

# COUNTY COUNCIL

**Wednesday 22 February 2023**

**10.00 am Canalside Conference Centre,  
Marsh Lane, Nr. Bridgwater, TA6 6LQ**



(Virtual joining option for members of the public)

To: The members of the County Council

Cllr S Ashton, Cllr S Aujla, Cllr J Bailey, Cllr J Baker, Cllr Cllr L Baker, Cllr M Barr, Cllr M Best (Chair), Cllr B Bolt, Cllr A Boyden, Cllr A Bradford, Cllr H Bruce, Cllr T Butt Philip, Cllr S Carswell, Cllr M Caswell, Cllr N Cavill, Cllr M Chilcott, Cllr N Clark, Cllr B Clarke, Cllr P Clayton, Cllr S Coles, Cllr S Collins, Cllr J Cook-Woodman, Cllr N Cottle, Cllr A Dance, Cllr D Darch, Cllr H Davies, Cllr T Deakin, Cllr D Denton, Cllr M Dimery, Cllr A Dingwall, Cllr L Duddridge, Cllr M Dunk, Cllr S Dyke, Cllr C Ellis, Cllr H Farbahi, Cllr B Ferguson, Cllr B Filmer, Cllr D Fothergill, Cllr A Govier, Cllr T Grimes, Cllr A Hadley, Cllr Pauline Ham, Cllr Philip Ham, Cllr S Hart, Cllr M Healey, Cllr B Height, Cllr A Hendry, Cllr R Henley, Cllr M Hewitson, Cllr E Hobbs, Cllr H Hobhouse, Cllr J Hunt, Cllr D Johnson, Cllr H Kay, Cllr V Keitch, Cllr A Kendall, Cllr J Kenton, Cllr T Kerley, Cllr M Kravis, Cllr C Lawrence, Cllr M Lewis, Cllr L Leyshon, Cllr T Lock, Cllr M Lovell, Cllr D Mansell, Cllr M Martin, Cllr H Munt, Cllr T Munt, Cllr M Murphy, Cllr F Nicholson, Cllr G Oakes, Cllr S Osborne, Cllr O Patrick, Cllr C Payne, Cllr K Pearce, Cllr E Pearlstone, Cllr D Perry, Cllr E Potts-Jones, Cllr T Power, Cllr H Prior-Sankey (Vice-Chair), Cllr S Pugsley, Cllr F Purbrick, Cllr W Read, Cllr L Redman, Cllr B Revans, Cllr M Rigby, Cllr T Robbins, Cllr D Rodrigues, Cllr J Roundell Greene, Cllr D Ruddle, Cllr P Seib, Cllr H Shearer, Cllr G Slocombe, Cllr B Smedley, Cllr F Smith-Roberts, Cllr F Smith, Cllr J Snell, Cllr A Soughton, Cllr M Stanton, Cllr A Sully, Cllr C Sully, Cllr L Trimnell, Cllr S Wakefield, Cllr M Wales, Cllr R Wilkins, Cllr A Wiltshire, Cllr D Woan, Cllr R Woods, Cllr G Wren and Cllr R Wyke

All Somerset County Council Members are invited to attend.

Issued By Scott Wooldridge, Monitoring Officer - Governance and Democratic Services - 14 February 2023

For further information about the meeting, please contact Mike Bryant – Service Manager, Democratic Services, [democraticservicesteam@somerset.gov.uk](mailto:democraticservicesteam@somerset.gov.uk) or 01823 357628.

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 Regulation 4 of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012.

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](http://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 22 February 2023

## 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 meeting held on 23 November 2023 (Pages 9 - 40)

Council is asked to confirm the minutes are accurate.

### 4 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

### 5 Report of the Leader and Executive - for decision (Pages 41 - 524)

To consider a report with recommendations from the Leader of the Council, arising from the Executive meeting held on 13 February 2023.

The recommendations relate to:

- Paper A – Budget, Medium Term Financial Plan and Council Tax Setting
- Paper B – Adoption of the Council Plan for Somerset Council
- Paper C – Treasury Management Strategy Statement 2023-24
- Paper D – Housing Benefit War Pensions Disregard Policy
- Paper E – Housing Revenue Account (HRA) updated 30 year Business Plan and Rent Set 2023/24
- Paper F – Somerset Council Asset Management Plan and Strategy

### 6 Report of the Constitution and Governance Committee

Item County Council - 10.00 am Wednesday 22 February 2023

Report to follow:

- Proposed Constitution for Somerset Council
- Annual Report of the Constitution and Governance Committee

7 **Report of the HR Committee** (Pages 525 - 526)

To receive a report from the Chair of the HR Committee.

8 **Report of the Chief Executive (Senior Management Structure/Designation of Statutory Roles)** (Pages 527 - 554)

To receive a report from the Chief Executive.

9 **Report of the Independent Remuneration Panel** (Pages 555 - 592)

To receive the report of the Independent Remuneration Panel.

#### **For Information**

10 **Report of the Standards Committee** (Pages 593 - 598)

To receive a report from the Chair of the Standards Committee.

11 **Report of the Leader and Executive - for information** (Pages 599 - 604)

To receive reports by the Leader of Council summarising key decisions taken by him and the Executive, including at the Executive meetings held on 16 November, 14 December 2023, 18 January 2023 and 13 February 2023 - attached

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



## **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 Mike Bryant, , County Hall, Taunton, Somerset, TA1 4DY 01823 357628 [democraticserviceteam@somerset.gov.uk](mailto:democraticserviceteam@somerset.gov.uk) so that the Chair 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 meeting will be webcast and an audio recording made.

#### **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: [Members' Code of Conduct](#)

### **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: [democraticserviceteam@somerset.gov.uk](mailto:democraticserviceteam@somerset.gov.uk) by 5pm on Thursday 16 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 Chair 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 an Executive 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 Chair will decide when that debate will take place.

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## COUNTY COUNCIL

Minutes of a Meeting of the County Council held in Canalside, Marsh Lane, Bridgwater TA6 6LQ the Wednesday 23 November 2022 at 10.00 am

**Present:** Cllr S Ashton, Cllr S Aujla, Cllr J Bailey, Cllr J Baker, Cllr M Barr, Cllr M Best, Cllr B Bolt, Cllr A Bradford, Cllr H Bruce, Cllr T Butt-Philip, Cllr S Carswell, Cllr M Caswell, Cllr N Cavill, Cllr N Clark, Cllr B Clarke, Cllr P Clayton, Cllr S Coles, Cllr J Cook-Woodman, Cllr N Cottle, Cllr A Dance, Cllr D Darch, Cllr H Davies, Cllr T Deakin, Cllr D Denton, Cllr M Dimery, Cllr A Dingwall, Cllr L Duddridge, Cllr S Dyke, Cllr C Ellis, Cllr H Farbahi, Cllr B Ferguson, Cllr B Filmer, Cllr D Fothergill, Cllr A Govier, Cllr T Grimes, Cllr A Hadley, Cllr B Height, Cllr A Hendry, Cllr M Hewitson, Cllr E Hobbs, Cllr H Hobhouse, Cllr J Hunt, Cllr D Johnson, Cllr H Kay, Cllr A Kendall, Cllr J Kenton, Cllr T Kerley, Cllr M Kravis, Cllr M Lewis, Cllr L Leyshon, Cllr T Lock, Cllr M Lovell, Cllr D Mansell, Cllr H Munt, Cllr T Munt, Cllr M Murphy, Cllr F Nicholson, Cllr O Patrick, Cllr C Payne, Cllr E Pearlstone, Cllr E Potts-Jones, Cllr T Power, Cllr H Prior-Sankey, Cllr S Pugsley, Cllr W Read, Cllr L Redman, Cllr M Rigby, Cllr T Robbins, Cllr D Rodrigues, Cllr J Roundell Greene, Cllr D Ruddle, Cllr P Seib, Cllr H Shearer, Cllr B Smedley, Cllr F Smith, Cllr J Snell, A Soughton, Cllr M Stanton, Cllr A Sully, Cllr C Sully, Cllr S Wakefield, Cllr M Wale, Cllr R Wilkins, Cllr A Wiltshire, Cllr D Woan and Cllr R Woods, Cllr G Wren, Cllr R Wyke

### 37. **Apologies for Absence** - Agenda Item 1

Apologies were received from Cllr L Baker, Cllr A Boyden, Cllr M Chilcott, Cllr S Collins, Cllr M Dunk, Cllr Pauline Ham, Cllr Phillip Ham, Cllr M Healey, Cllr R Henley, Cllr V Keitch, Cllr C Lawrence, Cllr M Martin, Cllr G Oakes, Cllr S Osborne, Cllr K Pearce, Cllr D Perry, Cllr F Purbrick, Cllr B Revans, Cllr G Slocombe, Cllr F Smith-Roberts, Cllr L Trimnell

Virtual Microsoft Teams attendance: Cllr M Dunk, Cllr B Revans, Cllr S Osbourne, Cllr L Trimnell

### 38 **Declarations of Interest** - Agenda Item 2

The 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.

Cllr Jason Baker and Cllr Evie Potts-Jones declared a personal interest in Item 8, Annual Report of the Corporate Parenting Board.

39 **Minutes from the meeting held on Wednesday 20 July 2022 and the Extraordinary meeting held 5 October 2022** - Agenda Item 3

The minutes of the meeting held on Wednesday 20 July 2022 and the Extraordinary meeting held 5 October 2022 were accepted as a true and accurate record and were signed by the Chair.

40 **Chairs Announcements** – Agenda Item 4

The Chair of Council referred to the events detailed in the Chair's Information Sheet No. 2, circulated and published with the agenda.

**In Memorium**

The Chair paid tribute to the former County Councillors Anthony Trollope Bellew, Valerie Byrne and former Chair's Consort, Stuart Lawrence.

**Anthony Trollope Bellew** - Anthony was County Councillor from 2001-13 for Watchet and the Quantocks. During his time as a Councillor, Anthony was the Cabinet Member for Environment and sat on numerous committees including the Cabinet, the Somerset Waste Board and the Regulation Committee.

**Valerie Byrne** - Valerie was a County Councillor from 1989 – 1997 and represented Wellington.

**Former Chair's Consort Stuart Lawrence, husband of County Councillor Christine Lawrence** – Stuart was the most supportive of husbands, was an accomplished artist and was an avid walker.

At the invitation of the Chair of the Council, Cllr John Bailey, Cllr D Fothergill, Cllr A Govier, Cllr S Dyke, Cllr M Rigby, Cllr G Wren paid tribute to former County Councillor Anthony Trollope Bellew, Cllr A Govier paid tribute to Valerie Byrne and Cllr D Fothergill paid tribute to Stuart Lawrence.

Members of Council stood and observed a minute silence.

The Council received and noted the report.

41 **Public Question Time** – Agenda Item 5

Public questions were received from

1. Nigel Behan regarding autumn Statement / Local Authority budgets

2. John Brendon regarding land at Queen Camel Playing Field (petition)
3. Alyson Rodgers regarding trail hunting on Council land
4. Pip Donovan regarding hunts and road closures
5. Tim Andrewes regarding Department for Transport Bus Recovery Grant
6. Kevin Comer regarding National Highways A358 consultation
7. Robert Barnes regarding flower beds and blocked drains at Duke Street, Taunton
8. David Redgewell regarding Taunton Bus Station / Castle Cary Station
9. Emma King regarding the closure of the St Andrew's Ward
10. Eva Bryczkowski regarding the closure of the St Andrew's Ward
11. Bev Anderson regarding the closure of the St Andrew's Ward
12. Michael Strange regarding the Somerset Standing Advisory Council on Religious Education

In the absence of Mr Andrewes and Mr Barnes, their questions were read out by the Council's Monitoring Officer, Scott Wooldridge. The questions and responses are attached to these minutes in Appendix A.

#### 42 **Report of the Leader and Executive - Items for Decision** - Agenda Item 6

This item was introduced by the Leader of the Council, Cllr Bill Revans, which set out the Leader's and Executive's recommendations to Council arising from their consideration of reports at the Executive meetings on 21 September 2022, 19 October 2022 and 16 November 2022. The Council had before it the following reports:

##### **Paper A - Treasury Management Mid-Year Report 2022/23**

The Lead Member for Finance and Humans Resources, Cllr Liz Leyshon presented the report, highlighting that; the report summarised the account of Treasury Management activity and outturn for the first half of the year and ensures Somerset County Council (SCC) is embracing Best Practice in accordance with the Chartered Institute of Public Finance and Accountancy's (CIPFA) recommendations; all treasury activity was conducted within the benchmarks set as Prudential limits for prudent and sustainable capital plans, financing, and investment; and that a risk-averse approach has been taken in relation to investment activity with priority being given to security and liquidity over yield.

The County Council discussed the proposals, and the following points were raised; clarity of acronyms used in the report; and investment into pooled funds, including the CCLA.

Having been proposed by Cllr Liz Leyshon and seconded Cllr David Fothergill, the Council RESOLVED to:

**Endorse the Treasury Management mid-year report for 2022-23.**

**Paper B - Council Tax Reduction Scheme**

The Lead Member for Finance and Humans Resources, Cllr Liz Leyshon presented the report, highlighting: that the creation of the new Council requires the alignment of various areas within council tax and business rates policies from 1 April 2023; that the report outlines the proposed new council tax reduction scheme for the new Somerset Council; that the proposed scheme has been finalised following a full public consultation exercise; the work to minimise the impact on individual customers, businesses and organisations; the hardship mechanisms that enable support where necessary; and the communication of information and advice to inform people how help can be found within the new scheme.

The Assistant Director – Customers, Somerset West and Taunton Council, Richard Sealey summarised the proposed scheme, highlighted the requirement to provide a local scheme and further noted: that the scheme relates to people of working age; that the central government dictates the scheme for pension-age people; the public consultation response; the proposal to move to a grid income banded scheme; the proposal for up to 100% in Council tax reduction to those claimants on the lowest incomes; the hardship scheme which allows discretionary payments to individuals who are experiencing significant hardship; and the affordability of the scheme.

Having been proposed by Cllr Liz Leyshon and seconded Cllr David Fothergill, the Council RESOLVED to:

**Agree the Council Tax Reduction Scheme as detailed in Paper B and its appendices**

**Paper C - Council Tax Discounts and Premiums**

The Lead Member for Finance and Humans Resources, Cllr Liz Leyshon presented the report, highlighting: that as a billing authority, there is discretion to set or remove discounts in relation to second homes, empty properties and properties undergoing or requiring structural alterations; the powers to charge additional premiums in relation to long term empty properties and the change expected through the Levelling up Bill; the additional general powers to create local discounts or exemptions; and care leaver discounts and the new discount for foster carers or qualifying special guardians.



The Assistant Director – Customers, Somerset West and Taunton Council, Richard Sealey summarised the proposed approach and noted the high degree of alignment between the existing Council’s schemes.

The County Council discussed the proposals, and the following points were raised: the increase in second home ownership; the second home premium implications for second homes occupied family members and the key criteria of occupation; the need to reduce unoccupied second homes and ensure sufficient supply of properties for communities; the specific issues in the Exmoor area; affordable housing; the impact of phosphates issues; Ministry of Defence property contributions; and the enforcement of Council Tax restrictions on caravans.

The Lead Member for Finance and Human Resources, Cllr Liz Leyshon undertook to provide written responses to Cllr Hugh Davies regarding the enforcement of restrictions on occupancy of caravans in relation to the Council Tax discounts and to Cllr Stephen Pugsley regarding the hypothecation of the additional revenue generated.

Having been proposed by Cllr Liz Leyshon and seconded by Cllr David Fothergill, the Council RESOLVED to:

**Agree the Council Tax Discounts and Premiums as detailed in Paper C and its appendices.**

#### **PAPER D Proposed Non-Domestic Rating Discretionary Areas and Hardship**

The Lead Member for Finance and Humans Resources, Cllr Liz Leyshon presented the report, highlighting: the decisions required in respect of areas where the Council has local discretion under the non-domestic rating provisions, specifically discretionary rate relief and hardship provisions; the complexities and difficulties in alignment due to legislation; and the importance of communications for residents and businesses.

The Assistant Director – Customers, Somerset West and Taunton Council, Richard Sealey summarised the current spend across the four District Councils, highlighting that the proposed scheme is broadly cost neutral.

The County Council discussed the proposals, and the following points were raised: the opportunity to provide rate relief to businesses which were operating within the environmental and green environment; a suggestion of an all member briefing to aid understanding; and a request for clarification of the impact of the new non-discretionary relief scheme in respect of any commercial properties owned by the Taunton Heritage Trust.

The Lead Member for Finance and Human Resources, Cllr Liz Leyshon undertook to provide a written response to Cllr David Fothergill regarding impacts on the non-discretionary scheme in respect of commercial properties owned by the Taunton Heritage Trust.

Having been proposed by Cllr Liz Leyshon and seconded by Cllr David Fothergill, the Council RESOLVED to:

**Agree the proposed Non-Domestic Rating Discretionary Areas and Hardship proposals as detailed in Paper D and its appendices**

43 **Report of the Monitoring Officer** – Agenda Item 7

The Council's Monitoring Officer, Scott Wooldridge, presented the report, highlighting: that the Localism Act 2011 requires Council's to have arrangements in place to investigate and make decisions on allegations that a Councillor has breached the Code of Conduct; that the arrangements to make decisions on allegations must include provision for the appointment of one or more "Independent Person" through a transparent process; that as part of the transition to the new Somerset Council, work has been undertaken to review the proposals for Independent Persons to support the new Council's standards arrangements, and that it is recommended that the new Somerset Council appoints three Independent Persons ahead of 1 April 2023.

Having been proposed by Cllr John Bailey and seconded by Cllr Theo Butt-Philips, the Council RESOLVED to:

- 1. Appoint Lorraine Davey as a Reserve Independent Person under Section 28 of the Localism Act 2011 with immediate effect until 31 March 2023**
- 2. Authorise the Monitoring Officer to undertake the recruitment of three Independent Persons for the new Somerset Council on the basis set out in this report**

*Cllr Jason Baker and Cllr Evie Potts-Jones declared personal interests in respect of item 8 and left the room.*

44 **Annual Report of the Corporate Parenting Board** – Agenda Item 8

The Chair, Corporate Parenting Report, Jane Lock, presented the report, which provided a summary progress report of work and outcomes of meetings from the start of this Municipal year to November 2022. Jane Lock further noted: that the Council's corporate parenting arrangements were reviewed following the May 2022 Local Elections to ensure Somerset continues to provide a robust

Corporate Parenting approach; and the many positive outcomes from the work of the Board and sub-groups.

Cllr Frances Nicholson proposed, and Cllr Tessa Munt seconded an amendment to formally thank the former Independent Chair of the Corporate Parenting Board, Jill Johnson, which was agreed and added to the recommendations.

Having been proposed by Cllr Tessa Munt and seconded by Cllr Leigh Redman, the Council RESOLVED to:

- **Recommend a focus on corporate parenting responsibility as we move to a unitary council.**
- **Support and promote a whole council approach to create practical and specific offers to Care Leavers through our Local Offer and the Care Leaver Covenant.**
- **Extend its thanks to the Somerset Care Council's young people for all the hard work that they undertake.**
- **Formally thank the former Independent Chair of the Corporate Parenting Board, Jill Johnson.**

*Cllr Jason Baker and Cllr Evie Potts-Jones re-joined the meeting.*

#### 45 **Report of the HR Policy Committee** – Agenda Item 9

The Council received and noted the report of the HR Policy Committee, which provided a summary of the meeting of the Committee on 17 November 2022 which considered three items of business: the Chief Officer Pay Award 2022-23, an update on the LGR People Workstream, and employment policies.

Having been proposed by Cllr Liz Leyshon and seconded by Cllr Leigh Redman, the Council RESOLVED to:

- **Approve the 2022/23 pay award for Somerset County Council Chief Officers, at Somerset Grades 2-3, of £1,925 to reflect the increase agreed nationally for Green Book staff and Chief Officers.**
- **Agree that no pay increase is awarded to the recently appointed Chief Executive.**
- **Note the nationally agreed Green Book pay award for 2022/23 and the updated Somerset salary rates for grades 17 to 4 for the financial year 2022/23**

46 **Report of the Leader and Executive - Items for Information** - Agenda Item 10

The Council received a report by the Leader and Executive summarising the key decisions taken by the Leader, Executive Lead Members and Officers between 9 July 2022 and 11 November 2022, together with the items of business discussed at the Executive meetings on 17 August 2022, 21 September 2022 and 19 October 2022 and the work of the Cost of Living Working Group between September and November 2022.

The Chair, Cost of Living Working Group, Cllr Councillor Bill Revans and Executive Lead Members responded to questions from members.

Cllr Diogo Rodriguez asked questions on bus patronage in Somerset and reduced bus fares post March 2023. The Lead Member for Transport and Digital, Cllr Mike Rigby undertook to provide a written response.

The Council received and noted the report.

47 **Annual Report of the Scrutiny for Policies, Adults and Health Committee** - Agenda Item 11

The Council received and noted a report from the Chair of the Scrutiny for Policies, Adults and Health Committee, Cllr Rosemary Woods which provided a summary progress report and outcomes of the work of meetings held from the start of the Municipal year to November 2022, with points raised regarding the input of items for the work programme and the ongoing scrutiny of items on the Adults and Health Committee.

The Council received and noted the report.

48 **Annual Report of the Scrutiny for Policies, Children and Families Committee** – Agenda Item 12

The Council received and noted a report from the Chair of the Scrutiny for Policies, Children and Families Committee, Cllr Leigh Redman which provided a summary progress report and outcomes of the work of meetings held from the start of this Municipal Year to November 2022.

The Council received and noted the report.

49 **Annual Report of the Scrutiny for Policies Environment Committee –**  
Agenda Item 13

The Council received and noted a report from the Chair of the Scrutiny for Policies Environment Committee, Cllr Martin Dimery which provided a summary progress report and outcomes of the work of meetings held from the start of this Municipal Year to November 2022.

The Council received and noted the report.

50 **Annual Report of the Scrutiny for Policies and Place Committee -**Agenda  
Item 14

The Council received and noted a report from the Chair of the Scrutiny for Policies and Place Committee, Cllr Gwil Wren which provided a summary progress report and outcomes of the work of meetings held from 12 July to 11 October 2022.

The Council received and noted the report.

51 **Annual Report of the Somerset Armed Forces Covenant Partnership (SAFC)**  
– Agenda Item 15

The Chair, Somerset Armed Forces Covenant (SAFC), Partnership, Cllr Henry Hobhouse, presented a report by the SAFC Partnership, which provided a summary progress report and update on the work and outcomes since the last Annual Report to Full Council in November 2021.

Cllr Hobhouse extended an invitation to Cllr David Fothergill to meet to discuss improvements to the Armed Forces Covenant.

Cllr Ros Wyke summarised the options of support available to homeless veterans within the Mendip area.

The Council received and noted the report.

52 **Any other urgent items of business –** Agenda Item 16

There were no urgent items of business

**(The meeting ended at 1.10pm)**

**CHAIR**

**Appendix A**  
**23 November 2022**

Name of individual who submitted question:	Question details
Nigel Behan	<p><b>Question 1</b></p> <p>The LGA’s response to the Autumn Statement noted:  “While the financial outlook for councils is better than we feared next year, councils recognise it will be residents and businesses who will be asked to pay more. We have been clear that council tax has never been the solution to meeting the long-term pressures facing services - particularly high-demand services like adult social care, child protection and homelessness prevention.”</p> <p>And  “We are pleased that government will provide extra funding for adult social care and accepted our ask for funding allocated towards reforms to still be available to address inflationary pressures for both councils and social care providers. Councils have always supported the principle of adult social care reforms and want to deliver them effectively but have warned that underfunded reforms would have exacerbated significant ongoing financial and workforce pressures. The Government needs to use the delay announced today to learn from the trailblazers to ensure that funding and support is in place for councils and providers to ensure they can be implemented successfully.”</p> <p>Also that:  “The revised social rent cap is higher than anticipated next year but councils will still have to cope with the additional financial burden as a result of lost income. Councils support moves to keep social rents as low as possible but this will have an impact on councils’ ability to build the homes our communities desperately need - which is one of the best ways to boost growth - and retrofit existing housing stock to help the Government meet net zero goals.”</p> <p>And  “Financial turbulence is as damaging to local government as it is for our businesses and financial markets and all councils and vital services, such as social care, planning, waste and recycling collection and leisure centres, continue to face an uncertain future…….”</p> <p>What Social Rent increases (“capped” at 7%) and Council Tax rises (5%?) is the proposed Unitary now considering?</p>

### Question 2

It has been recently reported in "Public Finance" that Hampshire CC and Kent are raising the prospect of S114 Notices (sort of bankruptcy?!)

As the Public Finance magazine notes [Counties warn of potential section 114 notices | Public Finance](#)

Hampshire (with large reserves) and Kent are both Conservative controlled but worryingly in their pleading letter it is observed that:

Without additional funding or amendments to "outdated" statutory requirements such as comprehensive library services and home to school transport, upper tier authorities will soon "go over the cliff edge", the letter said.

And

The leaders said they "fully expect to see more failures in the sector over the coming year" unless councils' obligations and the funding they receive become better aligned.

[Clearly they don't like "obligations" or – remove some of the "have to do's" but we'll take the cash!?!]

Whilst some of the issues they raise though are valid and there are many councils going through similar does SCC/District Councils and the proto-Unitary have any proposals (asking the government etc) to remove (so called "outdated") Local Authority statutory requirements or (even to) go on the front foot and lobby to extend statutory requirements?

### Question 3

Assuming the Finance Local Authority S151s forecasts are reliable as the Office for Budget Responsibility (OBR [Home - Office for Budget Responsibility \(obr.uk\)](#)) what impact will the Autumn Statement have on the in-year overspends (£20m odd) and the Somerset Council shortfall (£75m roughly – "before savings") for the next financial year and could clarity be provided on how (Ensure delivery of the LGR Business Case savings and) "[minimise redundancy payments](#)" (from Executive papers) would work in practice?



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	<p>Response from Cllr Liz Leyshon – Executive Member for Finance and Human Resources</p> <p><i>Cllr Leyshon extended an offer to meet with Mr Behan to discuss.</i></p>
<p><b>John Brendon / Marian Davis</b></p>	<p><b>Queen Camel Village Petition regarding land at its Playing Field</b></p> <p>I am advising that Queen Camel wishes to submit a petition at the next Full Council meeting in Bridgwater on 23 November 2022. This petition has been signed by nearly 600 villagers, children and adults, as well as their friends and families, who all enjoy and benefit from using the village playing field and, in particular, the children’s play area. <b>This petition is asking that Somerset County Council (SCC) transfer the land it owns, which forms part of the village playing field, to Queen Camel Parish Council (PC).</b></p> <p>The PC owns most of the playing field but approximately one acre is owned by SCC. This parcel of land (Land Registry No. ST80581 and ST82848) was owned separately to provide some playing field facilities to the old primary school and SCC used to contribute £500pa to the costs of maintaining it. Since the primary school relocated in 2016 SCC has stopped contributing to its maintenance and the PC has requested that the land owned by SCC is transferred.</p> <p>Getting this land transferred is now particularly important as the children’s play area is located on it and is very badly in need of replacement with modern equipment. The current equipment is at the very end of its useful life and some items have been taken out of use for safety reasons. SCC’s attention has been drawn to its risks in this respect. The PC does not want to and cannot commit to spending significant sums of money installing equipment on land it does not own and cannot be certain it will retain in the future. The present play area site is optimal in the use of the field, for access and for safety reasons. Accordingly over a period of years the PC has been trying to get SCC to transfer this land. Also having ownership of this land will allow the PC to plan for the longer-term development of the playing field.</p> <p>To date these discussions have not borne fruit as SCC has said it does not have the resources to deal with the matter and the most it can offer is a licence for the PC to use the land. However, it is unclear how long any licence could run for and after 2026 SCC is potentially free to dispose of the land as it thinks fit without having to get the consent of the</p>

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	<p>Secretary of State for Education. Therefore any licence does not seem to provide adequate ownership or the “right to use” security to allow for the replacement of the play equipment by the PC.</p> <p>It has also been noted that the Local Government Reorganisation Advisory Forum has considered the Devolution of Services and Assets, particularly from county and districts to towns and parishes. Queen Camel believes that the transfer of this land would fit well within this objective. This approach is consistent with past discussions between the PC and SCC.</p> <p>The PC has said it will meet the reasonable costs, including legal ones, to allow for this parcel of land to be transferred to it and does not understand why SCC will not allow the matter to progress so that a new play area can be installed for the benefit of the local communities. I, on behalf of the petitioners, ask that you consider this matter most carefully and take steps to allow for the land to be transferred to the PC.</p> <p>I would be happy to provide any further information you need to assist in your considerations and look forward to hearing back from you.</p> <p><i>Response from Cllr Ros Wyke – Executive Member for Development and Assets</i></p> <p><i>The Council has set out its position on this matter in previous correspondence. Due to restrictions on the disposal of school playing field sites, the council would need to obtain permission from the Department of Education to transfer this site prior to 2026. This is a costly and lengthy process and would not be a cost effective use of scarce resources. The Council has offered to extend the existing licence until 2026, when we will be in a position to transfer the land to the Parish Council for its continued use as recreational playing fields. I understand that this position is not acceptable to the Parish Council and would wish to assure the Parish Council that the council has no intention of disposing or developing the site in the future – we recognise that the facility is a valuable community asset and will be happy to execute a transfer as suggested for its continued use as recreational playing fields or a Multi-Use Games Area or similar for the parish of Queen Camel, once the Department for Education restrictions have been lifted.</i></p>
<p><b>Alyson Rogers</b></p>	<p>1. On 27th May, AAF and League Against Cruel Sports handed in a letter to SCC asking that they ban trail hunting on council land. We understand that last time we asked, the legal department were looking at this. Could you tell me what is the delay and when are you likely to make a decision?</p>

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	<p>2. Have the council considered a Public Space Protection Order in places where the hunts cause most havoc and disruption to the public?</p> <p><i>Response Cllr Ros Wyke – Executive Member for Development and Assets</i></p> <p><i>1. Over 90% of the Councils land ownership is occupied by others. It is for tenants to determine whom they invite on the land they manage and occupy. No applications to trail hunt, a lawful activity, have been received for land in our immediate control. We are not aware of any trail hunting without consent taking place on Council land.</i></p> <p><i>2. The Council holds little public open space and We are not aware of any issues.</i></p> <p><i>Note; The Council in the 90's banned hunting on its land, mainly to do with stag hunting on the Quantocks, this was overturned by judicial review.</i></p> <p><i>The Council had significant land holdings on the Quantocks which included the sporting rights, but the actual usage was under lease to the forestry commission or with Commoners rights. In 2012/13 the council divested itself of these land ownerships.</i></p>
<p><b>Pip Donovan</b></p>	<p>My name is Pip Donovan and I am founder of Action Against Foxhunting (AAF).</p> <p>My question relates to the various Boxing Day Hunt meets that occur on public roads in Somerset. I have been engaging with SCC on this issue since December 2021.</p> <p>The controversy relating to foxhunting can be very polarising. But that is <b>not</b> what I am debating here. This is about <b>PUBLIC SAFETY</b> and <b>ROAD CLOSURES</b>. A hunt meet on a public highway is a high-risk equine event, involving traffic, horses, adults with children, protesters, kick hazards, bite hazards, slip and trip hazards etc. If the road is not officially closed, and the proper scrutiny is not applied to the organiser's safety procedures, the public is put at risk. Before Boxing Day last year, AAF contacted SCC to ask whether the hunts applied for road closures for their public meets. The traffic officer said that she had tried to contact the hunts, but they had not responded. SCC also said that it was too late to take action as the deadline for road closures had passed. She confirmed that if a hunt stops and</p>

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obstructs the highway, this is an "illegal gathering". We focussed on two towns in particular, Chard and Castle Cary and warned SCC that illegal gatherings would take place on the highway in both places.

