself, as Chair, my Vice Chair, Cllr Rod Williams, Cllr Bill Revans and Ms E Tipper (a co-opted member on the Committee).

Information items circulated to the Scrutiny Committee since the last meeting – the Committee noted the following information item which had been circulated recently - Family Safeguarding in Somerset – interim evaluation presentation.

2.4 28 February 2022

At this meeting we will be discussing the following areas: -

- (a) School Exclusions – update on Task and Finish Group;
- (b) Inclusion Inquiry (both to include engagement of vulnerable learners in education);
- (c) Homes for Children;
- (d) Items for information, including update on 'Trauma Informed Somerset'.

2.5 Joint Informal meeting with Adults and Health Scrutiny Committee

Our meeting scheduled for 4 April has now been postponed and this allows Committee members to join with the Adults and Health Scrutiny Committee at a joint informal workshop on 6 April. The informal meeting will consider (a) feedback from transition arrangements – preparing for adulthood; (b) mental health support in the community / response time.

2.6 Suggestions for the Future

We have updated our work plan and suggested items to be taken forward in the

next Municipal Year. I am sure that the new Committee will want to continue focussing on the WSoA, preventative agenda and the CYPP 2022 – 2025 and continue to refine how information can be best shared, to support members ability to participate and grow.

The Committee and I have always endeavoured to approach our task as a 'critical friend' by trying to be supportive to officers and encouraging them to highlight areas of concern to us, whilst hopefully providing a suitably robust challenge to question poor performance and seek reassurance that appropriate action is taken to achieve improvement.

We still feel the Council would benefit from Scrutiny being asked to undertake more pre-Cabinet decision work to help the transition from policy development to implementation.

This may be my last report under this current Council, I still believe a dedicated Service/Scrutiny link officer would help ensure Committee, Cabinet members and Service leaders are driving in the same direction and have aligned agendas, the more the service embraces Scrutiny the better service we can provide to the young people and families we serve.

3. Consultations Undertaken

The Committee invites all County Councillors to attend and contribute to its meetings. The Committee Chair and Vice Chair invite prospective report authors to attend their pre-meetings and Lead Officers are engaged in this process.

4. Implications

The Committee considers carefully and often asks for further information about the implications as outlined in the reports considered at its meetings.

For further details about the reports considered by the Committee, please contact the author of this report.

5. Background Papers

5.1 **Appendix 1** – Statement regarding the Task and Finish Group

5.2 Further information about the Committee including dates of meetings and agendas and 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.

Statement - Task and Finish Group – Continuity of Children’s’ Services through Local Government Reorganisation

The Task and Finish Group (Continuity of Children’s Services through Local Government Reorganisation in Somerset) met on Tuesday 11 January 2022 to consider the current progress made and to think about the next steps. The Task & Finish Group members reflected on the significant amount of work this review would involve and the impending Council elections. The elections and the proximity of the pre-election notice period (beginning on 21 March) meant there were now only 2 scheduled meetings of the Committee before the pre-election notice period begins.

The group also acknowledged the officer led work already underway in the LGR process.

After careful consideration, the Task and Finish Group members agreed that it would be very difficult for them to complete and conclude the evidence gathering aspect of the review, then interpret that information in a timely manner and make appropriate recommendations, as such they strongly believed the review would benefit from a robust process and specific input from children’s services. The Task and Finish Group felt that, in their opinion as members of this group and Children and Families Scrutiny Committee, that it would be more advantageous to the young people and families for the newly formed joint scrutiny committee, to take up and include this Task and Finish review into the transition work for children’s services, in their forward programme of business.

The members of the group thanked officers and members that went out of their way to help the review.

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