Despite our warnings, the meets took place anyway. **No hunt had applied for a road closure anywhere in Somerset for Boxing Day 2021.**

I attended the meet in Castle Cary and collected evidence of law breaking. The hunt obstructed the highway, illegally used their own either untrained, or incompetent marshals to direct traffic, rode horses the wrong way up a one-way street, posed dangers to the public by bringing unreliable horses to the meet and allowed their dogs to run free amongst children. Protesters were present, and one of them was assaulted. My colleague attended the meet in Chard where she recorded the same things. This is a link to a video of the road blocking etc in Chard on Boxing Day.

<https://www.youtube.com/watch?v=qDiut8UXSTo&t=75s>

Here is a map of Castle Cary - detailing the law-breaking and health and safety risks taken by the BSV in Castle Cary on Boxing Day. I have photographic and video evidence to back this up.

All year we have been engaging with councils to make sure it doesn't happen again in 2022.

On 14<sup>th</sup> January 2022, the chair of Castle Cary Town Council said that SCC had informed her that the hunts would have to apply for road closures for this year. Avon and Somerset Police said the same. The chair reported it in good faith, but it wasn't true.

A FOI to SCC revealed that the council traffic officer did not send any emails to the hunts at all. She did not even try to engage, and then she appeared to lie about it to Castle Cary Town Council, the police and to AAF.

Once again, the deadline for applying for a road closure for Boxing Day has passed and no hunts have applied.

I have been engaging with Mr Bunting, (SCC Traffic Officer) and he is looking into it. I have also been engaging with Councillor Dyke. Both Councillor Dyke and Mr Bunting have been very helpful.

**My questions:**

**Are we going to be told again that it's too late to do anything about it this year? For how many more years are we going to be told it's "too late"?**

**And, given that the Highways Authority has a duty to keep the traffic flowing, how will SCC prevent the hunts from obstructing the roads in Somerset on Boxing Day this year?**

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	<p>Thank you.</p> <p><i>Response from Cllr Mike Rigby – Executive Member for Transport and Digital</i></p> <p><i>Any event that takes place on the highway where vehicle movements are restricted would require a road closure using either the Town and Police Clauses Act (TPCA) or the Road Traffic Regulation Act (RTRA), the hunt parades are no exception. When we are made aware of an event taking place we will investigate and treat as business as usual as part of our network management duty. If the hunt parades close the road for their exclusive use, then they will need to have the relevant order in place that facilitates the closure.</i></p> <p><i>SCC officers have now written to the hunts Ms Donovan has referred to and we have received positive engagement from those who have responded. We will now be working with the hunts over the next few weeks to ensure that any necessary road closures are obtained, or the parades take place away from the highway. This is still very much work in progress although we are committed to ensuring that the necessary order is in place where required.</i></p>
<p><b>Tim Andrews</b></p>	<p>The Department for Transport's Bus Recovery Grant has been a lifeline in Somerset for bus services that have struggled with a post-COVID reduction in passenger numbers. These bus services provide significant social and economic benefits for residents, and they make a contribution to the county's wider climate change agenda. In the light of the expected end of the Bus Recovery Grant on 31st March 2023, what actions will the Council be taking to ensure that the county's current level of bus services is maintained across the county beyond that date?'</p> <p><i>Response from Cllr Mike Rigby – Executive Member for Transport and Digital</i></p> <p><i>SCC is currently using BRG funding to support a number of bus services across the County, where these were previously operated on a commercial basis and then withdrawn by the operator.</i></p> <p><i>It is uncertain what will happen with regard to funding beyond March. However, we are working with our Communications Team and the Somerset Bus Partnership to promote the use of public bus services across the County, to try and encourage more people to use the bus and hopefully make them more sustainable in the longer term.</i></p>

<p><b>Kevin Comer</b></p>	<p>Why has the Council's response to the National Highways A358 supplementary consultation ruled out a reduced design standard as favoured by Parish Councils? It indicates that the priority is for the road to be built but does not say why a lower impact design (presumably cheaper both in finance and emissions) would mean the road not getting built'</p> <p>"What is the county council's response to the increase in carbon emissions arising from the 65% increase in traffic projected as a result of the A358 upgrade? Somerset West and Taunton wrote:</p> <p>11.6.6 ... the Council is of the opinion that the conclusion reached in Table 15-7 of chapter 15 ... "that no significant effects in relation to GHG emissions or vulnerability of the proposed scheme to climate change are predicted during the construction and operation phases", is considered to be misleading and possibly inaccurate ... Whilst great play is made throughout chapter 14 of the PEIR of the potential for GHG emissions during the construction phase for the proposed A358, very little evidence is presented in relation to the projected 65% increase in vehicle use. Where is the evidence to prove that a 65% increase ... would result in "no significant effects with regards to greenhouse gas emissions ... during the operation of the proposed scheme.</p> <p><i>Response from Cllr Mike Rigby – Executive Member for Transport and Digital</i></p> <p><i>The County Council's position continues to be that we strongly support and have promoted the need for the A358 between Taunton and Southfields to be upgraded to dual carriageway as part of an end to end whole route improvement of the A303/A358, between the M3 and the M5 at Taunton. The scheme should improve connectivity and access to the South West Region, improve the resilience of the strategic road network and help to promote economic growth in the region. A principal objective and essential component of the scheme is also to address the environmental (air quality and congestion) impacts of traffic flow through Henlade which is an Air Quality Management Area.</i></p> <p><i>Somerset County Council sought clarity at the Statutory Consultation stage about the design standard that National Highways was applying for the main line. National Highways has explained its position in relation to design standards to the affected communities. The Government set out the aspiration in its second Road Investment Strategy document (2020-2025) to build a high quality and high performing dual carriageway along the A303/A358 corridor. Funding is therefore dependent on the road performing this strategic purpose.</i></p>
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	<p><i>In our response to the Statutory Consultation, the County Council noted the emissions generated through the operation of the scheme will be included within Somerset's area wide transport emissions metrics and will therefore be taken into account in Somerset's transition to net zero. We also said that this must be balanced with the benefits that the scheme will deliver and, in working with National Highways on the development of the detailed design, the County Council would therefore wish to explore opportunities for the scheme to contribute to the transport measures described in Somerset's Climate Emergency Strategy. This dialogue continues and the County Council will review the National Highways' Environmental Assessment when it is submitted with the Development Consent Order later this year.</i></p>
<p><b>Robert Barnes</b></p>	<p>Five Flower beds at the bottom of Duke Street, Taunton, the wood around the five flower beds is rotten. Rotten wood has been taken away by Somerset West and Taunton Council, rotten wood is danger to public.</p> <p>Environment agents have been to look at and emptied at the five flower beds at as the drains in the road have been filled with soil.</p> <p>The Environment Agency said if the drain gets filled up with soil again, the highway will be taken to court and charged with environmental damage.</p> <p>Police Officers told Mr Barnes that Mr {name removed} kept phoning the police about Mr Barnes clearing the flower beds at the bottom of Duke street, Mr Roger {name removed} will be arrested for making nuisance phone calls to the police about Mr Barnes.</p> <p><i>Response from Cllr Mike Rigby – Executive Member for Transport and Digital</i></p> <p><i>Council officers have inspected the highway gullies at the reported location and all assets have been reported as clear and operational.</i></p>
<p><b>David Redgewell</b></p>	<p><b><u>Question 1</u></b></p> <p>Taunton bus and coach station is to be a major Transport hub for Somerset and Southwest England. We would like to know when a planning application is going to be put into Somerset west and Taunton council. For conversation of the bus and coach station into a Transport hub.</p>

With passenger waiting room cafe and toilet and staff facilities for local and Regional bus services and long-Distance coaches by Flixbus and National Express coaches services.

Will the station design still be Rido which of course will now have to have wheelchair accessible bays.

In the past wheelchair passengers were pick up and set Down from the Entrance road to the station itself.

National Express coaches operated the wheelchair accessible lifts near the back wall and managed the passenger and luggage to the stands.

Where will be Bike Hire base be and E Scooters stands.?

What hours will the Transport interchanges be staff and is a community safety partnership plan for CCTV and police checks.

Would Somerset county council as local transport Authority please advise us of their plans with passenger and stakeholder on the design of Taunton bus and coach station and public consultation.

### **Question 2**

Castle Cary station Somerset.

Is mayor inter city and local Railway station on London Paddington to Westbury, Taunton, Exeter st David Newton Abbott, Plymouth Truro Penzance GWR main line.

And secondary line to Yeovil pen mill and Yeovil junction, Dorchester west and Weymouth town.

And Network rail western route and First group Great western railway has started building a new car park Double Decker in conjunction with the wine and water business next to the station.

Somerset county council the Local Transport Authority is funding and Part funding to local bus links to the station route 1 from Shepton mallet interchanges to castle Cary station, and Yeovil bus and coach station. 667 Street, castle Cary station castle Cary Town and Wincanton.

This bus use to stop in the station.

But because of the works pick up and set on the main Road outside the on a Glass verge with no pavement facilities shelter or lighting CCTV let alone a castle Kerbs and a Drop Kerbs to cross the road to a North bound bus stop to the Bath and west show ground and Shepton mallet.



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	<p>What plans does Somerset county council as Transport and Highways Authority have to provide a safe bus and interchanges at castle Cary station with Network rail western route First group plc Great western railway and southwest coaches.  David Redgewell Southwest transport Network and Rail future Severnside.</p> <p><i>Response from Cllr Mike Rigby – Executive Member for Transport and Digital</i></p> <p><i>1. Work is still underway on the 2<sup>nd</sup> stage of the feasibility study which includes site design and layout. Wheelchair accessibility will be taken into consideration and incorporated into the proposals. A consultation process will follow at a later date, but the finer detail and timetable is still being worked on. We can reassure Mr Redgewell that he will be consulted with at the appropriate time.</i></p> <p><i>2. Conversations and a site visit have taken place involving SCC, GWR and the operator to review the issues and identify opportunities for improvement. GWR are keen to find a resolution to the issues and are exploring the opportunities identified further.</i></p>
<p><b>Emma King</b></p>	<p>With regard to the decision by the previous county council to support the decision of the then CCG in the closure of St Andrew’s ward in Wells, being the last remaining mental health ward in Mendip, in spite of the fact that the county council are meant to be elected representatives and 52% of respondents to the consultation disagreed with the decision:</p> <p>it is my opinion, and that of many others, with over 4000 signatures on the petition to save the ward, that the scrutiny of this decision by the previous council did not follow council procedures and, as such, it is incumbent upon the new council to revisit this decision.</p> <p>Furthermore, the consultation conducted by the ICB (formerly CCG) concluded in April 2020 and, as such, does not take into consideration the mental health implications of either the pandemic or the cost-of-living crisis. Somerset Intelligence, a partnership project funded by Somerset County Council, Somerset West &amp; Taunton District Council, Sedgemoor District Council, Mendip District Council and South Somerset District Council, includes key facts for Somerset on suicide, stating that the suicide rate for Somerset for the period 2017-19 was statistically higher than the</p>

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	<p>national average and between 2005 and 2019 there were 779 suicides, an average of just over 50 a year. It also states that there is a strong association between suicide rates and levels of deprivation. The rate for suicide and undetermined death for residents living in the 20% most deprived areas in Somerset being significantly higher than for the county as a whole. The impact of the pandemic and the current cost of living crisis is only increasing the levels of economic deprivation and therefore people’s mental health is declining. For example, a BACP survey, dated 8<sup>th</sup> Sept 2022, states that 66% of therapists have noticed that cost of living concerns are causing a decline in people’s mental health.</p> <p>Therefore, even though the ICB is planning on “moving away from bed based interventions”, it is clear that the closure of this ward is ill-thought out and will deprive people in crisis from accessing a service near to their homes, possibly resulting in them being sent, not only potentially to Yeovil, but possibly hundreds of miles away to places where they will be unable to be visited by friends or family, support which is essential to making a swift recovery.</p> <p>Although the decision has been made by the ICB (now CCG) there is evidence to suggest that this can be overturned with enough pressure from the public. A decision from the county council to withdraw support for this closure would send a strong message that we need St Andrew’s ward to remain in situ to continue the long record of excellent inpatient mental health service which has existed in Wells for hundreds of years and ensure that those of us in crisis and in need can get the care we need in the place we need it.</p> <p><i>See response to Eva Bryczkowski below</i></p>
<p><b>Eva Bryczkowski</b></p>	<p><b>QUESTION 1</b>  * Will Somerset County Councillors strive and fight to reverse the woeful decision to close Saint Andrews Ward?</p> <p><b>QUESTION 2</b>  * Will SCC councillors exercise due diligence and empower yourselves and your electorate by reading the Suicide Prevention Report and visit the people in Saint Andrews Ward, with their permission, to listen and find out the best ways you can help?</p> <p><b>QUESTION 3</b>  * Will you provide us with hard evidence to show that you have done your homework properly by choosing to do the right and ethical thing regarding the patients in Saint Andrews Ward?</p>

THE URGENT NEED TO FIGHT FOR SAINT ANDREWS WARD TO REMAIN OPEN

I am looking at the timetable for the 77 bus from Wells to Yeovil. There are none that run on a Sunday. This is a day when many people are free. Thus preventing relatives who don't own cars from visiting their loved ones i.e. those who have been forcibly removed from Saint Andrews Ward in Wells all the way to Yeovil. Patients in a town that is strange to them, away from their friends and relatives who live in Wells and surrounding areas. If the proposed closure, decided by the Integrated Care Board, (ICB), goes ahead, that is. People with mental health issues already tend to feel isolated. They will feel it a lot more if they are an hour away from loved ones who have no car. Furthermore, with the cost-of-living crisis, relatives will have even less chance of visiting due to having to spend more time and money on buses, petrol, and other expenses.

Somerset County Council does not directly deliver mental health services across Somerset, it is true. However, it has a huge influence on how they are run. One of the Council's key roles is to:

- \* Monitor how these services are run in order to ensure that they achieve the highest standards.
- \* To make sure that mental health users get what they need.

If they don't, their mental health will deteriorate and there is a definite risk of suicide.

Research done by the Suicide Prevention Report has shown that bereaved families of loved ones who have committed suicide have said that this is often due to a gap in provision.

For example, when a patient moves from one place to another or from other big changes in circumstances. This will have a dramatic effect on continuity of care. Hard evidence, corroborated by extensive research, shows that there is more likelihood of a patient committing suicide under the above circumstances. The Clinical Commissioning Group, which was replaced by the Integrated Care has already decided to close Saint Andrews Ward. Thus increasing the likelihood of vulnerable people who have been sectioned because they are a danger to themselves or others taking their own lives. We cannot, must not, allow this to happen. We have to fight for justice, kindness and equality for those with mental health difficulties.

We, indeed, you Councillors, have to fight vigorously to reverse the decision that the ICB have made. Otherwise, there will be blood on the hands of the members of the ICB's hands. And, frankly, there will be blood on your hands too, Somerset County Councillors, if you allow this to happen. Councillors, you have some leeway and a modicum of power to be able to influence the members of the ICB. You are responsible for making sure that mental health services in Somerset are the very best after all! Surely? Please read the Suicide Prevention Report as soon as possible after this meeting. It needs to be done today. Prioritise it. There is no time to lose! It could happen any day, now or in the near future. We don't know exactly when this will occur. It is in the remit of the ICB. It is within your power to prevent lives being lost. So empower yourselves to do this on behalf of those who have no voice. To serve the people you represent. So put this at the top of your To Do list. It's that urgent. In order to achieve a win win solution, consider having a moratorium on this. Park it for now. Meanwhile, do the research. Visit people, with their permission, and listen to them. Find out the best ways you can help. And don't mark your own homework! Provide proof and solid evidence to show that you have done your homework properly. Just like councillor John Osman did. Now him and me might be at the polar opposite ends of the political spectrum, but he did a good job of chairing a meeting I went to many years ago. As a Unison steward coordinator, I went to a meeting in SCAT. It was about whether to prioritise Learning Disabilities. Parents of adults with learning disabilities turned up and were furious at the prospect of LD being privatised. It is impossible for anyone to be completely unbiased. It's all about perception isn't it?

But John Osman was the nearest example that I've come across of any chairperson being impartial. He visited adults with learning disabilities in their supported living homes. He visited adults with learning disabilities in other contexts, such as those in respite and residential care. And he listened to them and the staff about how they felt, wanted and needed. At the end of the meeting, (which, by the way, decided against privatisation), he said, "I have never been cuddled so much in all my life." That is what I would like you to do councillors. And quickly. The CCB conducted a consultation regarding as to whether to close Saint Andrews Ward.

A majority of respondents stated that they wanted the ward to remain open. The CCG dismissed and discounted the votes of those people who lived in Wells and surrounding areas, because they were considered to be biased. Biased? Ridiculous. You couldn't make it up! Frankly, it was rigged. If any of them want to sue me for defamation, bring it on! It would bring good publicity to the campaign and save lives. I will most probably win. Whether I win or not, my trade

union provides legal representation that is completely free. Our legal team are very experienced and help thousands of members to achieve equality, diversity and justice.

I would like to suggest that you put yourselves in the shoes, the lived experience, of people who have been sectioned. Put yourselves in the shoes of parents of children who have taken their own lives. Put yourselves in the shoes of husbands, wives, partners, brothers, sisters, lovers or friends who have had their loved ones commit suicide. Imagine experiencing the unbearable grief, pain and unresolved loss. Put yourselves in the shoes of the staff who have to witness this and feel that they have failed to prevent a life being lost. What we earn; where we live; how we are treated by our employers; whether we are well-off or have fallen on hard times; who we work and keep company with; how services are funded; and many other things, they are all political, because it is about power, money and whether justice can be achieved. It is about how services are run are run and funded locally, relevant to Saint Andrews Ward. The NHS is on its knees due to underfunding since 2010, due to the austerity project created by the Conservatives and supported by the Liberal Democrats, who also voted for privatisation of the NHS, then continued by the Conservatives to the present day, with even harsher measures to come. This applies to Somerset as well as nationally. Austerity has led to early deaths, suicides due to impoverishment or harsh benefit sanctions, and locally, it could be caused by the closure of Saint Andrews ward. Austerity could have been prevented by other parties, (for example the Liberal Democrats), by holding the government to account like the DUP did. They insisted that they would only vote for certain measures if the government did things they considered to be beneficial and fair to their particular constituencies.

Back to today. I realise that you are councillors, supported by officers, who work extremely hard and are well intentioned. Some of the latest measures that the leading party have introduced will, hopefully, serve the vulnerable people of Somerset well.

*Response Cllr Heather Shearer – Executive Member for Adult Social Care*

*Thank you for the questions I will answer both questions received by Emma King and Eve Brickowski together. Somerset's then Clinical Commissioning Group made the decision at their Governing Body on 24 September 2020 to approve the proposal to relocate fourteen adult mental health beds from Wells to Yeovil. The acute adult mental health beds are a small but important part of the then-new model of adult mental health care. The Open Mental Health model designed by people with lived experience is very much focused on supporting people as close to home as possible, in*

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*their communities through a range of local services. As you are aware the public consultation on the relocation of these beds ran from 17 January 2020 to 12 April 2020 and included 63 consultation events across Somerset. The consultation document was also considered at scrutiny meetings at Mendip District Council, Sedgemoor District Council, South Somerset District Council and also Somerset County Council's Health Overview and Scrutiny Committees. They had planned to attend the Somerset West and Taunton scrutiny meeting in March 2020, however, this was stood down due to the Covid-19 pandemic. Full information was shared with the SWaT scrutiny committee in the absence of attendance at this meeting.*

*The proposed relocation was reviewed and assured by NHS England and NHS Improvement with a process including assurance by the south west regional Clinical Senate. The Clinical Senate Review said that "The Clinical Review Panel (CRP) were unanimous in their view that clinical evidence and best practice supported the proposals to move 14 inpatient mental health beds for adults of working age from the ward currently in Wells to Yeovil, where two wards will be combined to address concerns around maintaining stand-alone units." All responses to the public consultation were independently analysed by Participate Ltd and the feedback was publicly shared via an online event in early September 2020, prior to the Governing Body meeting on 24 September 2020. The decision was based on the safety of standalone wards, the distance of the Wells ward from an emergency department and the lack of 24/7 medical cover, and not in relation to costs. While the location of fourteen mental health beds will be changing, it is important to note that the change will not result in any reduction in bed numbers.*

*Regarding the transport issues as a system, we have made a commitment to explore the transport issues on an individual patient level nearer the time of the ward move. The refurbishment work of the two wards has taken longer than anticipated and the expectation is that it will be completed in autumn 2023. It is worth noting that there are just as many issues of people currently travelling north to Wells from elsewhere in Somerset.*

*We are very aware that the Covid-19 pandemic has affected everyone's mental and physical wellbeing both here in Somerset and across the country.*

*We recognise the concerns raised by Ms King, and Ms Bryczkowski that we need more mental health services and not less and would like to offer the following in response.*

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	<p><i>The pandemic accelerated many of the positive transformational plans that the health and care system had in place having been awarded £13million funding. The focus has been and is firmly on more support being available to more people as early as possible, so that they are supported to manage their mental health at home or in their local community, meaning that people’s mental health does not deteriorate to the point where they require in-patient treatment and care. Evidence tells us and we believe that providing better care locally and supporting people to stay at home wherever we safely can, provides the best outcomes and facilitates recovery.</i></p>
<p><b>Bev Anderson</b></p>	<p>Thank you for the opportunity to submit this question and for some serious consideration is given to answering this vital question to me and the Public at large, who will be affected by the pending closure of St Andrews Ward.</p> <p>Should and If St. Andrews Ward be closed in the future I am gravel concerned in regard to the matter of finance and funding for the new 16 bed in patient ward that has been considered.</p> <p>Consecutive governments have relied on PFI contracts, (Private Finance initiatives) for the building of Hospitals Emergency call centres, Courts, schools and other vital public services. However, the Public accounts committee in 2010 warned the then Conservative/ Liberal Democrat government that the PFI contracts were not value for money and there were serious concerns regarding the 25/30-year rental agreements that many were locked into. Indeed the Public accounts committee had every right to be concerned considering that every building and contact entered into was costing the public tax payer and astounding three (3) time the amount of the original build, thus the public were in fact paying for three (3) new buildings for every one (1) that was being used. Although the coalition were made aware of this and asked not to enter into any further contracts: George Osborn gave the go ahead for sixty-one (61) PFI projects worth a total of £6.9bn since coming into power.</p> <p>There have long been questions into and surrounding whether the PFI model offers good value for money for the taxpayer. Given the current economic situation, these are more pertinent. An investigation at the time by Channel 4 news highlighted the discredited PFI system and Mr George Osborn in 2009 said they were working on reforms to the discredited PFI model that are transparent accounted for and genuinely shifts the risk to the private sector.</p>

**Appendix A**  
**23 November 2022**

	<p>It is sad that the cost of Britain’s controversial PFI ultimately cost the Taxpayers more that £300bn which was the figure given in 2017-18. Numerous NHS Contracts such as the Calderdale Royal Hospital in Yorkshire was a £64.6million, the scheme ended up costing the Calderdale &amp; Huddersfield NHS Foundation Trust a total of £773.2million. Another example, Bart’s Health NHS Trust London said that the cost of its two (2) sites would cost £1.1bn but the documents found show that the cost will be £7.1bn by the time the contract is paid off in full in 2048/49.</p> <p>Can the ICB, in the current economic situation of the country, the severe underfunding of the NHS considers without full scrutiny, (which it has failed to do thus far), consider fundamentally putting the burden of this financial matter to people of Mendip?</p> <p>Please can the ICB give a full account of the method of funding, which is believed to be “seed funding/ finance” should St Andrews not be saved and a new build as suggested in Yeovil?</p> <p>Please can The ICB provide the names of the investors and the percentages of their investment?</p> <p>Please can the ICB provide the Full amount and stage that they have agreed to regard “seed funding” and whether the investors are that of private health providers / Companies etc?</p> <p>Please can the ICB provide fully accountable and transparent conflict of interest checks in regard to the investors, so that we can all have a level playing field so there is no smoke screen for any future PRIVATISATION OF THE NHS &amp; ITS SERVICE?</p> <p><i>Response Cllr Heather Shearer – Executive Member for Adult Social Care</i></p> <p><i>I would like to respond to Bev Anderson. Thank you for your question. I will pass the question on to the ICB and once I have received the answer, I will get a written answer for you.</i></p>
<p><b>Michael Strange</b></p>	<p>This question relates to the Somerset Standing Advisory Council on Religious Education.</p> <p>Evangelical Christian and Moslem SACRE faith representatives presented the Local Authority with a joint document advising about shared religious sensitivities which was rejected by the Local Authority.</p>



**Appendix A**  
**23 November 2022**

The Local Authority subsequently blocked the SACRE membership of the Moslem community's representative that helped to write that document.

In its new draft SACRE Constitution, the Local Authority states its intention to remove SACRE membership from the other authors, the Baptist, Independent Evangelical and Pentecostal Church representatives. These are all of the SACRE Evangelical Christian representatives.

Despite repeated requests from its SACRE members, the Local Authority has imposed online SACRE meetings and prevented members from guiding their own agenda. As demonstrated in the last meeting, this has enabled the Local Authority to prevent debate and manipulate meetings in a sham consultation process in order to approve their draft SACRE constitution and so create a compliant sham SACRE.

When the Evangelical Christian faith communities wrote a great many letters to Councillors expressing their concerns about these matters, the Leader of the Council wrote a long reply that avoided addressing those concerns.

Somerset County Council evidently thinks that treating Somerset SACRE members and faith communities with contempt in this way will produce a Religious Education syllabus that will not be robustly rejected. They are mistaken. Producing it will be a waste of taxpayers' money

We have one question. Why?

*Response Cllr Tessa Munt – Executive Member for Children and Families*

*Thank you for your question about the Standing Advisory Council on Religious Education and the teaching of Religious Education in Somerset's schools.*

***The document***

*We have not formally received the joint document to which you refer, although I understand it has been shared informally.*

*Nonetheless, to address the points raised in your question, the document received informally expresses views, but makes no requests of this Council.*  
*Thus, neither the document itself, nor any "request" could be "rejected".*  
*A request to add one of the named individuals to the membership of SACRE was received, but not through the proper channels and therefore was not able to be accepted.*  
*This Council will be contacting relevant organisations shortly to seek their nominees. Of course, I will be very happy to see anyone wishing to join SACRE put themselves forward through the proper channels at the appropriate time.*

***The Constitution***

*The draft Constitution does not seek to "remove" anyone. It simply acknowledges that it is accepted good practice, in this as in any and all other walks of public life, that there should be term limits on appointments.*  
*This Council is very grateful for the contributions of all members of SACRE, and where members have exceeded reasonable term limits, we would expect that this be considered so we can encourage ongoing renewal and refreshing of SACRE's membership.*  
*The process proposed for reviewing the Constitution is thoroughly open and transparent. This will not be rushed. We are intending to take a full academic year to give as much time as is required to consider all the issues. SACRE's Constitution will reflect all the relevant national legislation (1996 Education Act, Paragraph 390 – 397 & 2013 Review of Religious Education) and the guidance of NASACRE, the National Association of Standing Advisory Councils on Religious Education.*

***The Agenda***

*This Council does and will take an overview of the Agenda for SACRE meetings. That is because it is a Council Committee whose sole purpose is to provide advice on those matters as requested by the Council. It cannot serve that function unless the Council sets the Agenda.*

***The Syllabus***

*I would like to address the matter of the syllabus for Religious Education in our schools. We are not currently reviewing the syllabus, so there are no proposals upon which to consult. Therefore, any concerns are premature.*  
*When the time comes to review the syllabus, this will be an open and transparent process, as laid out in law, with a commitment to promote understanding, respect, tolerance and inter-faith dialogue.*

**Appendix A**  
**23 November 2022**

	<i>I welcome all and any members of the community who share our commitment to these important principles and activities to engage with SACRE.</i>
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Somerset County Council

County Council

– 22 February 2023

## Report of the Leader and Executive – for decision

Executive Member: Cllr Bill Revans – Leader of the Council

Division and Local Member: All

Lead Officer: Scott Wooldridge – Head of Governance & Democratic Services and Monitoring Officer

Author: Scott Wooldridge – Head of Governance & Democratic Services and Monitoring Officer & Mike Bryant - Service Manager – Democratic Services

Contact Details: [democraticservicesteam@somerset.gov.uk](mailto:democraticservicesteam@somerset.gov.uk) / 01823 357628

### 1. Summary

- 1.1** This report sets out the Leader’s and Executive’s recommendations to Council arising from their consideration of reports at the Executive meeting on 13 February 2023 (Note: the Executive also met on 14 December 2023 and 18 January 2023, but there were no recommendations to Council as a result of these meetings)

**Note: The references in this report to Papers A, B, C, D, E and F relate to the relevant reports considered by the Executive containing specific recommendations to the County Council meeting on 22 February 2023.**

- 1.2 Paper A (2023/24 Budget, Medium Term Financial Plan & Council Tax Setting)** was considered at the Executive meeting on 13 February 2023. The Executive endorsed Paper A and agreed for this to be reported to the County Council to consider and approve.

*Members are reminded of the need to consider the Section 151 Officer’s statement 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 23 of Paper A.*

Paper A outlines the spending plans for the next financial year which will be the first budget for the new Somerset Council. It highlights areas of priority to support residents across Somerset including:

- Funding for Adult’s and Children’s Services
- Local Community Networks
- The protection of frontline services
- The below inflation Council Tax increase

- Budgeting for inflation and the national pay award

-

The budget also contains detail of the significant capital investment of over £332m in schools, roads, regeneration, climate change and other projects across the County.

The report recognises the overall complex financial picture, with budgets of five Council's coming together into one.

The report highlights the size of the financial challenge faced by the new Somerset Council, yet sets a balanced budget and includes details of the provisional Financial Settlement published on 19 December 2022. The low overall level of reserves is highlighted, noting the need for careful management.

The detailed 2023/24 budget proposals were reviewed at an all Scrutiny member workshop followed by a formal meeting of the Scrutiny for Policies and Place Committee on 1 February 2023 ahead of consideration at the Executive meeting on 13 February.

The Scrutiny for Polices and Place Committee noted the report, but did not make any formal recommendations to the relevant Executive Member or to the Executive meeting on 13 February.

The Executive considered Paper A at its meeting on 11 February 2022. Executive endorsed recommendations 'a' - 'p' in Paper A, alongside a delegation regarding 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.

**1.2 Paper B (Adoption of the Council Plan for Somerset Council)** was considered at the Executive meeting on 13 February 2023. The Executive endorsed the recommendations (as amended) and agreed for this to be reported to the County Council to consider and approve.

This report summarises the proposed Council Plan for Somerset Council which details the strategic ambitions and direction of the authority for the term of the administration. This plan aims to give residents, businesses, and communities a transparent view of the strategic direction of the organisation and provides a focal point from which all further strategic planning and decision making can grow.

The plan has been developed at a time of great change in Somerset and given the context of the ongoing work to form the Somerset Council it is designed to allow flexibility for the future development of the business plan.

The report highlights the stakeholder engagement that has taken place and a summary of the feedback is included within the report.

**1.3 Paper C (Treasury Management Strategy Statement 2023-24)** was considered by the Audit Committee on 2 February 2023 and the Executive on 13 February 2023. No specific recommendations were made by the Audit Committee to the Executive meeting. The Executive agreed at their meeting on 13 February for the proposals in Paper C to be recommended to Full Council for approval.

The report sets out proposed Treasury Management strategy for the new Somerset Council (SC) for 2023-24. It brings together the legacy investment and debt portfolios of the 5 councils (as they are known at present) and puts forward proposals for how best to use and adapt current portfolios, to achieve the capital and revenue needs of the new Council going forward. Only Treasury Management investments are dealt with in this strategy. Investments held for service purposes or for commercial activity primarily for yield, collectively referred to as non-treasury investments, are considered in a separate report, the Non-Treasury Investment Strategy.

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).

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.

As at 31 December 2022, the 5 Councils combined held nearly £783m of debt as part of their strategy for funding previous years' capital programmes. Of this, £209m is short-term borrowing, mostly due to mature within one year, and primarily borrowed from other Local Authorities. £380.4m is Public Works Loan Board (PWLB) debt, £108m is Lender Option Borrower Option (LOBO) debt, and a further £60.5m of fixed rate bank loans.

The 5 Councils' joint investment balances as at 31 December 2022 stood at just over £413m. This includes approximately £120m of cash held for either external bodies, or entities where the Council is the accountable/administering body. Within this figure £116.5m is invested in Strategic Funds. The largest holding within this figure is a £31m holding in the Churches, Charities, Local Authorities (CCLA) Property Fund.

- 1.4 Paper D (Housing Benefit War Pensions Disregard Policy)** was considered at the Executive meeting on 13 February 2023. The Executive endorsed Paper D and agreed for this to be reported to the County Council to consider and approve.

The report highlights that the Housing Benefit scheme is a national scheme which is administered locally by the Council on behalf of Government. The national scheme provides local authorities with the discretion to increase the amount of income that is disregarded in respect of any War Disablement or War Widows Pension by up to 100%. The Council must make a resolution where it wishes to exercise this discretion.

Currently each of the four districts within Somerset applies the maximum 100% disregard for War Disablement and War Widows Pensions.

This report recommends that the Council resolve to maintain the current 100% disregard for War Disablement and War Widows Pensions, as operated by the existing district councils, in relation to the Housing Benefits scheme for Somerset Council from 1 April 2023 onwards. This is consistent with the approach already agreed by Council in relation to the Council Tax Reduction scheme on 23 November 2022.

- 1.5 Paper E (Housing Revenue Account (HRA) updated 30 year Business Plan and Rent Set 2023/24)** was considered at the Executive meeting on 13 February 2023. The Executive endorsed Paper E and agreed for this to be reported to the County Council to consider and approve.

This report presents the Somerset Unitary Housing Revenue Account (HRA) Rent Set for 2023/24 and the updated 30-year business plan for the New Unitary Council.

Somerset Council will operate a single Housing Revenue Account (HRA) from 1 April 2023, as both Somerset West & Taunton (SWT) and Sedgemoor (SDC) own housing stock and currently operate separate Housing Revenue Accounts as local authority social housing landlords. All income and expenditure regarding Council housing landlord functions is accounted for in the HRA which is a ringfenced account separate from the General Fund.



In 2012 the Government abolished the subsidy system and self-financing was introduced for the HRA. The new system allowed all income from rents to be retained to fund expenditure on landlord functions such as decent homes and management of the stock. The requirement for self-financing was for each council to buy itself out of the system by taking on capital debt, in total this led to a combined debt transfer of approximately £133m and 30-year HRA business planning was introduced. The new system has financial benefits and more flexibility, particularly when the borrowing cap was removed in October 2018 which assisted with the ability to fund new build development. There are specific regulations which govern eligible income and expenditure, and this prevents any cross subsidy between the accounts. The Government have not given full control on issues such as rent rises and standards of delivery, for example decent homes but self-financing definitely gave financial benefits and greater flexibility.

The combined number of properties as of 1st April 2022 was 9,668 which makes the Unitary a significant social housing landlord within Somerset and gives opportunities for the New Unitary in terms of joint working with Adult Social Care to deliver joint resolutions to issues which improves the service to customers in an efficient way. Sedgemoor owns just under 4,000 properties which are managed by Homes in Sedgemoor (HIS), an Arm's Length Management Organisation (ALMO), under a management agreement. A management fee is paid to cover the day-to-day management and repairs plus a capital fee to keep the homes at the Government's Decent Homes standard. Somerset West & Taunton owns and manages in house approximately 5,700 properties and the landlord function is within the Housing & Communities directorate.

**1.6 Paper F (Somerset Council Asset Management Plan and Strategy)** was considered at the Executive meeting on 13 February 2023. The Executive endorsed Paper F and agreed for this to be reported to the County Council to consider and approve.

This report details a proposed Asset Management Strategy and Plan for Somerset Council. It sets out the Council's strategic objectives for property asset management, the approach the Council will take to managing its property assets, and a series of high-level commitments to guide property asset management decisions and policy making.

The scope of the proposed Asset Management Strategy and Plan is focussed on 'real estate' (land and buildings) assets. Infrastructure assets, such as highways, street furniture, coastal and harbour infrastructure, cycle paths, rights of way and flood defences are not in the scope of this document; similarly, vehicles, IT infrastructure, plant and equipment and other asset groups will be governed by separate strategies. The Property Asset Management Strategy and Plan also excludes assets acquired and held for

investment yield, and assets held within the Housing Revenue Account – these asset groups are subject to separate policies and plans.

## **2.0 Recommendations**

### **2.1 Paper A - 2023/24 Budget, Medium Term Financial Plan & Council Tax Setting** - see Paper A that Executive considered and endorsed at its meeting on 13 February 2023.

**The Council is recommended to approve:**

- a. The General Fund net revenue budget for 2023/24 of £493,357,150 and the individual service budgets for 2023/24 as outlined in Appendix 1 including,**
- b. The transformation, savings and income generation plans outlined in Appendix 2, considering the required detailed Equalities Impact Assessment in Appendix 3 and further consultation where necessary.**
- c. The detailed Fees and Charges as set out in Appendix 4.**
- d. The additional funding requirements set out in Appendix 5.**
- e. An increase in Council Tax of 2.99% in 2023/24 to £1,434.93 (an increase of £46.88 per Band D property).**
- f. An increase of 2.00% to Council Tax for the Adult Social Care Precept to £196.46 is approved in recognition of the current demands and financial pressures on this service. This is equivalent to an increase of £31.36 on a Band D property.**
- g. Agree to continue the Council Tax precept of £14.65 within the base budget for the shadow Somerset Rivers Authority (representing no increase). This results in a Council Tax Requirement of £3,013,125.**
- h. Agree the precept requirement of £338,767,850 (including Special Expenses Rate) £338,547,779 (excluding Special Expenses Rates) and set the Council precept for Band D council tax charge at £1,646.04 for 2023/24.**
- i. A Special Expenses rate of £220,071 as detailed in Appendix 6.**
- j. The formal council tax resolution which incorporates the precepts of all the precepting bodies in Appendix 15 (this will be circulated separately).**
- k. The overall estimated position of Earmarked Reserves of £65.125m outlined in Table 17 and the proposed use of reserves detailed in Table 16 of this report.**
- l. Note the conclusions of the Council's Section 151 Officer (Chief Finance Officer) in Section 23 confirming the robustness of the budget estimates and the adequacy of the level of reserves.**
- m. Approved the risk-based assessment of the level of General Reserves being maintained within range of £30m - £50m and note the forecast level of General Reserves at £47.460m.**
- n. The Capital Strategy attached at Appendix 8.**

- o. **The Flexible Capital Receipts Strategy attached at Appendix 9.**
- p. **The Capital Programme for 2023/24 to 2025/26 of £332.243m as outlined in Appendix 11 including new capital bids of £75.967 outlined in Appendix 10, and the planned sources of funding.**
- q. **Note that the Capital Programme will require resetting once the outturn positions of all five Councils are finalised.**
- r. **The Non-Treasury Investment Strategy attached at Appendix 12.**
- s. **The MRP Policy attached at Appendix 13.**
- t. **Considers the comments from Scrutiny Policies and Place in Appendix 14 (to follow).**
- u. **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 Paper B – Adoption of the Council Plan for Somerset Council** – see paper B and its appendices that Executive considered and endorsed at its meeting on 13 February 2023.

**The Council is recommended to note the report from the stakeholder engagement and agree to adopt the Council Plan.**

**2.3 Paper C - Treasury Management Strategy Statement 2023-24** - see Paper C and its appendices that Executive considered and endorsed at its meeting on 13 February 2023.

**The Council is recommended to:**

- 1. Adopt the Treasury Borrowing Strategy (as shown in Section 12 of the report).**
- 2. Approve the Treasury Investment Strategy (as shown in Section 13 of the report) and proposed Lending Counterparty Criteria (attached at Appendix B to the report).**
- 3. Adopt the Prudential Treasury Indicators in section 14.**
- 4. Note Appendix A, that is adopted as part of the Councils Financial regulations.**

**2.4 Paper D - Housing Benefit War Pensions Disregard Policy** - see Paper D and its appendices that Executive considered and endorsed at its meeting on 13 February 2023.

**The Council is recommended to approve the Housing Benefits War Pensions Disregard Policy.**

**2.5 Paper E - Housing Revenue Account (HRA) updated 30 year Business Plan and Rent Set 2023/24** - see Paper E and its appendices that Executive considered and endorsed at its meeting on 13 February 2023.

**The Council is recommended to approve:**

- 1. The updated assumptions and figures in the HRA 30-Year Business Plan as summarised in Section 12 and detailed in Appendix A1 (Operating Account) and B1(Capital Programme).**
- 2. The single HRA Revenue budget for 2023/24 as detailed in Table 3, section 13, Appendix C.**
- 3. An increase of 7% to Dwelling Rents for 2023/24 in line with the Governments rent cap. To continue to increase rent for relets by Sept CPI plus 1% (11.1%).**
- 4. An increase of 7% for Sheltered/Extra Care housing Rents in line with the dwelling rents increase.**
- 5. An increase of 7% for Shared Ownership properties.**
- 6. An increase of 7% on affordable rental tenures, with the rent being reviewed at relet based on 80% of market value capped at LHA rate.**
- 7. An increase based on Sept CPI 10.1% on temporary accommodation charges**
- 8. The continuation of rent flex at relet for properties in SWT as included in the Rent charging policy, with the rent flex policy being considered in the future for properties within Sedgemoor.**
- 9. An increase in service charges for tenants in the Sedgemoor area based on actual costs in line with the service charging policy. The service charges are contained in Appendix D**
- 10. An increase in service charges for tenants in SWT properties of 7% (with the exception of Piper Lifeline at 3%, communal areas at 37%, the introduction of a new management fee at 10%, a new charge for utility for internal areas charge and a new charge for door entry system) 7% is based on the governments rent cap with a commitment to review the option of 'depooling' service charges for 2024/25 to align service charge policies. The detailed service charges are contained in Appendix E alongside a supporting report.**

11. **An increase of 7% for garage rents in the Sedgemoor Area and an increase of 7% for garages rented by council tenants in SWT and 10.1% for private/owner occupier rented garages in this area.**
12. **An increase of 7% to other Fees & Charges for 2023/24 in the Sedgemoor area (Appendix D) and CPI in SWT area (Appendix E)**
13. **The HRA Major Works Capital Programme for 2023/24 totalling £20,910,180 and notes the previously approved Housing Development programme budget totalling £26,423,920 (Appendix F)**
14. **The growth bids requested in section 20 totalling £607,170 for two one-year bids and £688,170 per year for two years (totalling £1,376,340 over the two years)**
15. **That members note the challenges and next steps for the HRA and landlord services.**

**2.6 Paper F - Somerset Council Asset Management Plan and Strategy**- see Paper F and its appendices that Executive considered and endorsed at its meeting on 13 February 2023.

**The Council is recommended to approve the Asset Management Strategy for Somerset Council.**

### **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, B, C, D, E and F.

### **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, B, C, D, E and F.

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.

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.

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.

## **5. Background Papers**

5.1 These are set out within Papers A, B, C, D, E and F and their appendices.



## **Decision Report - Executive Decision**

Forward Plan Reference: FP/22/06/28

Decision Date - 13/02/23

### **2023/24 Budget, Medium-Term Financial Plan & Council Tax Setting**

Executive Member(s): Cllr Liz Leyshon - Deputy Leader of the Council and Lead Member on Finance and Human Resources

Local Member(s) and Division: All

Lead Officer: Jason Vaughan - Director of Finance & Governance

Author: Jason Vaughan - Director of Finance & Governance

Contact Details: [Jason.Vaughan@somerset.gov.uk](mailto:Jason.Vaughan@somerset.gov.uk)

#### **Sections**

1. **Report Summary**
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- 3.– 9. **Implications (Including Equalities) and Links**
10. **Scrutiny Comments and Recommendations**
11. **Background**
12. **Budget Process**
13. **General Fund Budget Monitoring Position in 2022/23**
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15. **Funding for Councils including Council Tax and Business Rates**
16. **The Capital Strategy and Programme**
17. **The Capital Programme**
18. **Capital Programme – New Bids**
19. **MTFP Forecast for Future Years**
20. **Reserves and Balances**
21. **Housing Revenue Account**
22. **Risks**
23. **Chief Finance Officer (CFO) Report and Advice on the Robustness of the Budget and Adequacy of Reserves & Balances**

#### **Appendices Attached to this Report**

Appendix 1 – 2023/24 Budget Detail

Appendix 2 - Transformation, savings, and Income Generation Proposals

Appendix 3 – Equality Impact Assessments

Appendix 4 - Fees and Charges for 2023/24

Appendix 5 – Additional Financial Requirements (AFR's)

Appendix 6 – Special Expenses Rates

Appendix 7 – Detailed Directorate Summaries

Appendix 8 - The Capital Strategy

Appendix 9 -The Flexible Capital Receipts Strategy

Appendix 10 – New Capital Schemes

Appendix 11 – The Capital Programme 2023/24 to 2025/26

Appendix 12 - The Non-Treasury Investment Strategy

## **1 Summary / Background**

**1.1** This budget report sets out spending plans for next financial year which will be the first budget for the new Somerset Council. It highlights areas of priority to support residents across Somerset. Some of the key elements of the revenue budget are:

- Significant additional funding for both Adults £28.0m and Childrens Services £18.8m to reflect the significant cost increases in those services for our most vulnerable people.
- Local Community Networks (LCNs) – New funding of £0.3m to establish LCN' s and to support the completion of a Community Development spend review across the councils to identify existing funding to support LCN' s on an ongoing basis
- Voluntary, Community, Faith, and Social Enterprise (VCFSE) – Maintain core funding for the sector at the same level as 2022/23
- Budget Savings – protection of frontline services with a focus on delivering the LGR Business Case and other efficiencies
- Council Tax – Below inflation increases in line with Government policy of 2.99% increase in general council tax plus 2% for the Adult Social Care Precept
- Inflation – Budgeting for the impacts of inflation on energy, fuel, and contract
- Pay– Budgeting for the national pay award

**1.2** The budget also contains detail of the significant capital investment of over £332m in schools, roads, regeneration, climate change and other projects across the county.

**1.3** This has been achieved despite the budget being impacted by financial challenges facing all councils and Somerset Council is no different with costs increasing more than the income that is received. As can be seen in 1.1 above, the impact of inflation and demand continues to impact on Adults and Childrens Services.

**1.4** The size of the financial challenge facing the new council is well documented with the Executive receiving reports in July and then November where the gap was estimated to be £74.2m but with savings options that could bring this down to £38.2m. The report today sets out a balanced budget, but it will require members to make some difficult choices. Like a lot of councils, failure to make those tough decisions will lead to reserves being exhausted and the likelihood of a section 114 notice in the next couple of years could not be ruled out.

**1.5** The provisional Finance Settlement was published on 19 December 2022 and recognised the very difficult financial challenge that councils are facing



particularly with increasing social care costs but did not provide any longer-term solution. The settlement provided details of funding for 2023/24 which will be confirmed in January and some indications of the funding for 2024/25 including the assumption that councils will increase their council tax by 2.99% and a further 2% for the Adult Social Precept in each of these years.

- 1.6** The Financial Strategy approved in July 2022 recognised the time, resource and capacity constraints facing the new council. It allowed for using reserves in the short term, to enable the delivery of all the LGR savings as an approach. A key part of good financial management is to consider the medium-term financial planning implications but given the significant uncertainties over future government funding for councils and the establishment of the new council it is appropriate to plan over the next 2 years and make sure that any decisions taken in 2023/24 do not adversely impact upon 2024/25.
- 1.7** The overall financial picture is complex with the budgets from the 5 councils coming together into one and therefore there is more risk in the budget proposals than would normally be the case. The delivery of Transformation, Income, and Savings Proposals is vital and will need to be closely monitored during the year. The forecast budget gap for 2024/25 is just over £41m on a net budget of nearly £500m which means that there will need to be further savings of 8% for that year. Therefore, if there is any slippage in the delivery of the savings during 2023/24 corrective action will need to be quickly taken and replacement new savings identified. Given this position the 2024/25 budget process needs to start early and will be more of a rolling budget approach with any new savings being implemented as early as possible rather than the traditional approach of waiting for the February Budget Setting process.
- 1.8** The overall level of reserves is low for a council of the size of Somerset and very careful management of them will be required. The individual reserves from each Council will need to be brought together and reviewed, including any previous commitments from the predecessor councils. This can be done once the Statement of Accounts for 2022/23 for the 5 councils have been produced and the updated position will be reported to the Executive during the year.
- 1.9** The 2023/24 Revenue and Capital Budget Proposals for were subject to Scrutiny at their meeting on 1 February with their comments showing at **Appendix 15**.

## 2. Recommendations

- a. That the Executive recommends Council approves
  - a. The General Fund net revenue budget for 2023/24 of **£493,357,150** and the individual service budgets for 2023/24 as outlined in **Appendix 1** including,
  - b. The transformation, savings and income generation plans outlined in **Appendix 2**, considering the required detailed Equalities Impact Assessment in **Appendix 3** and further consultation where necessary.
  - c. The detailed Fees and Charges as set out in **Appendix 4**.
  - d. The additional funding requirements set out in **Appendix 5**.
  - e. An increase in Council Tax of **2.99%** in 2023/24 to **£1,434.93** (an increase of **£46.88** per Band D property).
  - f. An increase of **2.00%** to Council Tax for the Adult Social Care Precept to **£196.46** is approved in recognition of the current demands and financial pressures on this service. This is equivalent to an increase of **£31.36** on a Band D property.
  - g. Agree to continue the Council Tax precept of **£14.65** within the base budget for the shadow Somerset Rivers Authority (representing no increase). This results in a Council Tax Requirement of **£3,013,125**.
  - h. Agree the precept requirement of **£338,767,850** (including Special Expenses Rate) **£338,547,779** (excluding Special Expenses Rates) and set the Council precept for Band D council tax charge at **£1,646.04** for 2023/24.
  - i. A Special Expenses rate of **£220,071** as detailed in **Appendix 6**.
  - j. The formal council tax resolution which incorporates the precepts of all the precepting bodies in **Appendix 15** (this will be circulated separately).
  - k. The overall estimated position of Earmarked Reserves of **£65.125m** outlined in **Table 18** and the proposed use of reserves detailed in **Table 17** of this report.
  - l. Note the conclusions of the Council's Section 151 Officer (Chief Finance Officer) in **Section 23** confirming the robustness of the budget estimates and the adequacy of the level of reserves.
  - m. Approved the risk-based assessment of the level of General Reserves being maintained within range of **£30m - £50m** and note the forecast level of General Reserves at **£47.460m**.
  - n. The Capital Strategy attached at **Appendix 8**.

- o. The Flexible Capital Receipts Strategy attached at **Appendix 9**.
- p. The Capital Programme for 2023/24 to 2025/26 of **£332.243m** as outlined in **Appendix 11** including new capital bids of **£75.967** outlined in **Appendix 10**, and the planned sources of funding.
- q. Note that the Capital Programme will require resetting once the outturn positions of all five Councils are finalised.
- r. The Non-Treasury Investment Strategy attached at **Appendix 12**.
- s. The MRP Policy attached at **Appendix 13**.
- t. Considers the comments from Scrutiny Policies and Place in **Appendix 14 (to follow)**.
- u. 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

### **3. Reasons for recommendations**

- 3.1** 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 2023/24.

### **4. Other options considered**

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

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

- 5.1** A new Corporate Plan will be approved in February 2023.

### **6. Consultations and co-production**

- 6.1** The budget proposals have been developed by joint working across the 5 councils through the s151 officers and chief executives working with Executive. A general consultation has been carried out with a closing date of the 10 February and a verbal update of responses will be given at the Executive meeting. Where a detailed consultation is required, this will be arranged as the agreed proposals for change are developed and implemented by the relevant directors. A Scrutiny Workshop was held on 1 February followed by Place Scrutiny to review the budget proposals. Their response is attached at **Appendix 14**.

## **7. Financial and Risk Implications**

- 7.1** The Corporate Risk Register includes a Strategic Risks ORG0057 – Sustainable MTFP with a current risk score of 5x5=25. This remains high despite the balanced budget. 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.
- 7.2** Key risks have been outlined in **Table 19** of this report and these will continue to be monitored and reported as part of the budget monitoring process.

## **8. Legal and HR Implications**

- 8.1** There are a number of saving proposals that have HR implications and the council has well established processes and policies for dealing with these. There are no legal implications to bring to Members attention, but it is important to note that some savings plans will require further specific consultation.

## **9. Other Implications**

### **9.1 Equalities Implications**

Individual proposals that currently have clear details have completed equality impact assessments. These are attached to the decision-making documents in **Appendix 3** and decision makers are requested to review these to help inform agreeing the budget.

Some proposals do not currently contain detailed explanations on how budget savings will be achieved. These Equality Impact Assessments will need to follow. When further decisions are taken on these more detailed proposals, Equality Impact Assessments will be provided to support these decisions.

### **9.2 Community Safety Implications**

The Equality Impact Statement outlined in Appendix 3 outlines key implications from the Transformation, Income, and Savings proposals outlined in Appendix 2.

### **9.3 Sustainability Implications**

The Equality Impact Statement outlined in Appendix 3 outlines key implications from the Transformation, Income, and Savings proposals outlined in Appendix 2.

### **9.4 Health and Safety Implications**

The Equality Impact Statement outlined in Appendix 3 outlines key implications from the Transformation, Income, and Savings proposals outlined in Appendix 2.

## **9.5 Health and Wellbeing Implications**

The Equality Impact Statement outlined in Appendix 3 outlines key implications from the Transformation, Income, and Savings proposals outlined in Appendix 2.

## **9.6 Social Value**

A number of contracts will be impacted by bringing five authorities into one. The social value of those contracts will be assessed as they are renewed.

## **10. Scrutiny comments / recommendations:**

The 2023/24 budget proposals were considered through a workshop of all Scrutiny members followed by a Scrutiny Place Committee on the 1<sup>st</sup> February 2023. The Committees comments are included in **Appendix 14**.

## **11. Background**

**11.1** In February 2022 each of the 5 Councils set out the MTFP forecast for 2023/24 and the position was updated in the report to the Executive in July 2022. The report made it clear that the 2023/24 budget would be challenging given both the practical difficulties involved in the process and the national economic outlook with inflation remaining in double digits. Alongside the updated forecast was the Financial Strategy which set out the approach that would be used to balance the budget.

**11.2** In November 2022 the Executive received an update on the Medium-Term Financial Plan which outlined the forecast budget gap for 2023/24 was £74.2m after taking into account the cost pressures in the current financial year and the forecast for 2023/24. The report outlined a range of actions that would be taken in order to close the budget. They included the following:

- Protect the level of Reserves by reducing spend and reviewing the funding of capital projects in the 5 councils
- Increase income where possible
- Ensure delivery of the LGR Business Case savings and minimise redundancy payments
- Review & reprioritise the existing Capital programme to reduce borrowing costs
- Develop a new Asset Strategy and Plan to help deliver capital receipts
- Develop a new Minimum Revenue provision (MRP) policy for the new Council
- Review the existing Commercial Investment portfolio
- Develop the Treasury Management Strategy that minimises debt financing costs

- Identification of key items for future transformation programme
- Start discussing with DLUHC about a potential capitalisation directive
- Start work on identifying financially sustainable service cuts

**11.3** At the Executive in January 2023 the proposals for a balanced budget were set out and approved as a basis for consultation and scrutiny. These proposals were based upon the December provisional finance settlement and latest information.

## **12. Budget Process**

**12.1** To help develop the budget proposals an advisory member Budget Working Group chaired by Cllr Liz Leyshon the Lead Member for Finance and Human Resources was formed and has met on nine occasions from August to December. The Group has reviewed an entire range of budget areas including the Financial Strategy, Adults Services, savings proposals, Additional Financial Requirements, Revenue & Benefits policies, Council Tax, the existing Capital Programme and new capital schemes, and Investments for yield. Recognising the very difficult financial challenge, the Executive along with the 5 Chief Executives and 5 Section 151 Officers have come together on 4 occasions for full days to review and develop the budget proposals.

**12.2** The starting point for developing the 2023/24 budget proposals was to bring together the five council budgets into one common format. This task was quite complex given the quite different ways the 5 councils are structured. The figures also had to be adjusted for any 'inter-authority' trading, such as Somerset Waste Partnership, as this is not relevant when budgeting for Somerset Council. The figures also need to be adjusted for any 'once-off' items to ensure that the on-going base budget for Somerset Council is established.

**12.3** Having established the 2022/23 base budget for Somerset Council the next part of the budget building process is to take account of the current budget monitoring position and any other known changes. The process for doing this has been to identify any Additional Funding Requirements (AFR) for such things as inflation, legislative changes, demographic, and other demand increases and they total just under £85m. These Additional Financial Requirements are detailed in **Appendix 5** with the Transformation, Savings, and Income Generation plans, which total over £40m, detailed in **Appendix 2**.

**12.4** The General Fund net revenue budget for 2023/24 total £493.357m and the individual service budgets for 2023/24 are set out in **Appendix 1**.

### 13. General Fund Budget Monitoring Position in 2022/23

13.1 The overall predicted outturn position of the combined Somerset Authorities in the current financial year is:

**Table 1 – General Fund Positions in 2022/23**

	Quarter	2022/23 Budget £'m	2022/23 Estimated Outturn Position £'m	(Under)/ Overspend £'m
Somerset County Council	Q3	383.400	408.700	24.300
Mendip District Council	Q2	17.080	17.070	(0.010)
Sedgemoor District Council	Q2	17.600	18.100	0.500
South Somerset District Council	Q2	19.780	19.780	-
Somerset West and Taunton Council	Q2	17.030	16.810	(0.220)
		<b>454.890</b>	<b>476.460</b>	<b>24.570</b>

13.2 Previous years patterns show that the numbers tend to improve slightly by year end with various once off grants from government and when items like the revenue impact of slippage in the capital programme are fully assessed.

13.3 The main causes for the forecast overspend are: -

- Inflation – energy and fuel costs. Suppliers have increased the out of contract gas rates by an average of 180% and out of contract electricity rates by 130% since August 2021.
- National Pay Awards – the District Councils budgeted for pay increases of 2% and the County Council assumed 2.5%. The national pay award has now been agreed at a flat rate of £1,925 which equates to an average cost increase of 5.5%.
- Adult Services – inflationary increases in residential and nursing placements costs.
- Children’s Services – external placements demand and cost.

### 14. 2023/24 Budget Proposals

The budgets of all Somerset authorities were combined to set a 2022/23 base. All Somerset authorities have been working together to continue to refine the detailed requirements. Further inter-Directorate adjustments will need to be made in 2023/24 in order to continue to ensure that budgets are aligned to the new structure.

**14.1** The budget for 2023/24 is balanced with the support of £10m from reserves. The key assumptions underpinning the 2023/24 are set out in **Table 2** and are based upon the latest forecast and information available.

**Table 2 – Summary of key Budget Assumptions**

<b>Budget Area</b>	<b>Current Assumption</b>
Pay	5% for 2023/24 after adjusting for £1,925 (5.6%) for 2022/23, allowing for increments and new employers pensions rate
Inflation	No allowance for general inflation – contractual only
Adults – Demand & Inflation	Based upon latest forecast and trends over the last 3 years
Childrens – Demand & Inflation	Based upon latest forecast and trends over the last 3 years and the capital investment made in purchase our own homes. With unregulated placements budget these are based upon 3 rather the current level of 5 but there is a specific Social Care Volatility Reserve to mitigate against the plans to reduce demand in this area
Council Tax	Tax base increase of 2.45% 2.99% for council tax plus 2% for Adult Social Care
Interest Rates (borrowing and investments)	A blended rate including some internal borrowing with PWLB rates at 4.27% and interest receivable 3.75%
Minimum Revenue Provision	New policy for Somerset Council reflecting the assets life and revised DLUHC guidance
Corporate Contingency	£6m which is 1.25% of the net service budgets
Funding from Government	Figures from provisional finance settlement

**14.2** The budget shown below in **Table 3** outlines how the budget has been built from the five separate authorities 2022/23 budgets into the 2023/24 Budget for Somerset Council.



**Table 3: Summary of changes to 2023/24 Revenue Budget**

<b>All Services</b>	<b>£m</b>	<b>£m</b>
2022/23 Combined Original Base Budget		451.881
Removal of Once off & Inter-Authority Budgets for 2022/23	(18.486)	
In Year Permanent Virements	0.651	
		(17.825)
<b>2022/23 Amended Base Budget</b>		<b>434.046</b>
Additional Funding Requirements:		
Inflation (Contractual and General)	34.818	
Demographic and other Demand Increases	30.117	
Other Funding Requirements	19.976	
Growth	0.000	
Total Additional Funding Requirements		84.910
Pay Changes		15.337
Savings Previously Agreed		0.156
New Savings Proposals		(40.785)
Use of Earmarked Reserves for Service Budget		0.435
Technical Adjustments		(0.743)
<b>2023/24 Proposed Budget</b>		<b>493.357</b>
<b>Change £m</b>		<b>59.311</b>
<b>Change %</b>		<b>13.66%</b>

**14.3** The table above outlines the overall allocations for Additional Finance Requirements of £84.9m (note that £65.2m of this was allocated to Adults and Childrens Services). Additional Finance Requirements include inflationary costs of £34.8m this compared to the SCC requirement last year of £12.8m demonstrates the huge impact inflation is having on services. It also includes demographic and additional demands of £30.1m compared to £13.1m for SCC last year. The strategy agreed in July outlined that there would be no growth in budgets without headroom being found. With a draw on reserves of £10m there has not been any scope to add growth bids. The Additional Financial Requirements are detailed in **Appendix 5**.

**14.4 Table 4** also shows transformation, income, and savings proposals of £40.8m details of which are included in **Appendix 2**.

**Table 4 – Summary of Transformation, Income, and Savings Proposals by type**

	<b>2023.24</b>	<b>2024.25</b>	<b>2025.26</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
Transformational	(2.925)	(1.109)	(0.469)
Fees and Charges	(2.257)	0.128	(0.142)
Other Income	(0.802)	(0.021)	0.026
LGR - Contract	(1.621)	(0.334)	0.000
LGR- Staffing	(3.981)	(4.000)	(4.400)
LGR – Other	(1.294)	(0.285)	(0.215)
Non-LGR -Contract	(4.534)	(0.036)	(0.016)
Non-LGR - Staffing	0.000	0.000	(0.200)
Other General Savings	(23.371)	1.452	(0.790)
<b>Total</b>	<b>(40.785)</b>	<b>(4.203)</b>	<b>(6.206)</b>
<b>Cumulative Total</b>	<b>(40.785)</b>	<b>(44.988)</b>	<b>(51.194)</b>

**14.5** The 2023/24 revenue budget is shown in **Table 5** and is based upon the provisional settlement and therefore members are requested to delegate any final amendments to the Director – Finance and Governance once the final settlement is announced.

**Table 5 – Somerset Council Balanced Budget 2023/24**

<b>2022.23 Combined Budget £m</b>		<b>2023.24  Budget £m</b>
159.684	Adults Services	186.634
105.033	Children Services	123.067
36.820	Communities Services	35.223
83.082	Climate & Place	87.104
23.607	Strategy, Workforce & Localities	20.159
18.920	Resources & Corporate Services	20.474
1.336	Public Health	1.236
9.404	Local Government Reform	0.123
	<b>Non-Service items:</b>	
6.000	Corporate Contingency	6.000
4.692	Accountable Bodies	3.688
47.140	Corporate Areas	66.054
(43.186)	Special Grants	(56.405)
<b>452.532</b>	<b>Net Budget Requirement</b>	<b>493.357</b>
	<b>Financed By</b>	
(6.843)	Revenue Support Grant	(7.932)
0.000	Flexible Use of Capital Receipts	(4.023)
(103.894)	Business Rates	(122.173)
15.022	Business Rates Collection (Surplus) / Deficit	6.102
(6.800)	Council Tax Collection (Surplus) / Deficit	(6.662)
(312.686)	Council Tax @2.99% and ASC Precept @2%	(335.535)
(2.941)	Council Tax Somerset Rivers Authority	(3.013)
(0.215)	Somerset Special Expenses Rates	(0.220)
(1.375)	General Reserves	0.000
(33.015)	Earmarked Reserves	(19.901)
<b>(452.532)</b>	<b>Total Financing</b>	<b>(493.357)</b>

**14.6** Each new Directorate is shown in **Appendix 7** attached to give details of how the 2023/24 budgets have been calculated.

## **15. Funding for Councils**

**15.1** The Government announced a Local Government Finance Policy 2023/24 and 2024/25 setting out funding principles followed by the Provisional Finance Settlement on the 19 December 2022. The impact on various grants is outlined below

**Table 6 – Government Grants Announced as Part of Financial Settlement**

<b>Grant</b>	<b>2023/24 £'m</b>	<b>Change from Previous Year £'m</b>	<b>Forecast 2024/25 £'m</b>	<b>Forecast 2025/26 £'m</b>
<b>Revenue Support Grant</b> - Government Grant Distributed based on need.	7.9	1.1	8.5	33.6
<b>Rural Services Delivery Grant</b> - Government Grant to support the increased costs of delivering services in rural areas.	3.2	-	3.2	3.2
<b>New Homes Bonus</b> - 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.	3.8	-2.5	3.8	-
<b>Services Grant</b> - A once-off grant to support Local Government Services (the funding is ongoing but the mechanism for distribution is once-off)	3.2	-2.9	3.2	-
<b>Social Care Grant</b> - A Government Grant to support the cost pressures in both Adult and Children's social care.	39.2	14.7	45.1	88.6
<b>Specific Grants Included Within Adult Services or Public Health</b>				
<b>Market Sustainability and Improvement Funding</b> - Government grant toward improvement in Adult Social Care	5.8	4.1	8.8	-
<b>Discharge Fund</b> – Government Grant to support hospital discharges	3.3	3.3	-	-
<b>Better Care Fund</b> - Grant from the ICB for the integration of health and social care.	14.7	0.8	14.7	14.7
<b>Improved Better Care Fund</b> - Government Grant to support local authorities to meet adult social care costs, reduce pressures on the NHS and support the social care market	23.4	-	23.4	23.4
<b>Public Health Grant</b> - Ringfenced Government funding to improve health in the local population	21.9	-	21.9	21.9

## 15.2 Business Rates

The review of Business Rates and baseline reset is likely to be delayed further and therefore the MTFP assumes that the review will now occur in 2025/26.

All the Somerset authorities with the exception of Somerset West and Taunton are currently in the Somerset Pool for 2022/23 but the pool will not continue in 2023/24 as the authorities will be combined. The new Unitary Council however will continue to benefit from some of the pooling gain by being a Unitary authority.

Estimates for Business Rates Retention for Somerset Council are shown below in **Table 7**

**Table 7 – Business Rate Retention Estimates**

<b>Business Rates Retention Provisional Funding Estimates</b>	<b>2023/24 Estimates £'m</b>
Share of Business Rates Yield	(85.923)
Rates yield from renewable energy	(1.498)
Tariff to Government	2.745
Levy Payment	0.669
Safety Net Income	-
S31 Grant funding for Reliefs	(38.166)
<b>Net Retained Business Rates Funding</b>	<b>(122.173)</b>

The budget for business rates income is based upon the NDR1 form and in line estimates provided by Pixel and LG Futures.

## 15.3 Fees and Charges

Fees and charges have been reviewed for 2023/24 and in most cases aligned. A Fees and Charges Policy was approved by the Executive on the 19 January 2023. The schedule of proposed Fees and Charges for 2023/24 is attached at **Appendix 4**. These were also considered by Policies and Place Scrutiny Committee on 1 February.

## 15.4 Schools and 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 2022, the DfE published provisional allocations for the schools' high needs and central services blocks. Final allocations based on pupil numbers from the October 2022 school census have now been made.

The DfE calculate the Schools Block 2023-24 primary units of funding (PUF), and secondary units of funding (SUF) for each local authority using the July 2022 provisional allocation which is based on the October 2021 census. These are final units of funding for 2023-24 and are not updated at any later point. The PUFs and SUFs are used to allocate schools block funding to local authorities in December 2022, using pupil numbers from the October 2022 census. The Executive approved the schools' allocations at their meeting on the 19 January 2023.

High needs funding to support children with Special Education Needs and Disabilities (SEND) is receiving an additional grant in 2023-24 of £3.2m, with an increase in High Needs Block allocation for Somerset of £8.3m. 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 26 pence and by 6 pence for the 2-year-old entitlement. The total 2023-24 Early Years Block allocation has increased by £1.5m.

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 2021/22 was £20.2m and this is expected to increase to £24.1m by the end of 2022/23.

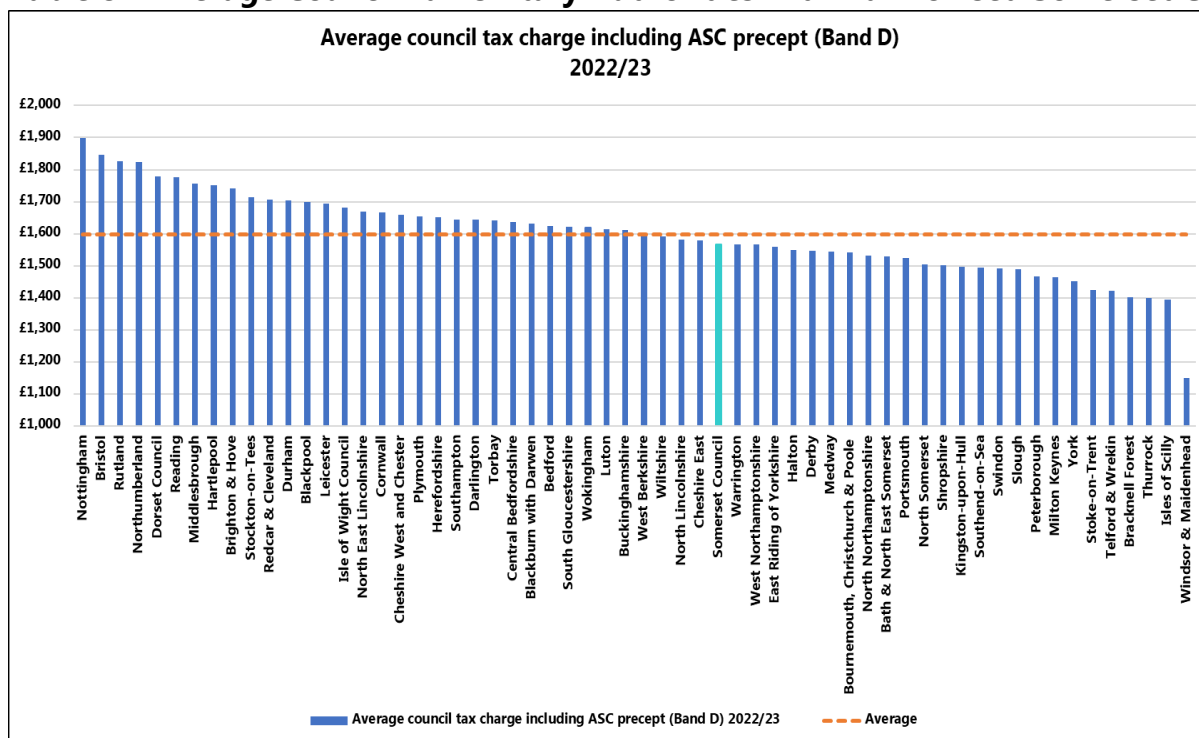
## **15.5 Treasury Management**

Treasury management is the management of the Council's cash flows, borrowing and treasury investments, and the associated risks. The Council has significant treasury investment portfolios. The income budget from treasury activity for 2023/24 is £13m based on average funds of £350m and 3.75% in interest. The actual income may change depending on the level of internal borrowing utilised but would have a positive impact on borrowing costs.

## **15.6 Council Tax**

The council tax for the new authority and a formal Council Tax Resolution will need to be approved at full Council in February 2023 in a separate report. Somerset Council will become the billing authority for collecting council tax. The report to executive in November outlined the council tax harmonisation for Taunton and the new authority had been agreed by DLUHC with a Band D of £1,568.87 (including the ASC, special rates, and the SRA precepts) as the restated 2022/23 baseline position. Excluding the special rates this was £1,567.80. This was based on a total 2022/23 council tax base of 200,747. The following graph shows how the authority would sit compared to other Unitary Authorities this year:

**Table 8 – Average Council Tax Unitary Authorities with Harmonised Somerset Council**



The charge would be £35 lower than the average Unitary Band D charge of £1,599, and £331 lower than the highest charge.

Referendum limits were outlined in the Governments Local Government Finance Policy Statement 2023/24 and 2024/25 on the 12 December 2022. This outlined that County and Unitary authorities could increase council tax by 3% in 2023/24 and 2024/25 as well as increases in the Adult Social Care Precept of 2% in both 2024/24 and 2024/25. This would enable the new authority to increase overall council tax by 5% in each year. An increase of 4.99% overall would add £78.23 to a Band D property in 2023/24 (equivalent to just over £1.50 per week).

Each 1% increase in Council Tax increases income by £3.2m.

### 15.7 Tax Base

The taxbase for 2023/24 shows an overall increase in tax base is 2.45% for 2023/24 and is estimated to increase by 0.5% in 2024/25 and 2025/26.

The final taxbase including provision of Council Tax support and other approved discounts will be 205,674.09 equivalent Band D' s. The table below shows the taxbase over three years and the increase compared to 2022/23.

**Table 9 - Taxbase 2021/22 to 2023/24**

2021/22	2022/23	2023/24	Increase
199,429.93	200,747.16	205,674.09	2.45%

## 15.8 Council Tax Proposals

The Executive is requested to recommend increases of 2.99% for 2023/24 for Council tax and 2% for Adult Social Care which will remain within those referendum limits. This will increase basic Council Tax (including Somerset Rivers Authority) to £1,449.58 an increase of £46.88 per annum (90p per week) and the Adult Social care Precept to £196.46 an increase of £31.36 per annum (60p per week). The overall council tax proposed is £1,646.04 an increase of £78.24 per annum (£1.50 per week). The Adult Social Care precept is ringfenced to support Adult Social Care.

The Somerset Rivers Authority's (SRA) precept (included within general council tax above) will be £3.01m in 2023/24.

The new Council will also inherit Special Expense Rates from Mendip District Council and South Somerset District Council. These are specific charges to some Parishes for the following:

- Closed Churchyards - When a church decides a churchyard is closed it can transfer the liability for costs to the Unitary or District Council. Some parishes have chosen this option while others maintain the closed churchyards and pay the costs themselves. The result is some taxpayers are paying for the cost of maintenance through their own parish Council tax charge, and additionally for other parishes through the Council tax paid to Somerset. For the parishes where the Council maintains the closed churchyard Mendip and South Somerset had recovered part of the maintenance cost by charging a 'special expenses rate' to the residents of that parish.
- In a similar way, Mendip maintained play areas in some towns and villages while others were maintained and paid for by the residents of the parish.

These special rates have been retained for Somerset Council in 2023/24. Details of individual parish charges under the special expenses rate can be found within **Appendix 6**. The total income from Special Expense Rates is expected to be £0.220m.

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**

	<b>Band A</b>	<b>Band B</b>	<b>Band C</b>	<b>Band D</b>	<b>Band E</b>	<b>Band F</b>	<b>Band G</b>	<b>Band H</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>General</b>	956.62	1,116.06	1,275.49	1,434.93	1,753.80	2,072.68	2,391.55	2,869.86
<b>ASC Precept</b>	130.97	152.80	174.63	196.46	240.12	283.78	327.43	392.92
<b>SRA</b>	9.77	11.39	13.02	14.65	17.91	21.16	24.42	29.30
<b>Total</b>	<b>1,097.36</b>	<b>1,280.25</b>	<b>1,463.14</b>	<b>1,646.04</b>	<b>2,011.83</b>	<b>2,377.62</b>	<b>2,743.40</b>	<b>3,292.08</b>

Note this excludes Special Expense Rates



As the billing authority Somerset Council will outline the overall council tax from all preceptors in Somerset in a statutory report to full Council in February 2023.

The MTFP currently outlines overall council tax of 4.99% in 2024/25 and 4.99% in 2025/26

Please note that all the increases above have been compared to the Alternative Notional Amount (ANA) that has been agreed as part of council tax harmonisation with DLUHC.

## **16. The Capital Strategy and Programme**

- 16.1** The Government requires all local authorities to produce a Capital Strategy and a Non-Treasury Investment Strategy for authorities that own commercial properties and non-treasury lending. These are the overarching documents 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 Capital Strategy also includes the arrangements for capital investment in the Housing Revenue Account. The strategies focus on core principles that underpin the council's capital programme, investment properties, financing and the risks that will impact on the delivery of the programme; and the governance framework required for decision making and delivery. The Capital Strategy is attached at **Appendix 8** and the Non-Treasury Investment Strategy is attached at **Appendix 12**.
- 16.2** 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.
- 16.3** It requires 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
- 16.4** The update included a clear statement that local authorities must not borrow primarily for financial return. Somerset Council will hold investment properties that would be designated as being held for financial return. The Code outlines that authorities are not required to immediately sell these investments. However, Authorities which have an expected need to borrow should review options for exiting their financial investments for commercial purposes in their annual treasury management or investment strategies. The options should include using the sales proceeds to repay debt or reduce new borrowing requirements. It also states that authorities should not take on new borrowing if financial investments for commercial purposes can reasonably be released instead, based on a financial appraisal of financial implications and risk reduction benefits.
- 16.5** The Capital Strategy, Treasury Management Strategy, a Non-Treasury Strategy (this will cover capital loans and investment properties), an MRP Policy, and a Flexible

Capital Receipts Policy was presented to the Audit Committee on the 2 February 2023 and will be considered by full Council in February 2023.

## 17. The Capital Programme

**17.1** The capital programmes of all Somerset Authorities have now been summarised as at quarter two. The assumption is that for budgeting purposes the profiling of spend is accurate and therefore only profiled spend from 2023/24 will be included in the new Authority's programme. This will mean that the authority will need to review capital spend for 2022/23 once the outturn position is known and revise the programme for 2023/24 for projects that have slippage into 2023/24. Therefore, the inherited capital programme for Somerset is summarised as follows:

**Table 11 – Capital Programmes of all Somerset authorities as at Quarter 2 for 2023/24 to 2025/26**

Authority	2023/24 £'m	2024/25 £'m	2025/26 £'m	Total All Years £'m
Somerset County Council	65.484	19.796	6.279	91.559
Mendip District Council	12.798	6.609	2.970	22.377
Sedgemoor District Council	42.400	0.700	0.700	43.800
Somerset West and Taunton Council	37.190	5.451	0.594	43.235
South Somerset District Council	38.250	16.033	1.022	55.305
<b>Total</b>	<b>196.122</b>	<b>48.589</b>	<b>11.565</b>	<b>256.276</b>

**Table 12- Q2 Capital Programme by Somerset Council Directorates 2023/24 to 2025/26**

Directorate	2023/24 £' m	2024/25 £' m	2025/26 £' m	Total All Years £' m
Children's Services	26.405	11.861	6.373	<b>44.639</b>
Adults Services	2.235	0.337	0.275	<b>2.847</b>
Community Services	22.345	14.118	2.514	<b>38.977</b>
Climate and Place	133.815	16.903	1.987	<b>152.705</b>
Resources and Corporate Services	11.322	5.370	0.416	<b>17.108</b>

<b>Total Programme</b>	<b>196.122</b>	<b>48.589</b>	<b>11.565</b>	<b>256.276</b>
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**17.2** The overall funding for the Capital Programme is as follows:

**Table 13 – Funding for the Combined Capital Programme as at Q2 2023/24 to 2025/26**

	<b>Total £m</b>
<b>Financed By:</b>	
Grants	146.939
Capital Receipts	12.190
Reserves	0.345
S106 or CiL Contributions	19.612
Borrowing	77.190
<b>Total</b>	<b>256.276</b>

**17.3** A review of the overall programme has been carried out and £7m in expected underspends for Somerset County Council were removed as part of budget monitoring.

**17.4** The following schemes have been paused (this means that the funding for those schemes has been pushed back into 2024/25 for further review in 2023/24):

- Walton and Ashcott Bypass
- Bridgwater Library improvements
- Wincanton Town Centre improvements
- Yeovil Crematorium Chapel upgrade
- Homes for Children with Disabilities Phase 2

### **17.5 Borrowing**

The opening borrowing position (CFR) for the General Fund for the new Council is estimated to be £945.2m next year rising to just over £1,000m by the end of 2023/24 for the legacy programme and the new approved bids. The overall estimate for interest payments from the General fund is £32.1m.

#### **Third Party Contributions**

Only Third-Party contributions received or formally agreed are used to fund the programme. As expected, contributions are received in the future this will release the need for that level of borrowing.

#### **Capital Receipts**

The authority has some flexibility in the use of capital receipts and an Efficiency Strategy (now the Capital Receipts Flexibility Strategy) was approved as part of the 2022/23 budget pending clarity around the criteria from Central Government. This has now been received

and the criteria outlines that detailed information around projects must be agreed by full Council, DLUHC must also be informed before the use is acted upon, and enhanced redundancy payments cannot be included (statutory payments and pension strain are still permitted). It is key that all means of financing remain as flexible as possible to support the new authority's long-term viability and sustainability. Therefore, it is recommended that the remaining budget for Local Government Reorganisation of £11.9m in 2022/23 and an estimated £4.0m for 2023/24 will use this flexibility and will enable the reserves earmarked for this to be used for other means to support the new Council. The Audit Committee reviewed the strategy attached at **Appendix 9** at their meeting on the 2 February and the Executive is requested to approve this for consideration at full Council on the 22 February 2023. replaced by borrowing.

Where capital receipts are utilised, they will be applied to assets that have a shorter life. This will support the revenue budget by minimising annual MRP payments where this is spread over the life of assets funded by borrowing.

The Council must review its Investment Properties portfolio before deciding to borrow. Any disposals would create a capital receipt.

### **Revenue**

Legacy Revenue Contributions to Capital Outlay (RCCO) of £0.711m have now been removed and replaced by borrowing to preserve levels of reserves for the new Council.

### **CIL (Community Infrastructure Levy)/S106**

The contributions from planning developments through CIL and S106 is expected to be £19.612m for the legacy programme and £0.029m for new schemes.

## **18. Capital Programme - New bids**

The Medium-Term Financial Strategy approved in July 2022 agreed the criteria for funding of new Capital schemes for 2023/24 as follows:

- Schemes that are Fully Externally Funded.
- Save to invest schemes which either make savings or income returns higher than borrowing costs:
- Where there is a legal requirement such as Health and Safety Needs or Operational Need

**Table 14 – New Capital Schemes by Criteria**

	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>Total All Years</b>
<b>Criteria</b>	<b>£' m</b>	<b>£' m</b>	<b>£' m</b>	<b>£' m</b>
Fully Externally Funded	38.455	1.967	1.967	<b>42.389</b>
Health and Safety/Legal Requirement	14.809	7.996	0.187	<b>22.992</b>

Operational Need	9.266	0.820	0.500	<b>10.586</b>
<b>Total</b>	<b>62.530</b>	<b>10.783</b>	<b>2.654</b>	<b>75.967</b>

Funding between borrowing and external funding for the new schemes is outlined below:

**Table 15 – Funding of New Capital Schemes**

<b>Criteria</b>	<b>External Sources Grants/CIL/ Third Party Contributions £' m</b>	<b>Borrowing £' m</b>	<b>Total Funding £' m</b>
Fully Externally Funded	42.389		42.389
Health and Safety/Legal Requirement	3.700	19.292	22.992
Operational Need		10.586	10.586
<b>Total</b>	<b>46.089</b>	<b>29.878</b>	<b>75.967</b>

New schemes are outlined in **Appendix 10** and the overall programme totalling £332.243m is included in **Appendix 11**.

### **18.1 Minimum Revenue Provision (MRP)**

Full Council must approve the policy for MRP each year with the Audit Committee providing an overview. Given that Somerset Council will be a new Council the policies of all five authorities have been reviewed along with the likely statutory changes that will be required in 2024/25. The MRP Policy in effect sets out how a local authority will repay its borrowing from funding its capital programme. The Policy for 2023/24 has been based on a blend of approaches from both the District and County authorities. The Director of Finance and Governance may wish to review this in 2023/24 and simplify once the outturn positions of all capital programmes are known and the starting Capital Financing Requirement (CFR) for Somerset Council is known. Audit Committee reviewed the Provision attached at **Appendix 13** at their meeting on the 2 February and the Executive is recommended to approve it to Council on the 22 February 2023.

### **18.2 Treasury Management Strategy**

The Treasury Management Strategy is included within this agenda to consider and recommend to Full Council on the 22 February 2023. The Audit Committee considered the strategy at their meeting on the 2 February 2023. The Treasury Management Strategy outlines how the Council will manage its 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.

### 18.3 Non-Treasury Management Strategy

The Non-Treasury Management Strategy Attached at **Appendix 12** outlines how the authority will manage its Investment Properties and Service loans. Local authorities can no longer invest in properties purely for financial yield. However, authorities are not expected to divest of properties for yield that they hold but they must review these before borrowing to finance capital expenditure. The strategy was reviewed by Audit Committee on the 2 February and the Executive is requested to recommend it to Full Council

### 19.MTFP Forecast for Future Years

**19.1** In assisting with building a long-term financial strategy, estimates for future years have been forecast. These will need to be reviewed but this will assist with building a longer-term plan for the ongoing sustainability of Somerset Council. The table below shows the budget for 2023/24 plus two further years for financial planning purposes.

**Table 16 – Indicative Budgets for Future Years**

Directorate	Combined Budget 2022/23 £'m	Proposed Budget 2023/24 £'m	Indicative Budget 2024/25 £'m	Indicative Budget 2025/26 £'m
Adult Services	159.684	186.634	222.154	260.195
Children's Services	105.033	123.067	129.377	134.163
Communities Services	36.820	35.223	34.558	34.531
Climate and Place	83.082	87.104	92.384	94.660
Strategy Workforce and Localities	23.607	20.159	19.859	19.859
Resources & Corporate Services	18.920	20.474	21.882	23.234
Public Health	1.336	1.236	1.236	1.236
Local Government Reorganisation	9.404	0.123	(7.900)	(12.300)
Corporate Contingency	6.000	6.000	6.000	6.000
Accountable Bodies	4.692	3.688	3.639	3.658
Corporate Costs	47.140	66.054	81.587	96.831
Special Grants	(43.186)	(56.405)	(65.157)	(92.872)
<b>Net Budget Requirement</b>	<b>452.532</b>	<b>493.357</b>	<b>539.618</b>	<b>569.197</b>
Financing	452.532	493.357	498.056	523.682
<b>Cumulative Gap</b>	-	-	<b>41.562</b>	<b>45.515</b>
<b>Annual Gap</b>	-	-	<b>41.562</b>	<b>3.953</b>

- 19.2** It is clear from the MTFP forecast that 2024/25 will also be a very challenging financial year with the level of saving required being equivalent to a reduction in the net budget of 8%.
- 19.3** Given this position the 2024/25 budget process needs to start early and will be more of a rolling budget approach with any new savings being implemented as early as possible rather than the traditional approach of waiting for the February Budget Setting process.
- 19.4** The future years are less certain with Governments reforms for local government finance and social care funding due to take effect, but these have already been postponed on numerous occasions.

## 20. Reserves & Balances

- 20.1** The budget proposals include the planned use of Earmarked Reserves as detailed in the table below including £10m for budget smoothing.

**Table 17 – Planned use of Reserves in 2023/24**

<b>Service</b>	<b>Brief Summary</b>	<b>Amount £m</b>
Accountable Bodies	Use of CDS reserve	0.135
Highways and Transport Commissioning	Approved in 2022/23 - New Highways Contract Procurement (2223-28) to be funded from Budget Equalisation reserve	0.200
Highways	Approved in 2022/23 - Highway vegetation (2223-02) to be funded from Budget Equalisation Reserve	0.200
Highways	Approved in 2022/23 - Ash die back multi-year once-off service pressure funded from Budget Equalisation Reserve	0.250
Children's Commissioning	Approved in 2022/23 - Use of reserve Social Care Transformation reserve for Family Safeguarding	1.013
Adults/Childrens	Contribution from public health reserve for relevant activities within Childrens and Adults	1.700
Community Development	Initial funding for LCN's whilst other resources are identified and repurposed	0.300
Business Rates	Business rates deficit for the year. Out of which £4.912m relates to Covid Additional Relief Fund (CARF) which will be compensated for via Section 31 Grant	6.102
General	Use of reserves to allow for budget smoothing	10.000
<b>Total</b>		<b>19.901</b>

**20.2** There is a legal requirement for the council to consider the overall level of reserves held as part of the budget setting process. There has been some work carried out based upon the information provided by the Section 151 Officers who have estimated that the overall level of reserves is likely to be just over £112.5m by 31 March 2025, after taking into account any under or overspending in the current year and future commitments.

**Table 18 – Reserves Summary**

	<b>Reserves @ 31 March 2025 £m</b>
General	47.460
Earmarked	65.125
<b>Total</b>	<b>112.585</b>

**20.3** At this stage it is a prudent assumption that the level of General Reserves be maintained in the range between £30m to £50m. The estimated level of £47.460m is therefore at the higher end of this range but is appropriate given the financial risks facing the council and the potential for some of the savings proposals to be delayed.

**20.4** The overall level of Earmarked Reserves are relatively low for a council of the size of Somerset and very careful management of them will be required. The individual reserves from each Council will need to be brought together and reviewed, including any previous commitments from the predecessor councils. This can be done once the Statement of Accounts for 2022/23, for the 5 councils have been produced and the updated position will be reported to the Executive during the year.

## **21. Housing Revenue Account**

**21.1** The draft HRA Business Plan (including the rent Charges Policy) was approved by the Executive in December 2022. The HRA rent setting report and Revenue and Capital budget will be considered by the Executive committee in February followed by full Council.



## 22.Risks

**22.1** The table below sets out the main risks associated with the 2023/24 budget, who the risk owner is and how the risk will be managed.

**Table 19 – Budget Risk**

Risk	Rag Rating (R/A/G)	Risk Owner	Comments, Management and Mitigations
Overspend on budget	<b>R</b>	Corporate Leadership Team (CLT)	The current year's budget has been impacted by high levels of inflation, the longer-term impacts of Covid, demand pressures and employment market. The 2023/24 has been adjusted for this and the latest forecasts and includes a number of savings to produce a balanced budget. There remains a high risk of potential overspend given the impact of bringing 5 councils together and the current economic climate. Monitoring of the budget during year will be a key mitigation.
Social Care - Market Sustainability	<b>R</b>	Executive Director Adults	Close working with our health partners to mitigate the risk as a system to market failure. National lobbying through Association of Directors of Adult Social Care (ADASS) Local Government Association (LGA) and the Care Provider Association.
Levels of Borrowing are unsustainable	<b>R</b>	Corporate Leadership Team (CLT)	The analysis of the Capital Financing Requirement (CFR) has identified that level of borrowing is very high. The Financial strategy will be to avoid/ reduce the need for future borrowing. A review of the investment portfolio will be undertaken during the year.

Risk	Rag Rating (R/A/G)	Risk Owner	Comments, Management and Mitigations
Level of Reserves reduces to low levels	<b>A</b>	Executive Director of Resources & Corporate Services	The level of General Reserves are estimated to be £47.460m which is towards the top of the risk based range of £30m to £50m. Any overspend or non-delivery of savings will impact upon the level of reserves. There will be a full review of reserves once the 2022/23 statement of accounts have been produced.
Increase in interest rates	<b>A</b>	Executive Director of Resources & Corporate Services	The differential between interest earned and the costs of borrowing is approximately £0.45m per 1%. We will continue to monitor rates and adapt our strategy with advice from Arlingclose
Delivery of the LGR Business Case – Staff Savings of £3.9m in 2023/24 (£2.9m from Tiers 1 to 3 and £1m from the £9.4m of the staff reductions)	<b>A</b>	Corporate Leadership Team (CLT)	Appointment of Tier 2 has been completed and subject to formal approval. Tier 3 process scheduled for March. Will need to work at pace in 2023/24 to deliver. Delays will impact on reserves and contingency.
Savings in Adults - Review by Newton Europe – Saving of £5m in 2023/24 and a further £5m in 2024/25	<b>A</b>	Executive Director Adults	This is the estimate of savings expected. This will need to be reviewed and consulted upon once completed. The Council will need to find other savings to replace this if it is not achieved.
Savings in Childrens - £1m from diagnostic review	<b>A</b>	Executive Director Childrens Services	This the estimate of savings expected. This will need to be reviewed and consulted upon once completed. The Council will need to find other savings to replace this if it is not achieved.

Risk	Rag Rating (R/A/G)	Risk Owner	Comments, Management and Mitigations
National pay award will be higher than estimated	<b>A</b>	Executive Director of Resources & Corporate Services	The pay award for 2022/23 has now been agreed at a flat rate of £1,925. This has been built into budget proposals together with 5% increase for 2023/24. Robust establishment control and the corporate contingency should help to mitigate this risk.
Unitary preparations and Transitional Costs	<b>A</b>	Corporate Leadership Team (CLT)	Further controls have been recommended to manage costs during the transition period. Maximum flexibility is being retained to fund transitional costs and maintain the sustainability of the new authority.
Economic downturn impacts on income	<b>A</b>	Relevant Director	This will continue to be reviewed as part of budget monitoring
Unforeseen events outside Somerset Councils control	<b>A</b>	Relevant Director	Events such as extreme weather, increases in fuel and utility costs (currently a major issue) and changes in recycling material values are outside our direct control. These will need to be monitored and the MTFP updated as necessary.
Changes to Government Policy that affects future funding (Social Care)	<b>G</b>	Strategic Leadership Team	Further funding for social care was made in the Provisional Settlement but funding still remains lower than demand and inflationary pressures within the service. Fair Cost of funding has now been delayed until 2025 and with the funding being given to local authorities for current pressures it remains to be seen how this will be funded in the longer term

Risk	Rag Rating (R/A/G)	Risk Owner	Comments, Management and Mitigations
The Government announces further cuts in local government funding	<b>G</b>	Strategic Leadership Team	The Provisional Settlement has now been fed into the MTFP. It is unlikely that these will change when the final figures are released in February. Indication from the Policy Statement also outlined some principles for 2024/25. The bigger area of risk is around social care funding which is outlined below.

### 23. Chief Finance Officer (CFO) Report and Advice on the Robustness of the Budget and Adequacy of Reserves & Balances

#### Scope

**23.1** Under the terms of Section 25 of the Local Government Act 2003 the s.151 Officer is required to report to the Council on two specific matters: -

- **the robustness of the estimates** included in the Budget, and
- **the adequacy of the reserves** for which the Budget provides.

**23.2** Section 26 of the same Act places an onus on the Chief Finance Officer to ensure the Council has established a minimum level of reserves to be retained to cover any unforeseen demands that could not be reasonably defined within finalising the proposed budget.

**23.3** This report has been prepared by the CFO (Section 151 Officer) to fulfil this duty and gives the required advice relating to the 2023/24 financial year and Medium-Term Financial Strategy. It includes consideration of the budget proposals as a whole and the financial risks facing the Council. It identifies the Council's approach to budget risk management.

**23.4** The Council then has a statutory duty to have regard to this report from the Section 151 Officer when making its decision about the proposed Budget and Precept.

#### Context

**23.5** This is the first budget for new Somerset Council and therefore brings together the budgets of the 5 predecessor authorities. Therefore, in making my assessment I have heavily relied upon the information provided by the Section 151 Officers in each of the Councils.

## Robustness of the estimate

**23.6** There is a high-level assessment of the Council's anticipated potential financial risks in 2023/24 and the subsequent period up to 2025/26 as far as that is possible, including:

- the realism of the Revenue Budget 2023/24 estimates for: -
  - price increases and general levels of inflation
  - fees / charges income
  - changes to specific grants and / or changes to their eligibility requirements
  - provision for demand and supply chain pressures within services
  - funding for LGR implementation costs
  - transitional costs – likely impacts of aggregation of services across the 5 councils
  - the financing costs arising from the Capital Programme
  - the impact of current and forecast interest rates on the expected returns from investment of cash balances
  - the probability of achieving the savings targets during the MTFS period
  - the likelihood of being able to deliver further necessary savings without dangerous levels of depletion of Reserves / Balances
- the realism of the Capital Programme estimates in light of: -
  - the potential for slippage and underspending of the Capital Programme
  - the risks of overspends due to inflation and / or contractor distress
  - the possible non-achievement of capital receipts targets and its implications for the funding of the Capital Plan
- financial management arrangements including: -
  - the history over recent years of financial management performance across the predecessor councils including delivery / non-delivery of savings programme
  - the impact of the budget savings required on service managers while establishing a combined service from five authorities
  - the impact of budget savings in finance and related functions, whilst at the same time retaining a capability to help support the necessary support for other services delivery of saving targets across the Council as a whole
  - the need to continue to be able to respond to Covid or other similar scenarios whilst retaining existing services and implementing new arrangements as part of the new unitary Somerset Council
- potential losses, including: -
  - claims against the Council
  - bad debts or failure to collect income
  - major emergencies or disasters
  - contingent or other potential future liabilities

- 23.7** It is inevitable that the first cut of a new Council Budget will be imperfect, and that better information will be ascertained once the new Council is in existence. Estimates used in the Budget for 2023/24 are therefore based on pragmatic assumptions, taking into account: -
- future pay and price increases across services
  - anticipated levels of both specific and general grants
  - the impact of the economic situation on future interest rates, the Council tax base, District Council Collection Fund surpluses and deficits, and the future levels of Business Rates collected in Somerset
  - policies and priorities as expressed in the Council Plan and associated Service Plans
  - best estimates of continuing funding streams for services
  - commitments in terms of demand for services and demographic changes
- 23.8** Budget monitoring will continue to be carried out on a regular basis and reported, alongside other key performance information, to Scrutiny and the Executive during the year. Given the newness of the Council it is to be expected that there may be more significant variations in the budget position so such budget monitoring will be of immense importance.

### **Adequacy of Reserves and Balances**

- 23.9** The projected level of reserves and balances based upon the 5 predecessors councils' commitments and forecast outturn is that the total level of uncommitted reserves (General + Earmarked) is £112.6m as at the end of March 2025 which represents 22.8% of the 2023/24 net budget.
- 23.10** Somerset Council will inherit a good level of General Reserves at £47.5m which is 9.6% of the 2023/24 net budget. The range for level of General Reserves has been set as being between a minimum of £30m and a maximum of £50m.
- 23.11** The projected level of Earmarked Reserves at the end of March 2025 are forecast to be £65.1m after taking into account the 2022/23 forecast outturns, previous commitments and use in supporting the 2023/24 budget. This is at the lower end of the spectrum for a unitary council of its size and with the risks it faces.
- 23.12** The final reserves position will be known once the 2022/23 statement of accounts for the 5 councils have been finalised and a full review of the reserves will be undertaken following this.
- 23.13** A good level of Reserves and Balances will need to be maintained as it remains possible that further shocks will emerge alongside the existing financial challenges and the work towards implementing the new council and its savings programme.
- 23.14** The s151 officer is content that there are adequate levels of Reserves and Balances for the 2023/24 Budget and for the early stages of the MTFs beyond. However, this position may be significantly eroded should the Council not be able to deliver the

savings built into the 2023/24 budget proposals. The position will need to be reviewed constantly throughout 2023/24 and earlier corrective action may be required should any forecast indicate that Reserves and Balances could become near-exhausted before any sustainable financial plan is in place.

**23.15** The government have confirmed that they have extended the dedicated schools grant (DSG) statutory override for a further 3 years up to 31 March 2026. DfE guidance states that "...DSG is a ring-fenced specific grant separate from the general funding of local authorities, and that any deficit an authority may have on its DSG account is expected to be carried forward to the next year's schools budget and does not require to be covered by the authority's general reserves." Therefore, I have not taken the size of this deficit into account for the purposes of this Section 25 report.

**23.16** This means that the DSG deficits is separated from the wider reserves. The council is in the first phase of the Delivering Better Value in SEND interventions programme to develop plans to ensure the in-year position is balanced and then will enable progression into the Safety Value Programme which will enable a process for the removal of the historic deficit.

**23.17** Reserves and Balances can only be used once. They are therefore best suited to bridging any financial deficit pending a recurrent savings plan or, even more desirable, for investing in one-off initiatives that deliver policy value and / or provide returns on investments e.g., savings.

### **Section 25 opinion of the Chief Finance Officer (Section 151 Officer)**

**23.18** While there are councils that have issues or are facing section 114 notices, that is not the case in Somerset at this stage. That is because the Council has sufficient Reserves and Balances for 2023/24. It cannot be ruled out that the Somerset Council may well find itself in a situation where it has not been possible to develop a comprehensive savings programme over the next 3 years that largely eliminates any in-year deficit. The Council, its Members and officers therefore should carefully consider this Section 25 opinion and guard against complacency and the risk of a section 114 notice in the foreseeable future.

### **Conclusions of the Section 151 Officer**

**23.19** Based on the risks and issues raised in this report, in my opinion as Section 151 Officer is that:

- a) the **budget proposals are robust** for the calculation of the budget within the confines of the many risks noted throughout this report
- b) the **proposed level of Council reserves are adequate** to support the budget for 2023/24 having regard to an assessment of current financial and other risks set out extensively in this report and assuming these risks do not increase

beyond those that can be contained by the Council. Particular attention is drawn to the following specific conditions and risks:

- (i) the recommended level of general balances is kept in the range of £30m to £50m and that for 2023/24 these are forecast to be £47.5m, which is at the higher end of range and reflects the higher level of risk with the 2023/24 being the first budget for Somerset Council and the current economic conditions.
- (ii) the budget includes £6m corporate contingency to reflect the considerable risks the Council is facing.
- (iii) the forecast level of Earmarked Reserves at the end of March 2025 is £65.1m which is at the lower end of the spectrum for a unitary council of this size.



## **Report Sign-Off**

		Date completed
Legal Implications	Honor Clarke	01/02/2023
Governance	Scott Wooldridge	01/02/2023
Corporate Finance	Jason Vaughan	30/01/2023
Customers, Digital and Workforce	Chris Squire	31/01/2023
Property	Paula Hewitt / Oliver Woodhams	31/01/2023
Procurement	Claire Griffiths	01/02/2023
Senior Manager	Jason Vaughan	30/01/2023
Commissioning Development	Sunita Mills / Ryszard Rusinek	31/01/2023
Executive Member	Cllr Liz Leyshon - Deputy Leader of the Council and Lead Member on Finance and Human Resources	30/01/2023
<b><u>Sign-off Key Decision / Consulted on Non-Key Decision</u></b>		
Local Member	All	
Opposition Spokesperson	Opposition Spokesperson - Finance and Human Resources - Cllr Mandy Chilcott	Sent report 30/01/2023
Scrutiny Chair	Scrutiny for Policies and Place Committee - Cllr Gwil Wren	Sent report 30/01/2023

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Summary of Budgets by Service

Appendix 1

	Revised Combined Budget 2022/23 £m	Proposed Budget 2023/24 £m	Indicative Budget 2024/25 £m	Indicative Budget 2025/26 £m
<b>Adult Services</b>				
Commissioning	(46.461)	(62.078)	(69.632)	(72.582)
Adult Social Care	88.853	111.843	134.235	157.133
Mental Health	20.970	26.565	32.050	37.637
Learning Disabilities	66.546	79.772	89.672	99.638
Discovery	29.776	30.532	35.829	38.369
<b>Adult Services Total</b>	<b>159.684</b>	<b>186.634</b>	<b>222.154</b>	<b>260.195</b>
<b>Children's Services</b>				
Children and Families Operations	70.103	81.799	85.724	89.242
(Children's) Commissioning Central	10.417	10.515	9.877	10.055
Inclusion	22.600	29.022	32.046	33.135
Education, Partnerships & Skills	1.353	0.998	0.998	0.998
Lead Commissioner	0.560	0.733	0.733	0.733
Schools	0.000	0.000	0.000	0.000
Early Years	0.000	0.000	0.000	0.000
<b>Children's Services Total</b>	<b>105.033</b>	<b>123.067</b>	<b>129.377</b>	<b>134.163</b>
<b>Communities Services</b>				
Customers & Communities	7.740	7.459	7.459	7.459
Scientific Services	0.000	0.000	0.000	0.000
Registration	(0.168)	(0.228)	(0.228)	(0.228)
Library Service	3.849	3.796	3.796	3.796
Heritage Service	1.644	1.749	1.989	1.989
Building control	0.593	0.460	0.453	0.451
Environmental Health	4.307	4.209	4.197	4.185
Bereavement Services	(0.894)	(1.160)	(1.160)	(1.160)
Harbours	0.357	0.318	0.318	0.318
Ports	0.040	0.040	0.040	0.040
Street Cleansing	4.844	4.966	5.066	5.138
Housing Enabling	0.428	0.411	0.411	0.411
Housing Strategic	1.100	1.295	1.295	1.295
Homelessness	4.477	4.235	4.298	4.341
(wellbeing) Community Safety	0.560	0.452	0.422	0.422
CCTV	0.523	0.652	0.602	0.602
Lifeline	(0.376)	(0.475)	(0.594)	(0.722)
(wellbeing) Community Grants	1.106	1.025	1.025	1.025
Open Spaces	3.394	3.116	3.066	3.066
Leisure - Sports Centre	2.419	2.045	1.245	1.245
Museum/ Theatres	0.617	0.616	0.616	0.616
Visitor Centre	0.116	0.100	0.100	0.100
Tourism	0.143	0.143	0.143	0.143
<b>Communities Services Total</b>	<b>36.820</b>	<b>35.223</b>	<b>34.558</b>	<b>34.531</b>
<b>Climate &amp; Place</b>				
Economy and Planning	2.362	2.249	2.277	2.305
Highways and Transport Commissioning	1.971	1.788	1.563	1.563
Community Infrastructure	0.615	0.615	0.615	0.615
Civil Contingencies	0.408	0.416	0.416	0.416
ECI Management	0.417	0.417	0.417	0.417
Business Support	1.255	1.255	1.255	1.255

	<b>Revised Combined Budget 2022/23</b>	<b>Proposed Budget 2023/24</b>	<b>Indicative Budget 2024/25</b>	<b>Indicative Budget 2025/26</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Infrastructure Programmes Group	0.383	0.383	0.383	0.383
Highways	12.757	16.364	17.970	18.431
Traffic Management	1.201	0.955	1.454	1.484
Transporting Somerset	9.273	9.341	9.558	9.674
Car Parks	(6.055)	(7.324)	(7.324)	(7.324)
Somerset Waste Partnership	48.747	49.419	52.788	54.646
SCC Waste	(1.742)	0.014	0.014	0.014
Commissioning Development	0.075	0.075	0.075	0.075
Development control	2.094	1.514	1.514	1.314
Planning policy	2.775	3.473	3.473	3.473
Economic development	2.946	2.780	2.713	2.698
Drainage Board Levy	2.009	2.279	2.279	2.279
Climate Change Costs	1.301	0.797	0.649	0.649
Fleet Management	0.289	0.294	0.294	0.294
<b>Climate &amp; Place Total</b>	<b>83.082</b>	<b>87.104</b>	<b>92.384</b>	<b>94.660</b>
<b>Strategy, Workforce &amp; Localities</b>				
Communications	1.237	1.237	1.237	1.237
Transformation & Change	2.278	2.169	2.169	2.169
Human Resources & Organisational Development	5.226	5.062	5.062	5.062
Learning and Development	1.193	0.893	0.893	0.893
Democratic Services	7.428	4.591	4.591	4.591
Legal Services	5.344	5.623	5.623	5.623
Performance	0.390	0.390	0.390	0.390
Community development	1.110	0.790	0.490	0.490
Land Charges	(0.598)	(0.596)	(0.596)	(0.596)
<b>Strategy, Workforce &amp; Localities Total</b>	<b>23.607</b>	<b>20.159</b>	<b>19.859</b>	<b>19.859</b>
<b>Resources &amp; Corporate Services</b>				
ICT	15.984	17.770	17.686	17.726
Finance	7.755	7.441	7.341	7.341
Revenues	1.539	1.670	1.670	1.670
Housing Benefits	1.194	1.062	1.062	1.062
Commercial & Procurement	1.517	1.699	1.699	1.699
Property Services	10.325	11.925	13.216	14.029
Commercial Investment Properties	(19.394)	(21.094)	(20.794)	(20.294)
<b>Resources &amp; Corporate Services Total</b>	<b>18.920</b>	<b>20.474</b>	<b>21.882</b>	<b>23.234</b>
<b>Public Health</b>				
Public Health	1.336	1.236	1.236	1.236
<b>Public Health Total</b>	<b>1.336</b>	<b>1.236</b>	<b>1.236</b>	<b>1.236</b>
<b>Local Government Reorganisation</b>				
Local Government Reorganisation	9.404	4.023	0.000	0.000
Local Government Reorganisation - Savings	0.000	(3.900)	(7.900)	(12.300)
<b>Local Government Reorganisation Total</b>	<b>9.404</b>	<b>0.123</b>	<b>(7.900)</b>	<b>(12.300)</b>
<b>Service Total (Above the Line)</b>	<b>437.886</b>	<b>474.020</b>	<b>513.549</b>	<b>555.580</b>

	<b>Revised Combined Budget 2022/23 £m</b>	<b>Proposed Budget 2023/24 £m</b>	<b>Indicative Budget 2024/25 £m</b>	<b>Indicative Budget 2025/26 £m</b>
<b>Non Service Items</b>				
<b>Corporate Contingency</b>				
Contingency	6.000	6.000	6.000	6.000
<b>Corporate Contingency Total</b>	<b>6.000</b>	<b>6.000</b>	<b>6.000</b>	<b>6.000</b>
<b>Accountable Bodies</b>				
Somerset Rivers Authority	2.941	3.013	3.028	3.043
Local Enterprise Partnership	0.910	0.000	0.000	0.000
Connecting Devon & Somerset (CDS)	0.841	0.674	0.611	0.615
<b>Accountable Bodies Total</b>	<b>4.692</b>	<b>3.688</b>	<b>3.639</b>	<b>3.658</b>
<b>Corporate Areas</b>				
<b>CDC/NDC</b>				
CDC/NDC - Corporate Management	5.077	4.488	4.488	4.488
Chief Executive	2.761	2.646	2.646	2.646
<b>Contributions</b>				
Environment Agency	0.746	0.761	0.776	0.776
Devon & Severn Inshore Fisheries Conservation	0.121	0.122	0.123	0.123
<b>Corporate Costs</b>				
Discontinued Services	2.982	2.916	2.922	2.922
Pensions Deficit	5.586	(1.294)	(0.794)	(0.294)
Subscriptions	0.115	0.115	0.115	0.115
Apprenticeship Levy / Reclaim	0.379	0.379	0.379	0.379
Resilience for Business As Usual	1.473	0.000	0.000	0.000
<b>Financing Transactions</b>				
Central Debt Charges:				
Debt Charges Principal	11.365	21.462	24.462	27.462
Debt Charges Interest	16.211	32.117	38.717	44.317
Investment Income	(3.616)	(13.000)	(13.000)	(13.000)
RCCO	3.934	0.000	0.000	0.000
Forecast Pay Award	0.000	15.337	20.748	26.891
Residual Magistrates Courts	0.005	0.005	0.005	0.005
<b>Corporate Areas Total</b>	<b>47.140</b>	<b>66.054</b>	<b>81.587</b>	<b>96.831</b>
<b>Special Grants</b>				
Devon & Severn Inshore Fisheries Conservation A	(0.134)	(0.134)	(0.134)	(0.134)
Extended Rights to Free Travel	(0.611)	(0.611)	(0.611)	(0.611)
New Homes Bonus	(6.328)	(3.813)	(3.813)	0.000
22/23 Services Grant	(6.098)	(3.198)	(3.198)	0.000
Market Sustainability and Fair Cost of Care Fund	(1.686)	(5.848)	(8.794)	0.000
Local Reform and Community Voices	(0.350)	(0.350)	(0.350)	(0.350)
Rural Services Delivery Grant	(3.204)	(3.205)	(3.205)	(3.205)
Social Care Support Grant	(24.591)	(39.246)	(45.052)	(88.572)
Other District Grant Income	(0.183)	0.000	0.000	0.000
<b>Special Grants Total</b>	<b>(43.186)</b>	<b>(56.405)</b>	<b>(65.157)</b>	<b>(92.872)</b>
<b>Net Budget Requirement</b>	<b>452.532</b>	<b>493.357</b>	<b>539.619</b>	<b>569.197</b>

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Summary of Transformation, Income, and Savings by Executive Directorate

Appendix 2

Ref	Directorate	Risk Assessment	Title	Brief Description	Director	2023/24 £m	2024/25 £m	2025/26 £m	Pending EIA
1	Non-Service	Low	Reduction in pension costs	Reduction in number of retirees for historic pension costs	Jason Vaughan	(0.102)	0.000	0.000	N/A
10		Low	Outcome of Pensions Actuarial Review	Reduced pension costs post actuarial review	Jason Vaughan	(7.000)	0.500	0.500	N/A
2		Low	Reduction in Senior Management Costs	Reduction in senior management costs as outlined in the LGR Business Case	Alyn Jones/ Jason Vaughan	(2.900)	0.000	0.000	Completed
3		Medium	Reduction in staffing costs	Reduction in staff costs as outlined in the LGR Business Case	Alyn Jones/ Jason Vaughan	(1.000)	(4.000)	(4.400)	Yes
	<b>Non-Service Total</b>					<b>(11.002)</b>	<b>(3.500)</b>	<b>(3.900)</b>	
4	Resources	High	Systems consolidation through contracts and licence rationalisation	ICT consolidation in systems, contracts and licences as outlined in the LGR business case	Jason Vaughan	(0.248)	0.000	0.000	Yes when individual decisions are made
5		Low	Property - Rental Income	Additional rental income from council owned premises	Jason Vaughan	(0.502)	(0.003)	0.000	N/A
6		Low	Rationalisation of contracts for mobiles, apps, decommissioning equipment, software, and other contracts	ICT consolidation including mobile phones, applications, licences and other equipment including decommissioning from low risk contracts	Jason Vaughan	(0.595)	(0.081)	0.000	Yes when individual decisions are made
7		Low	LGR savings in Internal Audit	Revised Contract cost for Internal Audit as a consequence of LGR	Jason Vaughan	(0.140)	(0.100)	0.000	N/A
8		Low	Review of Telephone line usage	Audit of requirement and reduction of PSTN lines (lifts, alarms etc.)	Jason Vaughan	(0.050)	0.000	0.000	N/A
9		Low	Various Supplies and Services	Reduction in Printing and Stationery, Car Allowances, Comms and Computing costs budget	Jason Vaughan	(0.006)	0.000	0.000	N/A
11		Low	Dividends from Companies	Income from dividends from Council owned companies	Jason Vaughan	(1.700)	0.300	0.500	N/A
12		Low	Reduction in insurance premiums from having one contract	Savings in Insurance from having one contract	Jason Vaughan	(0.400)	0.000	0.000	N/A
13		Low	Reduction in contract costs for Treasury Management Advice	Savings in Treasury Management advice from having one contract	Jason Vaughan	(0.025)	0.000	0.000	N/A
14		Low	Housing Benefit Admin Grant	Increase in Administration Grant of 2%	Jason Vaughan	(0.028)	0.000	0.000	N/A

Summary of Transformation, Income, and Savings by Executive Directorate

Appendix 2

Ref	Directorate	Risk Assessment	Title	Brief Description	Director	2023/24 £m	2024/25 £m	2025/26 £m	Pending EIA
15		Low	Council Tax Support Admin Grant	Increase in Administration Grant of 2%	Jason Vaughan	(0.028)	0.000	0.000	N/A
16		Low	Subscriptions	Saving resultant from joining services up - we only need to pay for 1 set of subscriptions & not 4	Jason Vaughan	(0.005)	0.000	0.000	N/A
17		Low	Rental Costs	Budget previously used to fund outreach surgeries in SSDC - no longer required.	Jason Vaughan	(0.005)	0.000	0.000	N/A
18		Low	NNDR Admin Grant	Increase to NNDR Admin grant as is usual each year	Jason Vaughan	(0.016)	0.000	0.000	N/A
19		Low	Discretionary Council Tax Support	This budget is no longer required as now one central provision for support built into the scheme agreed	Jason Vaughan	(0.050)	0.000	0.000	N/A
20		Low	Reduction in Running Costs at Park and Ride Sites	Reduction in running costs following a business rates review.	Jason Vaughan	(0.067)	0.000	0.000	N/A
21		Medium	Absorb SWT general fund maintenance formerly recharged from HRA	Operating model will separate General Fund and Housing Revenue Account (HRA) maintenance functions across the estate, current recharge from HRA to General Fund at Somerset West and Taunton District Council will cease.	Jason Vaughan	(0.332)	0.000	0.000	N/A
22		Medium	Consolidation and Optimisation of Maintenance and Facilities Management Services	Consolidation of maintenance and facilities management incl repairs and maintenance budgets	Jason Vaughan	(0.294)	(0.050)	0.000	N/A
23		Medium	Firewall consolidation	Consolidation of contract	Jason Vaughan	(0.019)	(0.003)	0.000	N/A
24		Medium/High	Property Rationalisation and Divestment	Savings in premises running costs from property rationalisation, disposal and asset transfer or divestment. These savings will be delivered through reviews of the Somerset Council property estate and asset devolution initiatives.	Jason Vaughan	(0.147)	(0.225)	(0.200)	Yes when individual decisions are made
	<b>Resources Total</b>					<b>(4.658)</b>	<b>(0.162)</b>	<b>0.300</b>	
25	<b>Communities Services</b>	High	Reduction in CCTV maintenance budget across the whole Somerset service at 20%	Reduction in CCTV maintenance budget across the whole Somerset service. At 20% this will equate to a reduction in roughly 46 cameras across Somerset from the current 225 total provision	Chris Hall	0.000	(0.050)	0.000	Yes
26		High	Supplies and Services	Various savings in marketing and promotions in Building Control	Chris Hall	(0.005)	0.000	0.000	Yes
27		High	South Somerset Heritage Collection	Reduction in operating costs for the South Somerset Heritage Collection	Chris Hall	(0.001)	0.000	0.000	Yes
28		Low	Supplies and Services	Various savings including printing and postages	Chris Hall	(0.031)	0.000	0.000	N/A
29		Low	Homefinder Somerset contract with Locata	The contract for the annual support costs to provide the front and back office systems to administer Homefinder Somerset will fall by 33% from the 1st of April 2023 following LGR.	Chris Hall	(0.016)	0.000	0.000	N/A
30		Low	Countryside - Increased Café and agri environment income	Income generation is already strong but could improve next year.	Chris Hall	(0.013)	0.000	0.000	N/A
31		Low	Cessation of SWT External Harbour Master Contract	Saving already implemented in September 2022.	Chris Hall	(0.018)	0.000	0.000	N/A
32		Low	Reduction in Watchet Harbour dredging activity	There is no minimum specification for the annual dredging undertaken by SWT and the budget holder advises that the annual dredging budget can be safely reduced by 20K and still enable adequate dredging to be undertaken.	Chris Hall	(0.020)	0.000	0.000	N/A



Summary of Transformation, Income, and Savings by Executive Directorate

Appendix 2

Ref	Directorate	Risk Assessment	Title	Brief Description	Director	2023/24 £m	2024/25 £m	2025/26 £m	Pending EIA
33		Low	Cessation of Pest Control Service in South Somerset District	South Somerset DC provide an in-house pest control service serving primarily domestic customers, but with some commercial customers. This service is non-statutory and is no longer provided by the other 3 district councils.	Chris Hall	(0.046)	0.000	0.000	Yes
34		Low	Increased Berrow & Brean Beach Parking fees	An annual increase of 50 pence for car parking (this could potentially be increased at a faster rate subject to a future review)	Chris Hall	(0.010)	(0.012)	(0.012)	Yes
35		Low	Consolidate and increase Licensing Fees	Fees and charges consolidated as far as possible, but with some local variation to continue. Detailed justification created for all charges. Whilst many charges have increased, the overall income budget has not increased because original budgets were overstated.	Chris Hall	0.000	0.000	0.000	N/A
36		Low	Increased Environmental Health fees	Fees and charges increase has only been calculated for Year 1 including the amalgamation of charges from 4x Districts. A separate annual fee setting process will be required for future years.	Chris Hall	(0.042)	0.000	0.000	N/A
37		Low	Increase Harbour fees (SWT area)	Fees and charges increase has only been calculated for Year 1. A separate annual fee setting process will be required for future years.	Chris Hall	(0.001)	0.000	0.000	N/A
38		Low	Registration Services: Ceremony fees	Ceremony fees have not changed since 2019. The fee increase being considered would bring fees back in line with full cost recovery.	Chris Hall	(0.060)	0.000	0.000	Yes
39		Low	The provision of physical newspapers in libraries	Currently libraries provide a range of National Newspapers at 12 of the 19 core libraries and a local newspaper at every library (including the Community Library Partnerships – apart from 1 library where there is no local newsagent). This proposal would end the provision of physical national newspapers, whilst retaining local publications.	Chris Hall	(0.011)	0.000	0.000	Yes
40		Low	Online Information Resources	Somerset Libraries currently provides a small selection of online information resources, free to use with a library card. The proposal would reduce the range of online subscriptions.	Chris Hall	(0.012)	0.000	0.000	Yes
41		Low	Printing service	This option represents a full year contract efficiency saving as a new printing solution has been implemented.	Chris Hall	(0.013)	0.000	0.000	N/A
42		Low	Libraries outreach vehicle	An outreach vehicle is used to represent the service at a range of outreach events. The vehicle is ageing and likely to be more costly to maintain. There is also a lack of qualified drivers.	Chris Hall	(0.008)	0.000	0.000	N/A
43		Low	Community Library Partnerships (CLP) underspend	Removal of budget due to previous underspend	Chris Hall	(0.009)	0.000	0.000	N/A
44		Low	One-Off Use of Disabled Facilities Grant (DFG) to Fund Equipment	Increase the base income budget to account for 22/23 over recovery in income. This is a demand led service, however it anticipated that the income would remain at the revised level.	Chris Hall	(0.090)	0.000	0.000	N/A
45		Low	Bereavement Services - Increase in fees and charges	Fees and charges have been reviewed for year 1 2023/24 and an agreed inflation figure applied.	Chris Hall	(0.176)	0.000	0.000	N/A
46		Medium	SBCP Somerset Building Control Partnership Charges alignment	Fees to be aligned for the new authority. An economic downturn could also result in low numbers of applications meaning a fall in income.	Chris Hall	(0.050)	0.000	0.000	N/A
47		Medium	Payments to Contractors	Dependent on number of DS's small reduction allowed	Chris Hall	(0.001)	0.000	0.000	N/A

Summary of Transformation, Income, and Savings by Executive Directorate

Appendix 2

Ref	Directorate	Risk Assessment	Title	Brief Description	Director	2023/24 £m	2024/25 £m	2025/26 £m	Pending EIA
48		Medium	SDDC Yeovil Recreation Centre	Yeovil Recreation Centre has diversified its offer in 2021 including construction of a new community space. Booking income from this space can now be added to the budget . Rising energy costs prevent any further income opportunities.	Chris Hall	(0.003)	0.000	0.000	N/A
49		Medium	Tor Sports & Leisure (Fusion Lifestyle)Temporary Rent Savings	Temporary rent savings due to short closure of Tor Sports as part of its redevelopment as part of Glastonbury Town Deal. Requires negotiation with operator.	Chris Hall	(0.011)	0.000	0.000	N/A
50		Medium	Freedom Leisure Contract savings	End of annual payments to Freedom Leisure in South Somerset who run 4 x leisure facilities. Budget of 669K per annum was built into SDDC MTFP, from 2023/4 not required as per contract with operator.	Chris Hall	(0.669)	0.000	0.000	N/A
51		High	Contract rationalisation - IDV contract	Natural insource of ground care services at the end of contractual terms (MDC Nov 23, SWaT Feb 24)	Chris Hall	(0.100)	(0.100)	0.000	N/A
52		Medium	Somerset Lifeline - 3% increase on subscription fees for all current customers	Increase in service subscription fees by 3% in year 1. This is based upon 2021/22 customer numbers and has taken into consideration the average closed accounts per year.	Chris Hall	(0.032)	0.032	0.000	Yes
53		Medium/High	Possible IN and demolition notice applications fee revenue	Consultation ongoing with regard to Local Authority Building Control charging for Initial Notices and Demolition notices processing. Legislation unlikely to be in place prior to vesting day.	Chris Hall	(0.005)	0.000	0.000	N/A
54		Medium/High	Somerset Lifeline - Alignment of fees and charges for new customers from April 2023	Increase in fees and charges for new customers. This modelling is based purely on year 1 charges and has been modelled to reflect a move to a 100% move to digital services from 2025 and a 5% increase in customer base.	Chris Hall	(0.106)	(0.141)	(0.128)	Yes
55		Medium/High	Fee earning work from Access Audits, Fire Risk Assessments, Standard Assessment Procedures (SAP) and Air Testing, Simplified Building Energy Model (SBEM), Energy Performance Certificates, and LABC (Local Authority Building Control) Warranties Sound Tests	Possibility of alternative fee earning work. Setting up costs are high risk and medium risk when brand established. The ability to sustain growth and acquire additional business is paramount along with investing in training and development of staff to diversify resources into consultancy work.	Chris Hall	(0.001)	(0.007)	(0.002)	Yes
<b>Communities Services Total</b>						<b>(1.560)</b>	<b>(0.278)</b>	<b>(0.142)</b>	
59	<b>Climate &amp; Place</b>	Low	Subscription to LRF (Local Resilience Forum)	Currently the Somerset Local Authorities together contribute £11,250 towards the LRF Secretariat costs. Reduction has been negotiated	Mickey Green	(0.006)	0.000	0.000	N/A
60		Low	RoW Fees and charges review	Application of annual pay award to hourly rates and review of flat rate fees	Mickey Green	(0.003)	0.000	0.000	N/A
61		Low	Rental Income	SCC rent spaces at Gateway Park & Ride to external organisations. The number of spaces rented have increased to a total of 350 allowing for additional income across the service	Mickey Green	(0.130)	0.000	0.000	N/A
62		Low	20 MPH maintenance budget	Maintenance Budget is not needed in 23/24 as 20MPH signs are still under warranty, will be required from 24-25	Mickey Green	(0.200)	0.200	0.000	N/A
63		Low	Full cost recovery for Street works permitting	Full cost recovery for Street works permitting to include the 'below the line' costs @ £20k per person	Mickey Green	(0.260)	0.260	0.000	N/A
64		Low	Recycle More	The new collection service (Recycle More) results in a saving when fully implemented.	Mickey Green	(3.076)	0.000	0.000	N/A

Summary of Transformation, Income, and Savings by Executive Directorate

Appendix 2

Ref	Directorate	Risk Assessment	Title	Brief Description	Director	2023/24 £m	2024/25 £m	2025/26 £m	Pending EIA
65		Low	Covid Measures	The current budget for covid measures implemented on the waste collection contract will not be needed in 23/24. half of the measures have already been removed in 22/23 (delivering an in-year saving)	Mickey Green	(0.612)	0.000	0.000	N/A
66		Low	Walpole Food gate fee	A gate fee reduction has been negotiated with the contractor.	Mickey Green	(0.020)	0.000	0.000	N/A
67		Low	Bulky waste charging	Bulky Waste increase of 10% CPI figure applied to fees and charges.	Mickey Green	(0.013)	0.000	0.000	Yes
68		Low	Capitalising Containers	Capitalising containers instead of putting them through as stock (revenue)	Mickey Green	(1.076)	0.000	0.000	N/A
69		Low	Bridges - Contract Inflation	We would propose managing the works contract inflation costs within the existing budget, by reducing the delivery of non-essential schemes.	Mickey Green	(0.062)	(0.036)	(0.016)	N/A
70		Low	Fund principal active travel officer from DfT capability fund	Fund this post from a Department for Transport active travel capability fund grant instead of from SCC revenue budget	Mickey Green	(0.051)	0.000	0.000	N/A
71		Low	Estate roads team fully funded from income	Fully fund the estate roads approval team from fees and charges paid by developers for this service.	Mickey Green	(0.029)	0.000	0.000	N/A
72		Low	Reduce budget for Transport Assessment Modelling advice	Reduce contract spend by reducing the amount of consultancy advice utilised (e.g. for traffic modelling advice) when responding to developer transport assessments associated with planning applications.	Mickey Green	(0.008)	0.000	0.000	N/A
73		Low	Increase in discretionary fee income	Income could be increased through a consistent approach towards discretionary fees/ charges that include: PPAs, pre-app advice, S106 etc. An LGR product aims to harmonise fees. This could be set at the highest level across each charging line to maximise fee income.	Mickey Green	(0.100)	0.000	0.000	Yes
74		Low	Acoustic Specialist	Removal of vacant Acoustic Specialist post at SCC, offset against retention of some budget for ad hoc consultancy	Mickey Green	(0.035)	0.000	0.000	N/A
75		Low	Advertising of planning applications	Investigate economies of scale through procurement but funnelling all advertising of planning applications through a single provider	Mickey Green	(0.005)	0.000	0.000	N/A
76		Low	Economic Development - non salary operational changes and efficiencies	Realisation of opportunities for cashable operational efficiencies and marketing/promotional spend savings via unitarisation (including ceasing Mendip business awards scheme)	Mickey Green	(0.015)	0.000	0.000	N/A
77		Low	Economic Development - fees and charges from Somerset Business Hub	Scaling up countywide the Mendip Hub business engagement model in the new Somerset Council will enable additional income from training and support services and introductions to the Trading Standards Primary Authority function	Mickey Green	(0.001)	(0.004)	0.000	N/A
78		Low	Energy savings from installing LED equipment	Energy savings are based on today's electricity rates and will be subject to change as the energy market fluctuates.	Mickey Green	(0.020)	0.000	0.000	N/A
79		Low	Increase in Traffic Management Fees	Increase TTRO (Temporary Traffic Regulation Order) Fees by 10% inflationary costs and introduce charging for TCPA (Town & Country Planning Act) closures	Mickey Green	(0.286)	0.000	0.000	N/A
80		Low	Increase in On-Street Car Parking Fees	Increase Fees by 10% inflationary costs and look at charging all year round	Mickey Green	(0.058)	0.000	0.000	Yes
81		Low	Increase in Off-Street Car Parking Fees	Increase Fees by 10% inflationary costs	Mickey Green	(0.400)	0.000	0.000	Yes
82		Medium	Charging £200 for TPCA closures in the new authority	Consistent approach to charging and cost recovery for events carried out under the TCPA (Town & County Planning Act). As more events move to closures under RTRA (Road Traffic Regulation Act) the income will decrease.	Mickey Green	(0.030)	0.005	0.010	N/A
83		Medium	Materials Income	The Council share risk on recycle revenue with SUEZ. Only 80% of income was budgeted for, with 20% to be held in an earmarked reserve. This will be covered from the general reserve and this saving reflects not requiring a specific reserve.	Mickey Green	(0.444)	0.000	0.000	N/A

Summary of Transformation, Income, and Savings by Executive Directorate

Appendix 2

Ref	Directorate	Risk Assessment	Title	Brief Description	Director	2023/24 £m	2024/25 £m	2025/26 £m	Pending EIA
84		Medium	Garden Waste charging	Garden waste subscription increase of 10% CPI figure applied to fees and charges.	Mickey Green	(0.332)	0.000	0.000	Yes
85		Medium	Demographic Growth	Demographic growth in garden and bulky waste customers resulting in increased income - based on housing growth of 1%	Mickey Green	(0.038)	0.000	0.000	N/A
86		Medium	Increase in assumed fee income	The planning application fee is set nationally. The quantum of fee income is a product of economic activity over which the Council has little control. However, a review of assumed fee income over the past few years indicates that an increase in fees could be assumed, albeit this carries some risks.	Mickey Green	(0.100)	0.000	0.000	N/A
87		Medium	Neighbour Notifications	Reduction in printing and postage costs by taking a consistent approach not to send neighbour notifications	Mickey Green	(0.025)	0.000	0.000	Yes
88		Medium	Trading Standards - managed service levels and staffing reduction	Reduction/removal of discretionary trading standards activity and staffing levels equivalent to 1 FTE in Somerset, delivered by natural turnover and implementation of succession planning including apprenticeship posts in lieu of senior post to provide savings in the staffing budget.	Mickey Green	(0.050)	0.000	0.000	Yes
89		Medium	Trading Standards - reduced premises requirements at Chelston Depot	Reduction in the amount of premises utilisation by the joint Trading Standards service at the Chelston Depot enabling part of the space to be released for commercial letting (Trading Standards would need to retain a residual presence linked to metrology lab and storage needs)	Mickey Green	(0.003)	(0.003)	0.000	N/A
90		Medium	Economic Development - fees and charges	Growth in income from fees and charges linked to economic development. Means identified include adjusting income at Minehead WSR visitor car park fees to match nearby car parks and reflect increased usage and introduction of charges for events management and organisation	Mickey Green	(0.030)	0.000	0.000	N/A
91		Medium	Economic Development - integrated operating model for workspace	Generation of operating efficiencies and net income growth by aggregating the small business workspace of the five Councils under a single transformed operating model	Mickey Green	(0.020)	(0.060)	(0.015)	N/A
92		Medium	Additional Park and Ride income	Additional income from park and ride service	Mickey Green	(0.060)	(0.017)	0.026	N/A
93		Medium	Concessionary Fares	Reduction in Concessionary Fares Budget	Mickey Green	(0.100)	0.000	0.000	N/A
95		Medium/High	Reduction of Agency staff	Long term approach to recruitment and retention should enable less reliance on agency staff. Saving is broad brush based on considered potential.	Mickey Green	0.000	0.000	(0.200)	N/A
96		Medium/High	Modifications and Pubic Path Order Notices (PPO)	New regulations will not require newspaper adverts for modification and public path order notices	Mickey Green	(0.004)	0.000	0.000	Yes
	<b>Climate &amp; Place Total</b>					<b>(7.700)</b>	<b>0.346</b>	<b>(0.195)</b>	
97	<b>Adults Service</b>	Low	Community focused redesign of traditional service	New project to redesign service delivery using community partnerships - achievable within existing resources/activities	Mel Lock	(0.025)	0.000	0.000	Once report is produced
98		Low	Public Health Grant - Funding Services	Contribution from public health for relevant promotional activities	Mel Lock	0.000	0.000	(0.900)	N/A
99		Low	One-Off Use of Disabled Facilities Grant (DFG) to Fund Equipment	Consolidation of historical underspends of DFG in districts into one fund for aids and adaptations	Mel Lock	(3.500)	3.500	0.000	N/A
100		Medium	Newton Europe - estimated savings in Adult services	Newton Europe engaged in Quarter 3 2022/2023 for diagnostic work to identify process improvements and associated savings - recommendations expected in February 2023	Mel Lock	(5.000)	(5.000)	0.000	Once report is produced

Summary of Transformation, Income, and Savings by Executive Directorate

Appendix 2

Ref	Directorate	Risk Assessment	Title	Brief Description	Director	2023/24 £m	2024/25 £m	2025/26 £m	Pending EIA
101		Low	BCF/ICB Once Off Funding	Once off Government funding via Better Care Fund in collaboration with NHS partners.	Mel Lock	(2.000)	2.000	0.000	N/A
	<b>Adults Service Total</b>					<b>(10.525)</b>	<b>0.500</b>	<b>(0.900)</b>	
102	<b>Children's Services</b>	Low	Public Health Grant - Funding Services	Contribution from public health for activities in 2025/2026 to support healthy lifestyles for children and young people aged 6 months to 25 years.	Claire Winter	0.000	0.000	(0.900)	N/A
103		Medium	Family Intervention Service - Invest to Save Proposal	Savings made by expanding the Family Intervention Service to provide care and support to children under 16 in unregistered placements. This would replace the current spot purchasing of external agency staff to undertake this role. The Family Intervention Service will provide better quality and lower cost care and support.	Claire Winter	(0.500)	0.000	0.000	N/A
104		Medium	Family Safeguarding	Savings made by reducing the need for children to come into the County's care as a result of the impact of the multi-disciplinary Family Safeguarding Team's work with families.	Claire Winter	(1.269)	0.000	0.000	N/A
105		High	Diagnostic Review of Children's Services	Estimated savings from a review by Impower. Impower's findings will need to be assessed once the review is completed.	Claire Winter	(1.000)	0.000	0.000	Once report is produced
106		Medium	Turnover Factor in Children's Services	Savings from salary payments between the time when a staff member leaves the organisation and a new member of staff starts their employment.	Claire Winter	(0.500)	0.000	0.000	N/A
107		Low	Early Help Fund	Savings of £200,000 which represent the amount for unallocated small grants for bespoke projects to support vulnerable children which were available to local groups from SCC via the Somerset Community Foundation. There has been a low take up from this fund by local groups.	Claire Winter	(0.200)	0.000	0.000	N/A
108		Medium	Homes to Inspire - Strategic Partnership	Savings made by moving children from unregistered and external residential placements to in-house residential homes, run through the strategic partnership with The Shaw Trust.	Claire Winter	(0.820)	(1.109)	(0.469)	Already reviewed previous years
109		Medium	Homes to Inspire - Strategic Partnership 16/17 Staying Close Pods	Savings made by moving young 16/17 year olds out of supported living in external semi-independent placements to in-house staying close pods run through the strategic partnership with The Shaw Trust.	Claire Winter	(0.337)	0.000	0.000	Already reviewed previous years
	<b>Children's Services Total</b>					<b>(4.625)</b>	<b>(1.109)</b>	<b>(1.369)</b>	
110	<b>Public Health</b>	Low	Communications Support within 'Stronger Communities'	Reduction in dedicated communications support for the Central Volunteer Team to promote volunteering in SCC services.	Trudi Grant	(0.010)	0.000	0.000	N/A
111			'Stronger Communities' Project Funding	Reduced funding for projects within Stronger Communities (Community Development, Volunteering, Armed Forces Covenant and VCSE Engagement/Support). Remaining SCC funding will enable Public Health to fulfil its agreements within Stronger Communities.	Trudi Grant	(0.018)	0.000	0.000	N/A
112		Medium	Somerset Integrated Domestic Abuse Service	Reduction in SCC's contribution for the 'Somerset Integrated Domestic Abuse Service' contract. A provider has won 3 of the 5 lots and is able to reduce establishment costs as a result.	Trudi Grant	(0.072)	0.000	0.000	N/A
	<b>Public Health Total</b>					<b>(0.100)</b>	<b>0.000</b>	<b>0.000</b>	

Summary of Transformation, Income, and Savings by Executive Directorate

Appendix 2

Ref	Directorate	Risk Assessment	Title	Brief Description	Director	2023/24 £m	2024/25 £m	2025/26 £m	Pending EIA
113	Strategy, Performance & Localities	Low	Reduction in Member Allowances	Reduction in Council Members from 320 to 110	Alyn Jones	(0.520)	0.000	0.000	N/A
114		Low	Reduction in other Member costs	Reduction in Council Members from 320 to 110	Alyn Jones	(0.044)	0.000	0.000	N/A
115		Low	Savings from duplication of district and county supplies	Reduction from printing and other supplies in district base budgets	Alyn Jones	(0.050)	0.000	0.000	N/A
	<b>Strategy, Performance &amp; Localities Total</b>					<b>(0.614)</b>	<b>0.000</b>	<b>0.000</b>	
	<b>Grand Total</b>					<b>(40.785)</b>	<b>(4.203)</b>	<b>(6.206)</b>	



Transformation, Income, and Saving Proposal No 25

## Somerset Equality Impact Assessment

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

<u>Organisation prepared for</u>	Somerset County Council		
<u>Version</u>	<u>1</u>	<u>Date Completed</u>	<u>28-12-22</u>
<u>Description of what is being impact assessed</u>			
Decision to make a Reduction in CCTV maintenance budget across the whole Somerset service at 20%			
<u>Evidence</u>			
<p><b>What data/information have you used to assess how this policy/service might impact on protected groups?</b> Sources such as the <a href="#">Office of National Statistics</a>, <a href="#">Somerset Intelligence Partnership</a>, <a href="#">Somerset’s Joint Strategic Needs Analysis (JSNA)</a>, Staff and/ or <a href="#">area profiles</a>,, should be detailed here</p>			
<p>CCTV plays an important role in public reassurance and improving perceptions of safety and can play a role in the prevention and detection of crime. There are a total 235 cameras across Somerset.</p> <p>Royal College of Policing (2022) research suggests that CCTV is most effective in reducing crime when it is actively monitored. CCTV assists in creating a safer environment, which is a focus for the National and regional Violence Against Women and Girls</p>			

Strategy. However there is no specific evidence that proves a link between a reduction in VAWG offences and CCTV. [Physical environment interventions | College of Policing](#)

[Sedgemoor District Councils bi-annual fear of crime survey clearly demonstrates that the public feel safer with the presence of effective CCTV within the area. This survey was sent out to 5000 local residents and of the 3671 replies, 100% of residents stated that 'yes' they feel safer as opposed to 'no' they don't.](#)

The average cost of maintaining a camera is £1074. The result of reducing the maintenance budget will not necessarily equate to the loss of cameras or at least, not for some time. It would be something that happens over a period of years. What it will mean is a reduction in the quality of repairs and maintenance services supplied by the supplier (SEC). Cameras last for about 10-15 years with maintenance but over time, without the required level of maintenance, cameras will start to be beyond repair and be decommissioned.

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

This proposal to make a saving is a requirement of the LGR work and timeframe dictated the process which did not allow for consultation with stakeholders outside of the Family and Community Safety Service Alignment Sub workstream.

Analysis of impact on protected groups

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

Protected group	Summary of impact	Negative outcome	Neutral outcome	Positive outcome
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<b>Age</b>	<ul style="list-style-type: none"> <li>• Younger people are less risk averse and lower perception of fear of crime but are more likely to be victims or perpetrators.</li> <li>• CCTV has a positive impact on fear of crime in communities. Reducing the budget for maintenance will inevitably lead to reduced CCTV cameras in Somerset. This could lead to increased fear of crime and less opportunity to tackle crime.</li> </ul>	⊗	□	□
<b>Disability</b>	<ul style="list-style-type: none"> <li>• CCTV has a positive impact on fear of crime in communities. Reducing the budget for maintenance will inevitably lead to reduced CCTV cameras in Somerset. This could lead to increased fear of crime and less opportunity to tackle crime.</li> </ul>	□	⊗	□
<b>Gender reassignment</b>	<ul style="list-style-type: none"> <li>• CCTV has a positive impact on fear of crime in communities. Reducing the budget for maintenance will inevitably lead to reduced CCTV cameras in Somerset. This could lead to increased fear of crime and less opportunity to tackle crime.</li> <li>• The inability to use CCTV as evidence of a crime could have a detrimental impact of pursuing justice, especially for incidents of hate crime, or ASB for example</li> </ul>	□	⊗	□
<b>Marriage and civil partnership</b>	<ul style="list-style-type: none"> <li>• No specific impact on this characteristic. However, CCTV has a positive impact on fear of crime in communities. Reducing the budget for maintenance will inevitably lead to reduced CCTV cameras in Somerset. This could lead to increased fear of crime and less opportunity to tackle crime.</li> </ul>	□	⊗	□
<b>Pregnancy and maternity</b>	<ul style="list-style-type: none"> <li>• No specific impact on this characteristic. However, CCTV has a positive impact on fear of crime in communities. Reducing the budget for maintenance will inevitably lead to reduced CCTV</li> </ul>	□	⊗	□

	cameras in Somerset. This could lead to increased fear of crime and less opportunity to tackle crime.			
<b>Race and ethnicity</b>	<ul style="list-style-type: none"> <li>• CCTV has a positive impact on fear of crime in communities. Reducing the budget for maintenance will inevitably lead to reduced CCTV cameras in Somerset. This could lead to increased fear of crime and less opportunity to tackle crime.</li> <li>• The inability to use CCTV as evidence of a crime could have a detrimental impact of pursuing justice, especially for incidents of hate crime, or ASB for example</li> </ul>	⊗	□	□
<b>Religion or belief</b>	<ul style="list-style-type: none"> <li>• CCTV has a positive impact on fear of crime in communities. Reducing the budget for maintenance will inevitably lead to reduced CCTV cameras in Somerset. This could lead to increased fear of crime and less opportunity to tackle crime.</li> <li>• The inability to use CCTV as evidence of a crime could have a detrimental impact of pursuing justice, especially for incidents of hate crime, or ASB for example</li> </ul>	⊗	□	□
<b>Sex</b>	<ul style="list-style-type: none"> <li>• Safe places for women and girls is key aspect of the VAWG strategy in trying to ensure that women and girls are able to access night time economy and be able to walk alone without fear., CCTV has a positive impact on fear of crime in communities. Reducing the budget for maintenance will inevitably lead to reduced CCTV cameras in Somerset. This could lead to increased fear of crime and less opportunity to tackle crime.</li> </ul>	⊗	□	□

<b>Sexual orientation</b>	<ul style="list-style-type: none"> <li>• CCTV has a positive impact on fear of crime in communities. Reducing the budget for maintenance will inevitably lead to reduced CCTV cameras in Somerset. This could lead to increased fear of crime and less opportunity to tackle crime.</li> <li>• The inability to use CCTV as evidence of a crime could have a detrimental impact of pursuing justice, especially for incidents of hate crime, or ASB for example</li> </ul>	☒	☒	☐
<b>Other, e.g. carers, veterans, homeless, low income, rurality/isolation, etc.</b>	<ul style="list-style-type: none"> <li>• CCTV has a positive impact on fear of crime in communities. Reducing the budget for maintenance will inevitably lead to reduced CCTV cameras in Somerset. This could lead to increased fear of crime and less opportunity to tackle crime.</li> </ul>	☐	☒	☐

### Negative outcomes action plan

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

<b>Action taken/to be taken</b>	<b>Date</b>	<b>Person responsible</b>	<b>How will it be monitored?</b>	<b>Action complete</b>
Consider roll out of the fear of crime survey to the whole of somerset	05/05/2023	Rob Semple	CS Team	☐
Utilise Deployable CCTV gained from SSF4	02/06/2023	Clare Stuart	Violence Reduction Unit	☐

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

There will be negative impacts in the reduction of CCTV cameras. However as an average camera can last 10 to 15 years it is difficult to identify which camera, in which location will be lost and therefore any impacts will be seen in the long term, not short term and therefore when each camera is lost an impact assessment will be undertaken to determine the specific impacts of the area where the camera will be lost

<b>Completed by:</b>	<b>Lucy Macready</b>
<b>Date</b>	<b>28-12-22</b>
<b>Signed off by:</b>	<b>Angela Farmer</b>
<b>Date</b>	
<b>Equality Lead/Manager sign off date:</b>	<b>20<sup>th</sup> January 2023</b>
<b>To be reviewed by:</b> (officer name)	
<b>Review date:</b>	



## Transformation, Income, and Saving Proposal No 26

# Somerset Equality Impact Assessment

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

Organisation prepared for	Building Control		
Version	1	Date Completed	28/12/2022
Description of what is being impact assessed			
NS-2324-TSIGP-82 and 83 Building Control Marketing (Outside 84 Act) and Seminars, marketing and promotion.			
Evidence			
<b>What data/information have you used to assess how this policy/service might impact on protected groups?</b> Sources such as the <a href="#">Office of National Statistics</a> , <a href="#">Somerset Intelligence Partnership</a> , <a href="#">Somerset's Joint Strategic Needs Analysis (JSNA)</a> , Staff and/ or <a href="#">area profiles</a> ,, should be detailed here			
SDC FinWeb SBCP financial details.			
<b>Who have you consulted with to assess possible impact on protected groups?</b> If you have not consulted other people, please explain why?			
The marketing budget is set for each year. Building Control is in direct competition with the private sector and a loss of market share and reduction in fee income could be possible. An economic downturn could also result in low numbers of applications meaning a fall in income. The insufficient income would not cover expenditure on the fee earning account resulting in extra			

pressure on both the new authority to fund the deficit in the agreed proportions from the none fee earning contribution and Building Control needing to access funds from the ring-fenced surpluses already generated.

Analysis of impact on protected groups

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

Protected group	Summary of impact	Negative outcome	Neutral outcome	Positive outcome
<b>Age</b>	•	□	⊗	□
<b>Disability</b>	•	□	⊗	□
<b>Gender reassignment</b>	•	□	⊗	□
<b>Marriage and civil partnership</b>	•	□	⊗	□

<b>Pregnancy and maternity</b>	<ul style="list-style-type: none"><li>•</li></ul>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>Race and ethnicity</b>	<ul style="list-style-type: none"><li>•</li></ul>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>Religion or belief</b>	<ul style="list-style-type: none"><li>•</li></ul>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>Sex</b>	<ul style="list-style-type: none"><li>•</li></ul>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>Sexual orientation</b>	<ul style="list-style-type: none"><li>•</li></ul>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>Other, e.g. carers, veterans, homeless, low income, rurality/isolation, etc.</b>	<ul style="list-style-type: none"><li>•</li></ul>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

**Negative outcomes action plan**

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

Action taken/to be taken	Date	Person responsible	How will it be monitored?	Action complete
	Select date			<input type="checkbox"/>
	Select date			<input type="checkbox"/>
	Select date			<input type="checkbox"/>
	Select date			<input type="checkbox"/>
	Select date			<input type="checkbox"/>
	Select date			<input type="checkbox"/>
	Select date			<input type="checkbox"/>
	Select date			<input type="checkbox"/>

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

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<b>Completed by:</b>	<b>Paul Grummett</b>
<b>Date</b>	<b>28/12/22</b>
<b>Signed off by:</b>	



<b>Date</b>	
<b>Equality Lead/Manager sign off date:</b>	<b>20.01.2023</b>
<b>To be reviewed by:</b> (officer name)	
<b>Review date:</b>	

## Transformation, Income, and Saving Proposal No 27

# Somerset Equality Impact Assessment

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

<u>Organisation prepared for</u>	South Somerset District Council – South Somerset Heritage Collection		
<u>Version</u>	<u>1</u>	<u>Date Completed</u>	<u>06/01/2023</u>

### Description of what is being impact assessed

Reduction of £1,150 to expenditure budget of South Somerset Heritage Collection. NS-2324-TSIGP-117

Suggest decrease in service budget lines as follows; £700 from consultant and professional fees, £100 from Subscriptions, £200 from Travelling allowances and £100 from Hospitality.

These particular budget nominals have been reviewed and can be reduced to cumulatively generate the £1,150 saving, with lowest service impact, from GM864. The budget nominals included do not impact volunteering, heritage outreach and engagement, interpretation and exhibitions and therefore have low to no impact on visitors, residents, or protected groups. By removing these budgets, you lose the resilience of the Heritage Service to unexpected occurrences and discoveries e.g. toxic substances in donations, actions to mitigate for this will include closer working with the South West Heritage Trust to support on professional heritage and curatorial advice, and greater use of grant funding to deliver project works and build in house knowledge.

### Evidence

**What data/information have you used to assess how this policy/service might impact on protected groups?** Sources such as the [Office of National Statistics](#), [Somerset Intelligence Partnership](#), [Somerset's Joint Strategic Needs Analysis \(JSNA\)](#), Staff and/ or [area profiles](#), should be detailed here

The Heritage Collection strives to deliver a range of volunteering and outreach and engagement activities; sharing heritage and local stories with residents and visitors. The saving proposed here will not impact this work, as those budget lines are preserved, and staffing to deliver activities remains in place. Subsequently the impact of the reduction will not impact any protected groups.

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

Joseph Lewis, Heritage Coordinator and Clare Petherick, Leisure Operations Manager.

#### Analysis of impact on protected groups

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

Protected group	Summary of impact	Negative outcome	Neutral outcome	Positive outcome
Age	<ul style="list-style-type: none"> <li>None</li> </ul>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Disability	<ul style="list-style-type: none"> <li>None</li> </ul>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

<b>Gender reassignment</b>	<ul style="list-style-type: none"><li>• None</li></ul>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>Marriage and civil partnership</b>	<ul style="list-style-type: none"><li>• None</li></ul>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>Pregnancy and maternity</b>	<ul style="list-style-type: none"><li>• None</li></ul>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>Race and ethnicity</b>	<ul style="list-style-type: none"><li>• None</li></ul>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>Religion or belief</b>	<ul style="list-style-type: none"><li>• None</li></ul>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>Sex</b>	<ul style="list-style-type: none"><li>• None</li></ul>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>Sexual orientation</b>	<ul style="list-style-type: none"><li>• None</li></ul>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

<b>Other, e.g. carers, veterans, homeless, low income, rurality/isolation, etc.</b>	<ul style="list-style-type: none"> <li>• None</li> </ul>	□	⊗	□
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**Negative outcomes action plan**  
 Where you have ascertained that there will potentially be negative outcomes, you are required to mitigate the impact of these. Please detail below the actions that you intend to take.

Action taken/to be taken	Date	Person responsible	How will it be monitored?	Action complete
	Select date			□
	Select date			□
	Select date			□
	Select date			□
	Select date			□
	Select date			□
	Select date			□
	Select date			□

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

<b>Completed by:</b>	<b>Katy Menday, Leisure and Recreation Manager</b>
<b>Date</b>	<b>06/01/2023</b>
<b>Signed off by:</b>	<b>Angela Farmer</b>
<b>Date</b>	
<b>Equality Lead/Manager sign off date:</b>	<b>16<sup>TH</sup> January 2023</b>
<b>To be reviewed by:</b> (officer name)	
<b>Review date:</b>	



**Transformation, Income, and Saving Proposal No 33**

## Somerset Equality Impact Assessment

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

<u>Organisation prepared for</u>	Somerset County Council		
<u>Version</u>	V1	<u>Date Completed</u>	09/01/23
<u>Description of what is being impact assessed</u>			
The cessation of the pest control service which is currently available to residents in South Somerset			
<u>Evidence</u>			
<p><b>What data/information have you used to assess how this policy/service might impact on protected groups?</b> Sources such as the <a href="#">Office of National Statistics</a>, <a href="#">Somerset Intelligence Partnership</a>, <a href="#">Somerset’s Joint Strategic Needs Analysis (JSNA)</a>, Staff and/ or <a href="#">area profiles</a>,, should be detailed here</p>			
<p>Pest control is a non-statutory, universal service available to all residents in South Somerset.</p> <p><b>Staff</b> – An options appraisal has considered the approach to pest control and services available in other districts in Somerset. No other authority in Somerset provides a pest control service to the public. Anecdotal evidence received as part of the appraisal suggested that the impact of ceasing the service elsewhere has been negligible with no identified discernible impact on protected groups.</p>			

**Fees and charges data regarding concessionary rates.** In 2020, a detailed review of fees and charges was undertaken. The review considered the actual cost of delivering the service and a comparison of the fees of other commercial operators. The review resulted in a significant increase in the fees for pest control treatments. The impact on customers in receipt of benefits was considered and a concessionary rate was agreed. The review also identified that means tested, concessionary rates were not available from local or national commercial operators.

#### Service Data

User data tells us that as the number of households who use the service who qualify for the concessionary rate is only 13% (80 households) of customers, this equates to less than 1% of all households in the South Somerset area. Such a small number, therefore, tells us that households from Protected Characteristics that might experience a negative impact from ceasing the service would be such that the costs of mitigating these impacts could be considered disproportionate and unreasonable. For example 1% of residents aged over 65 and in receipt of Personal Independence Payment following an award by the DWP would equate to just 71 people (all people)

In 20/21, after operating with the new fee structure for one year, 13% of pest control business was delivered to customers eligible for the discounted rate. This equates to 80 out of a total of 616 visits.

Data regarding the reason/s for concession eligibility is not available. It has been assumed that age and disability are key factors in terms of receipt of benefits.

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

We have not consulted on specific protected groups as this is a universal service available to all.



Analysis of impact on protected groups

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

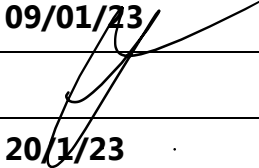

Protected group	Summary of impact	Negative outcome	Neutral outcome	Positive outcome
<b>Age</b>	<ul style="list-style-type: none"> <li>Assumption that customers are more likely to be eligible for benefits and therefore, also eligible for the concessionary fee.</li> </ul>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Disability</b>	<ul style="list-style-type: none"> <li>Assumption that customers with a disability are more likely to be eligible for benefits and therefore, also eligible for the concessionary fee.</li> </ul>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Gender reassignment</b>	<ul style="list-style-type: none"> <li>No impact</li> </ul>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>Marriage and civil partnership</b>	<ul style="list-style-type: none"> <li>No impact</li> </ul>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>Pregnancy and maternity</b>	<ul style="list-style-type: none"> <li>No impact</li> </ul>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>Race and ethnicity</b>	<ul style="list-style-type: none"> <li>No impact</li> </ul>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

<b>Religion or belief</b>	<ul style="list-style-type: none"> <li>No impact</li> </ul>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>Sex</b>	<ul style="list-style-type: none"> <li>No impact</li> </ul>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>Sexual orientation</b>	<ul style="list-style-type: none"> <li>No impact</li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Other, e.g. carers, veterans, homeless, low income, rurality/isolation, etc.</b>	<ul style="list-style-type: none"> <li>Current, means tested discounted rate would no longer be available. Customers are more likely to be eligible for benefits and therefore the concessionary fee, if on a low income.</li> </ul>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

### Negative outcomes action plan

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

Action taken/to be taken	Date	Person responsible	How will it be monitored?	Action complete
Continue to provide advice on preventative measures via website. Ensure that this is available on the new Somerset Council website.	01/04/2023	Tim Cook/Vicki Dawson		<input type="checkbox"/>
	Select date			<input type="checkbox"/>
	Select date			<input type="checkbox"/>

	Select date			<input type="checkbox"/>
	Select date			<input type="checkbox"/>
	Select date			<input type="checkbox"/>
	Select date			<input type="checkbox"/>
	Select date			<input type="checkbox"/>
<b>If negative impacts remain, please provide an explanation below.</b>				
<p>Cessation of pest control service will have a negative impact as concessionary rate will no longer be available. Based on our evidence, this would only affect 13% (80 households) of customers. This equates to less than 1% of all households in the South Somerset area. The only way to mitigate this would be to continue to deliver the service. The option to continue the service is therefore considered to be unreasonable and disproportionate given the low numbers affected as demonstrated in the evidence section above.</p>				
<b>Completed by:</b>	<b>Tim Cook &amp; Vicki Dawson</b>			
<b>Date</b>	<b>09/01/23</b>			
<b>Signed off by:</b>				
<b>Date</b>	<b>20/1/23</b>			
<b>Equality Lead/Manager sign off date:</b>	 <b>Dave Crisfield 25<sup>th</sup> January 2023</b>			
<b>To be reviewed by:</b> (officer name)				
<b>Review date:</b>				



## Transformation, Income, and Saving Proposal No 34

# Somerset Equality Impact Assessment

Organisation prepared for

Sedgemoor District Council

Version

V1

Date

January 2023

Description of what is being impact assessed

The increase of some of the daily rate of parking on the beaches at Brean and Berrow, coming into place in April 2023.

Evidence

**What data/information have you used to assess how this policy/service might impact on protected groups?** Sources such as the Office of National Statistics, Somerset's Joint Strategic Needs Analysis, should be detailed here

There is little data available on the number of car park users and who fall into the different protected characteristics and therefore difficult to establish the scale of the impact for different groups.

The charges haven't increased for some time, it might impact people on low incomes, but it's a 50p increase on a full day ticket – there are still other options for people to park near the beach for less, access onto the beach is free – the charge only comes in when you park on the beach.

There is still a different parking rate for disabled users. For blue badge holder – the daily rate hasn't changed but there has been an increase to the annual parking permit

It is recognised that the increase in charges will affect both residents and visitors and could deter visitors but there are alternative sites available away from the beach for people to use

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

Increase to our internal charging structure, this is not something we would not normally consult on. Once agreed the prices will be made public.

Analysis of impact on protected groups

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

Protected group	Summary of impact	Negative outcome	Neutral outcome	Positive outcome
<b>Age</b>	<ul style="list-style-type: none"> <li>Maybe impact due to the cost-of-living increases, but with a 50p rise, it still makes it an affordable option for a day trip, although there are alternative options available elsewhere to park</li> </ul>	☐	☒	☐
<b>Disability</b>	<ul style="list-style-type: none"> <li>Increase to the Annual disabled car pass (£5 over the whole year), but no increase for daily car rates for blue badge holders, meaning that this is a small impact for those the choose the annual disabled car pass but remains the same of day users with a blue badge</li> </ul>	☐	☒	☐
<b>Gender reassignment</b>	<ul style="list-style-type: none"> <li>No impacts identified</li> </ul>	☐	☐	☐

<b>Marriage and civil partnership</b>	<ul style="list-style-type: none"> <li>No impacts identified</li> </ul>	□	□	□
<b>Pregnancy and maternity</b>	<ul style="list-style-type: none"> <li>No impacts identified</li> </ul>	□	□	□
<b>Race and ethnicity</b>	<ul style="list-style-type: none"> <li>No impacts identified</li> </ul>	□	□	□
<b>Religion or belief</b>	<ul style="list-style-type: none"> <li>No impacts identified</li> </ul>	□	□	□
<b>Sex</b>	<ul style="list-style-type: none"> <li>The 50p increase could be seen to be out of line taking into consideration the cost of living increases being seen more widely. The costs for parking haven't increased for some time and there are alternative sites available for people to park to access the beach.</li> </ul>	□	⊗	□
<b>Sexual orientation</b>	<ul style="list-style-type: none"> <li>No impacts identified</li> </ul>	□	□	□

<p><b>Other, e.g. carers, veterans, homeless, low income, rurality/isolation, etc.</b></p>	<ul style="list-style-type: none"> <li>• The 50p increase could be seen to be out of line taking into consideration the cost of living increases being seen more widely. The costs for parking haven't increased for some time and there are alternative sites available for people to park to access the beach</li> <li>• Carers of disabled people would have no impact if using on the day charge as there is no change. A small impact if using the annual pass</li> </ul>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
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**Negative outcomes action plan**

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

Action taken/to be taken	Date	Person responsible	Action complete
			<input type="checkbox"/>
	Select date		<input type="checkbox"/>

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

The beach by its very nature is a dangerous place, shifting sand and tides, and access to the beach remain issues for the council to consider as part of their responsibilities under Health and Safety Legislation.

The Equality Act 2010 recognises that there may well be times when there is a need to discriminate but in doing so there must be an objective justification.

The Equality Act says discrimination can be justified if the person who's discriminating against can show it's a proportionate means of achieving a legitimate aim. A legitimate aim is the reason behind the discrimination. This reason must not be discriminatory in itself and it must be a genuine or real reason. An example of legitimate aims is the health, safety and welfare of individuals.

<p><b>Completed by:</b></p>	<p><b>Sarah Dowden</b></p>
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<b>Date</b>	<b>January 2023</b>
<b>Signed off by:</b>	<b>Angela Farmer</b>
<b>Date</b>	<b>16<sup>th</sup> January 2023</b>
<b>Review date:</b>	



## Transformation, Income, and Saving Proposal No 38

Before completing this EIA please ensure you have read the EIA guidance notes – available from your Equality Officer			
<b>Version</b>	1.0	<b>Date</b>	15 <sup>th</sup> December 2022
<b>Description of what is being impact assessed</b>			
Increase to customer fees and charges associated with ceremonies (predominantly marriage and civil partnership) and venue applications for a license to hold legal ceremonies.			
<b>Evidence</b>			
<p><b>What data/information have you used to assess how this policy/service might impact on protected groups?</b> Sources such as the <u>Office of National Statistics</u>, <u>Somerset Intelligence Partnership</u>, <u>Somerset’s Joint Strategic Needs Analysis (JSNA)</u>, Staff and/ or <u>area profiles</u>,, should be detailed here</p> <p>The nature of the proposal means that it will impact anyone choosing a civil marriage or civil partnership in Somerset or North Somerset. Customers include residents of both counties as well as non-residents.</p>			
<b>Who have you consulted with to assess possible impact on protected groups?</b> If you have not consulted other people, please explain why?			
<p>Consultation has not been undertaken. It is a statutory right for couples to be have the opportunity for their relationship to be legally recognised, and the use of the service is also a personal choice.</p> <p>The nature of the service means that some couples will want and/or can afford a more lavish celebration than others. It is the aim of the registration service to ensure the provision on offer meets the needs of all sectors of the community. As a result, simple ceremonies continue to be made available at the statutory fee of £57 in 6 locations across the large geographical area. These are in addition to the ceremony fee proposals listed above which meet the needs of couples on a range of budgets.</p>			

		Negative outcome	Neutral outcome	Positive outcome
<b>Analysis of impact on protected groups</b>				
The Public Sector Equality Duty requires us to eliminate discrimination, advance equality of opportunity and foster good relations with protected groups. Consider how this policy/service will achieve these aims. In the table below, using the evidence outlined above and your own understanding, detail what considerations and potential impacts against each of the three aims of the Public Sector Equality Duty. Based on this information, make an assessment of the likely outcome, before you have implemented any mitigation.				
<b>Age</b>	People of all ages (over the legal age of consent) continue to be able to use this service.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>Disability</b>	We recognise that some disable people are less likely to have as much disposable income due to the costs associated with their disability. This and the availability of accessible venues could put them at a disadvantage.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>Gender reassignment</b>	Access to the service for people that have undergone or are undergoing gender reassignment is not impacted and continues to be available in line with marriage/civil partnership legislation.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>Marriage and civil partnership</b>	Having considered this Protected character we do not foresee any disproportionate positive or negative impact on marriage and civil partnership.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

<b>Pregnancy and maternity</b>	Having considered this Protected character we do not foresee any disproportionate positive or negative impact on pregnancy or maternity.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>Race and ethnicity</b>	Having considered this Protected character we do not foresee any disproportionate positive or negative impact on race or ethnicity.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>Religion or belief</b>	The Registration service deliver ceremonies which by law are secular in nature. The service is open to couples of all faith groups as well as those with no religion or belief.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>Sex</b>	Having considered this Protected character we do not foresee any disproportionate positive or negative impact on sex.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>Sexual orientation</b>	Having considered this Protected character we do not foresee any disproportionate positive or negative impact on sexual orientation.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>Other, e.g. carers, veterans, homeless, low income, rurality/isolation, etc.</b>	The increase in charges could make it harder for people on low incomes to access the service in the way they would prefer. Small ceremonies remain available at the statutory fee of £57, and the service continues to offer a range of 'mid budget' options across the area. The service understands that some customers that have already booked their ceremony some time in advance may not have included the increase into their budget. In order to mitigate this, all customers have been told at the time of booking that fees can increase. All customers will be given a minimum of 3 months' notice of the new fee. In cases of significant hardship the service will discuss with couples on an individual basis and offer payment options.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

**Negative outcomes action plan**

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

Action taken/to be taken	Date	Person responsible	How will it be monitored?	Action complete
Registration service to circulate and publish new fees asap.	31/01/2023	Gen Branch	n/a	<input type="checkbox"/>
Registration service to ensure customers have information on the full range of ceremony offers, including small ceremonies and accessible venues provided for the statutory fee.	ongoing	Gen Branch	Review of website and promotional literature.	<input type="checkbox"/>
In cases of significant hardship the service will discuss with couples on an individual basis and offer payment options.	ongoing	Gen Branch	On individual basis	<input type="checkbox"/>
	Select date			<input type="checkbox"/>
	Select date			<input type="checkbox"/>
	Select date			<input type="checkbox"/>
	Select date			<input type="checkbox"/>
	Select date			<input type="checkbox"/>

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

**Completed by:**

**Genevieve Branch**

<b>Date</b>	<b>04/01/2023</b>
<b>Signed off by:</b>	<b>Sue Crowley</b>
<b>Date</b>	<b>04/01/23</b>
<b>Equality Lead/Manager sign off date:</b>	<b>4/1/23</b>
<b>To be reviewed by: (officer name)</b>	
<b>Review date:</b>	

### Transformation, Income, and Saving Proposal No 39

## Somerset Equality Impact Assessment

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

Organisation prepared for

Somerset County Council

Version

2

Date Completed

16/01/2023

Description of what is being impact assessed

The loss of physical newspapers (national) in libraries.

Evidence

**What data/information have you used to assess how this policy/service might impact on protected groups?** Sources such as the [Office of National Statistics](#), [Somerset Intelligence Partnership](#), [Somerset’s Joint Strategic Needs Analysis \(JSNA\)](#), Staff and/ or [area profiles](#), should be detailed here

Increased use of enewspapers over past 2 years (c5,000 ‘checkouts’ per month); and reduction in the number of physical visits to libraries. Financial data in relation to the costs of providing these resources (ie physical/electronically).

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

No public consultation – proposed change in response to the need for MTFP savings and reductions in service.

Analysis of impact on protected groups

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

Protected group	Summary of impact	Negative outcome	Neutral outcome	Positive outcome
<b>Age</b>	<ul style="list-style-type: none"> <li>National data shows that older generations are more likely to access physical newspapers. Removal of physical papers could negatively impact on this group.</li> </ul>	☒	☐	☐
<b>Disability</b>	<ul style="list-style-type: none"> <li>Having considered disability we do not foresee any disproportionate positive or negative impact</li> </ul>	☐	☒	☐
<b>Gender reassignment</b>	<ul style="list-style-type: none"> <li>Having considered gender reassignment we do not foresee any disproportionate positive or negative impact</li> </ul>	☐	☒	☐
<b>Marriage and civil partnership</b>	Having considered marriage & civil partnership we do not foresee any disproportionate positive or negative impact	☐	☒	☐
<b>Pregnancy and maternity</b>	Having considered pregnancy & maternity we do not foresee any disproportionate positive or negative impact	☐	☒	☐

<b>Race and ethnicity</b>	<ul style="list-style-type: none"> <li>Having considered race &amp; ethnicity we do not foresee any disproportionate positive or negative impact</li> </ul>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>Religion or belief</b>	Having considered religion or belief we do not foresee any disproportionate positive or negative impact	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>Sex</b>	<ul style="list-style-type: none"> <li>Having considered sex we do not foresee any disproportionate positive or negative impact</li> </ul>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>Sexual orientation</b>	<ul style="list-style-type: none"> <li>Having considered sexual orientation we do not foresee any disproportionate positive or negative impact</li> </ul>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>Other, e.g. carers, veterans, homeless, low income, rurality/isolation, etc.</b>	<ul style="list-style-type: none"> <li>Having considered these Other characteristics we do not foresee any disproportionate positive or negative impact</li> </ul>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>Negative outcomes action plan</b> Where you have ascertained that there will potentially be negative outcomes, you are required to mitigate the impact of these. Please detail below the actions that you intend to take.				
<b>Action taken/to be taken</b>	<b>Date</b>	<b>Person responsible</b>	<b>How will it be monitored?</b>	<b>Action complete</b>
Age related impacts. Tablets and free internet/wifi available at all Somerset libraries to enable supported online access	01/01/2023	Darren Smart	Usage data Compliments & Concerns	<input checked="" type="checkbox"/>



<p>via libraries staff &amp; volunteers – both core libraries and Community Library Partnerships. 1000+ daily, weekly and monthly newspapers from over 100 countries (and in 60 languages), including 166 local, regional and national UK titles are available electronically.</p>				
	Select date			<input type="checkbox"/>
	Select date			<input type="checkbox"/>
	Select date			<input type="checkbox"/>
	Select date			<input type="checkbox"/>
	Select date			<input type="checkbox"/>
	Select date			<input type="checkbox"/>
	Select date			<input type="checkbox"/>
<b>If negative impacts remain, please provide an explanation below.</b>				
<b>Completed by:</b>	<b>Sue Crowley/Darren Smart</b>			
<b>Date</b>	<b>16/01/2023</b>			
<b>Signed off by:</b>				

<b>Date</b>	
<b>Equality Lead/Manager sign off date:</b>	<b>20.01.2023</b>
<b>To be reviewed by:</b> (officer name)	
<b>Review date:</b>	

## Transformation, Income, and Saving Proposal No 40

# Somerset Equality Impact Assessment

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

Organisation prepared for	Somerset County Council		
Version	2	Date Completed	16/01/2023

Description of what is being impact assessed

Reduction of online information resources (details on these services is below)

Evidence

**What data/information have you used to assess how this policy/service might impact on protected groups?** Sources such as the [Office of National Statistics](#), [Somerset Intelligence Partnership](#), [Somerset’s Joint Strategic Needs Analysis \(JSNA\)](#), Staff and/ or [area profiles](#), should be detailed here

Data showing low usage of these resources and/or low impact (as equivalent information is freely available). Financial data in relation to the costs of providing these resources.

The resources affected include:

- Driving Theory Pro (£1446)– 41 users have currently signed up for an account.
- Go Citizen (£745) - 4 users have currently signed up for an account.
- Oxford Online (£9367 per annum) – this includes 7 different applications. Usage varies widely from just 2 unique requests through to 4195 unique requests (ie unique users). The most well used applications include the Oxford English Dictionary, Oxford Dictionaries, and Oxford Dictionary of National Biography.
- The same information is freely available via other online and physical resources.

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

No public consultation – proposed change in response to the need for MTFP savings and reductions in service.

Analysis of impact on protected groups

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

Protected group	Summary of impact	Negative outcome	Neutral outcome	Positive outcome
<b>Age</b>	<ul style="list-style-type: none"> <li>No adverse impact as the equivalent information is available from other (free) resources. Customers will be able to access this resource through their own device or through the Public Access Network in Libraries.</li> </ul>	□	⊗	□
<b>Disability</b>	<ul style="list-style-type: none"> <li>No adverse impact as the equivalent information is available from other (free) resources. Customers will be able to access this resource through their own device or through the Public Access Network in Libraries.</li> </ul>	□	⊗	□
<b>Gender reassignment</b>	No adverse impact as the equivalent information is available from other (free) resources. Customers will be able to access this resource through their own device or through the Public Access Network in Libraries.	□	⊗	□
<b>Marriage and civil partnership</b>	No adverse impact as the equivalent information is available from other (free) resources. Customers will be able to access this resource through their own device or through the Public Access Network in Libraries.	□	⊗	□

<b>Pregnancy and maternity</b>	No adverse impact as the equivalent information is available from other (free) resources. Customers will be able to access this resource through their own device or through the Public Access Network in Libraries.	□	⊗	□
<b>Race and ethnicity</b>	<ul style="list-style-type: none"> <li>No adverse impact as the equivalent information is available from other (free) resources. Customers will be able to access this resource through their own device or through the Public Access Network in Libraries.</li> </ul>	□	⊗	□
<b>Religion or belief</b>	No adverse impact as the equivalent information is available from other (free) resources. Customers will be able to access this resource through their own device or through the Public Access Network in Libraries.	□	⊗	□
<b>Sex</b>	No adverse impact as the equivalent information is available from other (free) resources. Customers will be able to access this resource through their own device or through the Public Access Network in Libraries.	□	⊗	□
<b>Sexual orientation</b>	No adverse impact as the equivalent information is available from other (free) resources. Customers will be able to access this resource through their own device or through the Public Access Network in Libraries.	□	⊗	□
<b>Other, e.g. carers, veterans, homeless, low income, rurality/isolation, etc.</b>	No adverse impact as the equivalent information is available from other (free) resources. Customers will be able to access this resource through their own device or through the Public Access Network in Libraries.	□	⊗	□

**Negative outcomes action plan**

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

Action taken/to be taken	Date	Person responsible	How will it be monitored?	Action complete
				<input type="checkbox"/>
	Select date			<input type="checkbox"/>
	Select date			<input type="checkbox"/>
	Select date			<input type="checkbox"/>
	Select date			<input type="checkbox"/>
	Select date			<input type="checkbox"/>
	Select date			<input type="checkbox"/>
	Select date			<input type="checkbox"/>

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

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<b>Completed by:</b>	<b>Sue Crowley/Darren Smart</b>
<b>Date</b>	<b>16/01/2023</b>
<b>Signed off by:</b>	

<b>Date</b>	<b>20.01.2023</b>
<b>Equality Lead/Manager sign off date:</b>	
<b>To be reviewed by:</b> (officer name)	
<b>Review date:</b>	

## Transformation, Income, and Saving Proposal No 52 and 54

# Somerset Equality Impact Assessment

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

Organisation prepared for

Somerset Council – Somerset Lifeline

Version

1.0

Date Completed

10/08/2022

Description of what is being impact assessed

The Lifeline services that are currently provided in Sedgemoor, Somerset West and Taunton and South Somerset are being combined to create 'Somerset Lifeline' from April 2023.

This service provides vulnerable people with help in the event of emergencies and/or the need for support through the provision of an emergency alarm, monitored by a 24/7 contact centre and on-call emergency response officers.

This impact assessment is in relation to the decision to introduce one, unified set of fees and charges for customers. Charges in Sedgemoor and South Somerset were not increased last year, whilst customers in Somerset West and Taunton experienced a 5% increase. The fees and charges proposal is for a universal 3% increase. This has been kept lower for customers to ensure that the increased cost is more manageable.

As a minimum, the costs of the service must cover the costs of running Somerset Lifeline or the service would be subsidised by the Council. Under the current financial constraints, subsidising this service would not be sustainable

Evidence

**What data/information have you used to assess how this policy/service might impact on protected groups?** Sources such as the [Office of National Statistics](#), [Somerset Intelligence Partnership](#), [Somerset's Joint Strategic Needs Analysis \(JSNA\)](#), Staff and/ or [area profiles](#), should be detailed here

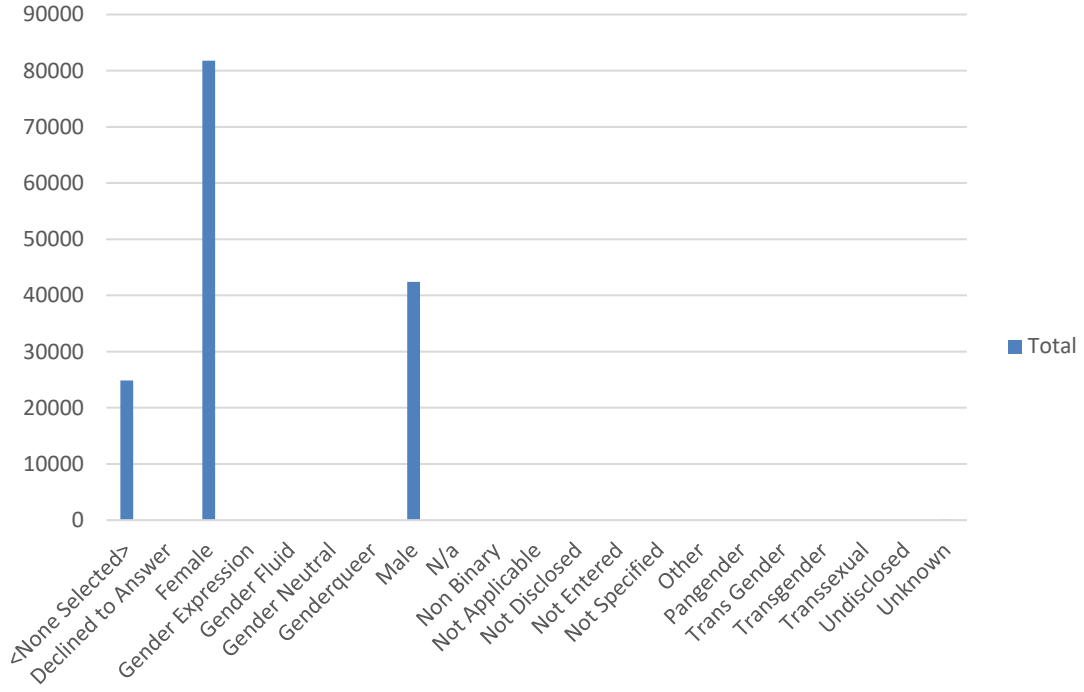


## **1. Our current customers:**

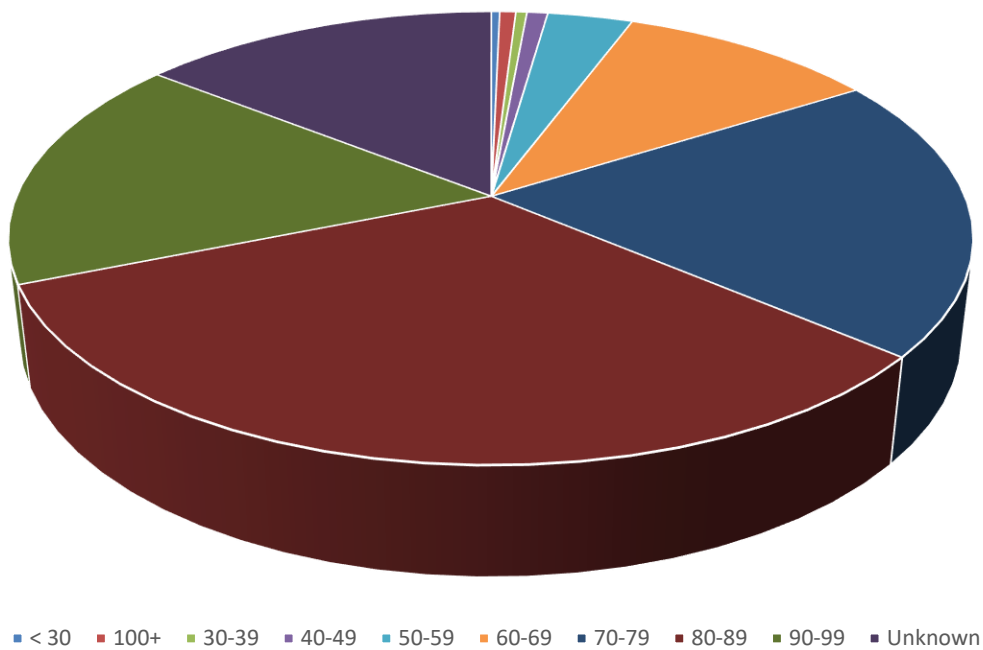
The data collated across each of the current local authority services identifies the following:

- Most customers are female, accounting for 65% of those where data is present.
- Transgender customers account for 0.02% of customers.
- 93.4% of customers are aged 60+
- 58.0% of customers are aged over 80
- 5.9% of customers are of working age.

### Customers by Gender (all services)



Customers by Age (all services)



*\*Please note that this data includes customers of external organisations that contract to our services*

## 2. Broader demographics

Whilst making considerations regarding fees and charges, the following broader demographic has been considered:

Misc.	Total population	562,225	100.0%
	Live in rural area	269,868	48.0%

Ethnicity	White British	531,865	94.6%
	Black & Ethnic Minority	11,245	2.0%
	Polish	5,622	1.0%
	German	2,249	0.4%
	Irish	2,249	0.4%
	South African	2,249	0.4%
	Portuguese	965	0.2%

Location	South Somerset	168,350	29.9%
	West & Taunton	155,120	27.6%
	Sedgemoor	123,180	21.9%
	Mendip	115,590	20.6%

Sexual orientation	Heterosexual	535,238	95.2%
	Gay/Lesbian	5,060	0.9%
	Bisexual	6,184	1.1%
	Other	2,249	0.4%
	Don't Know	13,493	2.4%

Disability	Have long-term condition/disability	105,698	18.8%
	No disability	456,527	81.2%

Homelessness (Rough sleepers in 2017)	Mendip	19	0.0034%
	Sedgemoor	7	0.0012%
	South Somerset	4	0.0007%
	West & Taunton	27	0.0048%
	Total	57	0.0101%

Marriage/Civil partnership	Single	120,825	27.8%
	Married	224,255	51.5%
	Same-sex civil partnership	699	0.2%
	Separated	10,322	2.4%
	Divorced	44,329	10.2%
	Widowed	34,952	8.0%

Carers	Provide care (1 in 9)	50,712	9.0%
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Age range	Male	% Male	Female	% Female	Total	% Total
0	14,580	5.3%	13903	4.8%	28,483	5.1%
0-5	16,307	5.9%	15908	5.5%	32,215	5.7%
5-10	16,483	6.0%	15669	5.4%	32,152	5.7%
10-15	15,022	5.5%	14021	4.9%	29,043	5.2%
15-20	13,237	4.8%	11791	4.1%	25,028	4.5%
20-25	14,542	5.3%	14010	4.9%	28,552	5.1%
25-30	14,845	5.4%	15616	5.4%	30,461	5.4%
30-35	14,347	5.2%	15351	5.3%	29,698	5.3%
35-40	13,945	5.1%	15102	5.2%	29,047	5.2%
40-45	17,479	6.4%	18922	6.6%	36,401	6.5%
45-50	20,337	7.4%	21626	7.5%	41,963	7.5%
50-55	20,400	7.4%	21320	7.4%	41,720	7.4%
55-60	18,379	6.7%	19170	6.7%	37,549	6.7%
60-65	18,286	6.7%	19235	6.7%	37,521	6.7%
65-70	18,269	6.7%	19414	6.7%	37,683	6.7%
70-75	12,385	4.5%	14035	4.9%	26,420	4.7%
75-80	8,541	3.1%	10125	3.5%	18,666	3.3%
80-85	4,771	1.7%	7123	2.5%	11,894	2.1%
85-90	2,401	0.9%	5328	1.9%	7,729	1.4%
All	274556	100.0%	287669	100.0%	562225	100.0%

### 3. Comparison of charges with other local/similar providers:

Provider	Response	Price per week (Analogue)	Price per week (Digital)	Connection fee
Age UK		3.96	4.15	69.00

Aster		<b>3.58</b>		
Bournemouth & Poole	<b>6.58</b>	<b>3.99</b>	<b>6.02</b>	<b>32.00</b>
Bristol City Council Care line		<b>3.50</b>		<b>15.00</b>
Careline24		<b>2.67</b>		<b>40.00</b>
Carelink (North Somerset)		<b>2.90</b>		<b>45.00</b>
Dorset County Council		-	<b>4.30</b>	<b>30.45</b>
Lifeline 24		<b>3.00</b>		
Progress lifeline	<b>7.15 or 7.84</b>	<b>4.38</b>	<b>5.07</b>	
Saga		<b>3.68</b>		
Telecare24		<b>2.31</b>		
Yourlife Yourway	<b>5.20</b>	<b>3.35</b>		

#### **4. Consideration has been given to the current cost of living crisis:**

Any changes to customers fees and charges must take into consideration the impact on customers given the 'cost of living crisis' - the fall in 'real' disposable incomes (that is, adjusted for inflation and after taxes and benefits) that the UK has experienced since late 2021. It is being caused predominantly by high inflation outstripping wage and benefit increases and has been further exacerbated by recent tax increases.

- Without any new policy changes, the typical real household income is projected to fall by 5 per cent in 2022/2023 and a further 6 per cent in 2023/2024 equating to a £3,000 drop in income.
- Average real incomes are set to be 7% lower in 2024/2025 than in 2019/2020 (the worst parliament on record for growth, by a large margin), and incomes across the distribution are currently projected to be lower in 2026/2027 than in 2016/2017 and only marginally above where they were in 2006/2007.
- The number of people living in absolute poverty is currently projected to rise from 11 million in 2021/2022 to 14 million in 2023/2024 - a rise from 17 to 21 per cent, including 30 per cent of children.

It is expected that the cost-of-living crisis won't just be a problem this winter but will be for years to come. Energy bills may stay high in the long term, and so may prices. Higher prices across the board mean that higher benefits will be needed.

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

- Housing 3 – Private Sector and Universal Provision Sub Workstream (Service Alignment)
- Informal consultation with Senior Leadership

Analysis of impact on protected groups

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

Protected group	Summary of impact	Negative outcome	Neutral outcome	Positive outcome
<b>Age</b>	As the data shows, most customers of our technology enabled care services are older, with 58% being over the age of 80 and 93.4% over the age of 60. This reflects the traditional nature of service provision, having been developed to support sheltered housing schemes. An aim of the service is to increase subscriptions amongst younger vulnerable people through providing modern technology which breaks the stigma of pendant alarm provision.	□	⊗	□



<b>Disability</b>	Although data is not easily obtainable regarding the nature of disabilities experienced, most of our customers will be experiencing a form of disability.	☐	☒	☐
<b>Gender reassignment</b>	The data analysed does not indicate any negative impacts on this protected group.	☐	☐	☒
<b>Marriage and civil partnership</b>	The data analysed does not indicate any negative impacts on this protected group.	☐	☐	☒
<b>Pregnancy and maternity</b>	The data analysed does not indicate any negative impacts on this protected group.	☐	☐	☒
<b>Race and ethnicity</b>	The data analysed does not indicate any negative impacts on this protected group.	☐	☒	☐
<b>Religion or belief</b>	The data analysed does not indicate any negative impacts on this protected group.	☐	☒	☐

<b>Sex</b>	The data analysed does not indicate any negative impacts on this protected group.	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>Sexual orientation</b>	The data analysed does not indicate any negative impacts on this protected group.	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>Negative outcomes action plan</b>				
Where you have ascertained that there will potentially be negative outcomes, you are required to mitigate the impact of these. Please detail below the actions that you intend to take.				
<b>Action taken/to be taken</b>	<b>Date</b>	<b>Person responsible</b>	<b>How will it be monitored?</b>	<b>Action complete</b>
<p>To assist with the increased charges to both new and existing customers, Somerset Lifeline have ensured that there is a consistent approach regarding VAT exclusion. This means that any customer that is classified as chronically sick or disabled will be exempt from paying VAT for their ongoing Lifeline subscription.</p> <p>A person is 'chronically sick or disabled' if they are a person with a:</p> <ul style="list-style-type: none"> <li>physical or mental impairment which has a long-term and substantial adverse effect on their ability to carry out everyday activities</li> <li>condition which the medical profession treats as a chronic sickness, such as diabetes</li> </ul>	31/10/2022	Gareth Denslow and Richard Burge	There will be no need for ongoing monitoring.	<input checked="" type="checkbox"/>

<p>A hardship policy will be developed to ensure that customers who are experiencing financial difficulties can receive a reduced subscription to assist them for an agreed period of time.</p> <p>This policy/procedure will also include how the service can assist customers to access support regarding finance and access to benefits that may assist them.</p>	31/03/2022	Gareth Denslow and Richard Burge	Once implemented there will be no need for ongoing monitoring.	<input checked="" type="checkbox"/>
				<input type="checkbox"/>
				<input type="checkbox"/>
<b>If negative impacts remain, please provide an explanation below.</b>				
<b>Completed by:</b>	<b>Gareth Denslow</b>			
<b>Date</b>	<b>9/11/2022</b>			
<b>Signed off by:</b>				
<b>Date</b>	<b>20.01.2023</b>			
<b>Equality Lead/Manager sign off date:</b>				
<b>To be reviewed by:</b> (officer name)				
<b>Review date:</b>	<b>31/03/2023</b>			

## Transformation, Income, and Saving Proposal No 55

# Somerset Equality Impact Assessment

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

Organisation prepared for

Building Control

Version

1

Date Completed

28/12/2022

Description of what is being impact assessed

NS-2324-TSIGP-76 Building Control Access audits

Evidence

**What data/information have you used to assess how this policy/service might impact on protected groups?** Sources such as the [Office of National Statistics](#), [Somerset Intelligence Partnership](#), [Somerset's Joint Strategic Needs Analysis \(JSNA\)](#), Staff and/ or [area profiles](#), should be detailed here

Approved Document M.

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

The access audits are carried out by a Building Control Surveyor. These are done for businesses to determine whether their existing premises complies with Approved Document M (Access to and Use of Buildings) of the Building Regulations at the time that the audit is done. A report is produced that only **recommends** where improvements can be made to premises. The report highlights either compliance and none compliance of the building. If the company decides to carry out works to improve access and use of a building, then a Building Regulation application would be required and positive outcomes may be achieved, if they choose not to carry out the works, then the building is no worse than before, which provides a neutral outcome.

Setting up costs are high risk and medium risk when brand established. The ability to sustain growth and acquire additional business is paramount along with investing in training and development of staff to diversify resources into consultancy work. We need to ensure staff are

well trained and able to compete with the services offered by the private sector in a competitive market. The market is regularly changing to offer alternative services to clients' which compliment building regulation work. Back filling of posts may be required to carry out statutory function works.

Analysis of impact on protected groups

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

Protected group	Summary of impact	Negative outcome	Neutral outcome	Positive outcome
<b>Age</b>	•	□	⊗	□
<b>Disability</b>	•	□	⊗	□
<b>Gender reassignment</b>	•	□	⊗	□
<b>Marriage and civil partnership</b>	•	□	⊗	□

<b>Pregnancy and maternity</b>	<ul style="list-style-type: none"><li>•</li></ul>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>Race and ethnicity</b>	<ul style="list-style-type: none"><li>•</li></ul>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>Religion or belief</b>	<ul style="list-style-type: none"><li>•</li></ul>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>Sex</b>	<ul style="list-style-type: none"><li>•</li></ul>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>Sexual orientation</b>	<ul style="list-style-type: none"><li>•</li></ul>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>Other, e.g. carers, veterans, homeless, low income, rurality/isolation, etc.</b>	<ul style="list-style-type: none"><li>•</li></ul>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

**Negative outcomes action plan**

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

Action taken/to be taken	Date	Person responsible	How will it be monitored?	Action complete
	Select date			<input type="checkbox"/>
	Select date			<input type="checkbox"/>
	Select date			<input type="checkbox"/>
	Select date			<input type="checkbox"/>
	Select date			<input type="checkbox"/>
	Select date			<input type="checkbox"/>
	Select date			<input type="checkbox"/>
	Select date			<input type="checkbox"/>

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

**Completed by:**

**Paul Grummett**

**Date**

**28/12/22**

**Signed off by:**

<b>Date</b>	
<b>Equality Lead/Manager sign off date:</b>	<b>20.01.2023</b>
<b>To be reviewed by:</b> (officer name)	
<b>Review date:</b>	



## Transformation, Income, and Saving Proposal No 67

# Somerset Equality Impact Assessment

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

Organisation prepared for	Somerset Waste Partnership (SWP)		
Version	NS-2324-TSIGP-258	Date Completed	05/01/23

Description of what is being impact assessed

Increase in charge for Bulky Waste Collection from £61.80 to £68.00 (10% Increase) per transaction (3 Items)

Evidence

**What data/information have you used to assess how this policy/service might impact on protected groups?** Sources such as the [Office of National Statistics](#), [Somerset Intelligence Partnership](#), [Somerset's Joint Strategic Needs Analysis \(JSNA\)](#), Staff and/ or [area profiles](#), should be detailed here

The bulky waste collection service allows any Somerset Resident to arrange for collection of Bulky Household waste items from their property. There are around 2000 collections a year so the financial saving proposed based on a 10% inflationary increase is the correct forecast. We encourage reuse and signpost to it before people consider using bulky waste collection We have reviewed national services provided by the commercial market where prices tend to be higher than the charges we are applying. It should be noted that a free service is provided at HWRCs, though clearly this is only available for those that can access an HWRC. Many of the items we collect through the bulky waste service have the potential to be reused, and SWP signposts people to use these reuse services before booking a bulky waste collection. Such collections are organised by many charities and furniture reuse groups and through forums/websites such as Freegle – and most of these are free. Many electrical (and some other) items are covered by take-back schemes run by various organisations (where they have a responsibility to take back an item for free) and we promote these.

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

No consultations other than with Members have taken place. The price rise is linked to inflation and directly associated to contract costs, meaning that these paid for services are not subsidised by the general council tax payer (in line with the 'producer pays' principle used across much of the waste and resources sector).

Analysis of impact on protected groups

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

Protected group	Summary of impact	Negative outcome	Neutral outcome	Positive outcome
<b>Age</b>	<ul style="list-style-type: none"> <li>Older and younger people might not have access to vehicles to take bulky waste to the recycling centre so may be at a disadvantage if they cannot use one of the other services (often free) that we signpost people to – including furniture reuse, freegle and other services.</li> </ul>	⊗	⊗	□
<b>Disability</b>	<ul style="list-style-type: none"> <li>This group could be at an increased disadvantage as they are more likely to have less disposable income and more likely to be reliant on this method of disposal. Prior to booking the service we promote other services that encourage reuse of items (many of the items we collect on this service can be reused) and many of these routes are free – charity collections, furniture reuse groups, freegle.</li> </ul>	⊗	⊗	□

<b>Gender reassignment</b>	<ul style="list-style-type: none"> <li>Having considered gender reassignment we do not foresee any disproportionate positive or negative impact.</li> </ul>	□	□	□
<b>Marriage and civil partnership</b>	<ul style="list-style-type: none"> <li>Having considered marriage and civil partnership we do not foresee any disproportionate positive or negative impact.</li> </ul>	□	⊗	□
<b>Pregnancy and maternity</b>	<ul style="list-style-type: none"> <li>Having considered pregnancy and maternity we do not foresee any disproportionate positive or negative impact.</li> </ul>	□	⊗	□
<b>Race and ethnicity</b>	<ul style="list-style-type: none"> <li>Having considered race and ethnicity we do not foresee any disproportionate positive or negative impact.</li> </ul>	□	⊗	□
<b>Religion or belief</b>	<ul style="list-style-type: none"> <li>Having considered religion and belief we do not foresee any disproportionate positive or negative impact.</li> </ul>	□	⊗	□
<b>Sex</b>	<ul style="list-style-type: none"> <li>Having considered sex we do not foresee any disproportionate positive or negative impact.</li> </ul>	□	⊗	□
<b>Sexual orientation</b>	<ul style="list-style-type: none"> <li>Having considered sexual orientation we do not foresee any disproportionate positive or negative impact.</li> </ul>	□	⊗	□

<b>Other, e.g. carers, veterans, homeless, low income, rurality/isolation, etc.</b>	<ul style="list-style-type: none"> <li>Low Income, the inflationary rise may be a barrier to low income families utilising the service.</li> </ul>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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**Negative outcomes action plan**  
 Where you have ascertained that there will potentially be negative outcomes, you are required to mitigate the impact of these. Please detail below the actions that you intend to take.

Action taken/to be taken	Date	Person responsible	How will it be monitored?	Action complete
Monitor changes in take-up of the service and in fly-tipping so that we can consider whether further mitigations are needed	06/09/2023	Mike Cowdell	Data	<input type="checkbox"/>
	Select date			<input type="checkbox"/>
	Select date			<input type="checkbox"/>
	Select date			<input type="checkbox"/>
	Select date			<input type="checkbox"/>
	Select date			<input type="checkbox"/>
	Select date			<input type="checkbox"/>
	Select date			<input type="checkbox"/>

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

<b>Completed by:</b>	<b>Mike Coddell</b>
<b>Date</b>	<b>06/01/2022</b>
<b>Signed off by:</b>	<b>Mickey Green</b>
<b>Date</b>	<b>06/01/2022</b>
<b>Equality Lead/Manager sign off date:</b>	<b>20.01.2023</b>
<b>To be reviewed by:</b> (officer name)	
<b>Review date:</b>	

# Transformation, Income, and Saving Proposal No 80

## Somerset Equality Impact Assessment

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

Organisation prepared for Somerset County Council

Version 1 Date Completed 3<sup>rd</sup> January 2023

Description of what is being impact assessed

Increase in On Street Car Parking Fees across Somerset by 10% with minimum increase of 10p.

Evidence

**What data/information have you used to assess how this policy/service might impact on protected groups?** Sources such as the [Office of National Statistics](#), [Somerset Intelligence Partnership](#), [Somerset’s Joint Strategic Needs Analysis \(JSNA\)](#), Staff and/ or [area profiles](#),, should be detailed here

None

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

No, initial proposals only. Formal changes to the on street charges will go through formal statutory processes.

Analysis of impact on protected groups

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

Protected group	Summary of impact	Negative outcome	Neutral outcome	Positive outcome
<b>Age</b>	<ul style="list-style-type: none"> <li>None identified</li> </ul>	□	⊗	□
<b>Disability</b>	<ul style="list-style-type: none"> <li>None. Identified, Disabled Blue badge holders can park for free in on street charging areas.</li> </ul>	□	⊗	□
<b>Gender reassignment</b>	<ul style="list-style-type: none"> <li>None identified</li> </ul>	□	⊗	□
<b>Marriage and civil partnership</b>	<ul style="list-style-type: none"> <li>None identified</li> </ul>	□	⊗	□
<b>Pregnancy and maternity</b>	<ul style="list-style-type: none"> <li>None identified</li> </ul>	□	⊗	□

<b>Race and ethnicity</b>	<ul style="list-style-type: none"> <li>None identified</li> </ul>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>Religion or belief</b>	<ul style="list-style-type: none"> <li>None identified</li> </ul>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>Sex</b>	<ul style="list-style-type: none"> <li>None identified</li> </ul>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>Sexual orientation</b>	<ul style="list-style-type: none"> <li>None identified</li> </ul>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>Other, e.g. carers, veterans, homeless, low income, rurality/isolation, etc.</b>	<ul style="list-style-type: none"> <li><b>Low Income</b> –Low income motorists who chose to park on street rather than in an off street car park in could see a small increase in the charge.</li> </ul>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Negative outcomes action plan</b>				
Where you have ascertained that there will potentially be negative outcomes, you are required to mitigate the impact of these. Please detail below the actions that you intend to take.				
<b>Action taken/to be taken</b>	<b>Date</b>	<b>Person responsible</b>	<b>How will it be monitored?</b>	<b>Action complete</b>
An alternative would be for those motorists affected to make use of the reduced bus fares which are likely to be a cheaper alternative to using a private car.	04/01/2023	Motorist	By monitoring the on street	<input type="checkbox"/>



			charge bay usage	
The increase in charges will be publicised in advance to give all motorists the opportunity to make adjustments if needed.	02/05/2023	Service Manager – Parking Services	Through consideration of any feedback received	<input type="checkbox"/>
	Select date			<input type="checkbox"/>
	Select date			<input type="checkbox"/>
	Select date			<input type="checkbox"/>
	Select date			<input type="checkbox"/>
	Select date			<input type="checkbox"/>
	Select date			<input type="checkbox"/>
<b>If negative impacts remain, please provide an explanation below.</b>				
<b>Completed by:</b>	<b>Bev Norman</b>			
<b>Date</b>	<b>23rd Jan 23</b>			
<b>Signed off by:</b>				

<b>Date</b>	
<b>Equality Lead/Manager sign off date:</b>	<b>20.01.2023</b>
<b>To be reviewed by:</b> (officer name)	
<b>Review date:</b>	

## Transformation, Income, and Saving Proposal No 81

# Somerset Equality Impact Assessment

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

Organisation prepared for Somerset County Council

Version

1

Date Completed

3<sup>rd</sup> January 2023

Description of what is being impact assessed

Increase in Off Street Car Parking Fees across Somerset by 10% with minimum increase of 10p.

Evidence

**What data/information have you used to assess how this policy/service might impact on protected groups?** Sources such as the [Office of National Statistics](#), [Somerset Intelligence Partnership](#), [Somerset's Joint Strategic Needs Analysis \(JSNA\)](#), Staff and/ or [area profiles](#),, should be detailed here

None

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

No, initial proposals only and high level. Formal changes to the off street charges will go through formal statutory consultation processes.

Analysis of impact on protected groups

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

Protected group	Summary of impact	Negative outcome	Neutral outcome	Positive outcome
<b>Age</b>	<ul style="list-style-type: none"> <li>None identified</li> </ul>	□	⊗	□
<b>Disability</b>	<ul style="list-style-type: none"> <li>None Identified. No changes are being made for Disabled Blue badge holder arrangements in car parks.</li> </ul>	□	⊗	□
<b>Gender reassignment</b>	<ul style="list-style-type: none"> <li>None identified</li> </ul>	□	⊗	□
<b>Marriage and civil partnership</b>	<ul style="list-style-type: none"> <li>None identified</li> </ul>	□	⊗	□
<b>Pregnancy and maternity</b>	<ul style="list-style-type: none"> <li>None identified</li> </ul>	□	⊗	□

<b>Race and ethnicity</b>	<ul style="list-style-type: none"> <li>None identified</li> </ul>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>Religion or belief</b>	<ul style="list-style-type: none"> <li>None identified</li> </ul>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>Sex</b>	<ul style="list-style-type: none"> <li>None identified</li> </ul>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>Sexual orientation</b>	<ul style="list-style-type: none"> <li>None identified</li> </ul>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>Other, e.g. carers, veterans, homeless, low income, rurality/isolation, etc.</b>	<ul style="list-style-type: none"> <li><b>Low Income</b> –Low income motorists who chose to park in off street car parks rather than on the street could see a small increase in the charge.</li> </ul>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Negative outcomes action plan</b> Where you have ascertained that there will potentially be negative outcomes, you are required to mitigate the impact of these. Please detail below the actions that you intend to take.				
<b>Action taken/to be taken</b>	<b>Date</b>	<b>Person responsible</b>	<b>How will it be monitored?</b>	<b>Action complete</b>
An alternative would be for those motorists affected to make use of the reduced bus fares which are likely to be a cheaper alternative to using a private car.	04/01/2023	Motorist	By monitoring the off street	<input type="checkbox"/>

			charge bay usage	
The increase in charges will be publicised in advance to give all motorists the opportunity to make adjustments if needed.	02/05/2023	Service Manager – Parking Services	Through consideration of any feedback received	<input type="checkbox"/>
	Select date			<input type="checkbox"/>
	Select date			<input type="checkbox"/>
	Select date			<input type="checkbox"/>
	Select date			<input type="checkbox"/>
	Select date			<input type="checkbox"/>
	Select date			<input type="checkbox"/>
<b>If negative impacts remain, please provide an explanation below.</b>				
<b>Completed by:</b>	<b>Bev Norman</b>			
<b>Date</b>	<b>4<sup>th</sup> Jan 23</b>			
<b>Signed off by:</b>				

<b>Date</b>	
<b>Equality Lead/Manager sign off date:</b>	<b>20.01.2023</b>
<b>To be reviewed by:</b> (officer name)	
<b>Review date:</b>	

## Transformation, Income, and Saving Proposal No 84

# Somerset Equality Impact Assessment

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

<u>Organisation prepared for</u>	Somerset Waste Partnership (SWP)		
<u>Version</u>	NS-2324-TSIGP-257	<u>Date Completed</u>	05/01/23
<u>Description of what is being impact assessed</u>			
Increase of Garden Waste Collection Annual Subscription from £57.20 to £62.90 (10% Increase) per year (25 Collections)			
<u>Evidence</u>			
<p><b>What data/information have you used to assess how this policy/service might impact on protected groups?</b> Sources such as the <a href="#">Office of National Statistics</a>, <a href="#">Somerset Intelligence Partnership</a>, <a href="#">Somerset's Joint Strategic Needs Analysis (JSNA)</a>, Staff and/ or <a href="#">area profiles</a>, should be detailed here</p> <p>The garden waste collection service allows any household resident to annually subscribe to fortnightly collection of garden waste from their property. The scale of the service is significant with around 54,000 properties subscribing to the service annually. One of our core principles underpinning our charges is the 'producer pays' principle – meaning the person that produces the waste pays to deal with it.</p>			
<p><b>Who have you consulted with to assess possible impact on protected groups?</b> If you have not consulted other people, please explain why?</p> <p>No consultations other than with Members have taken place. The price rise is linked to inflation and directly associated to contract costs, meaning that these paid for services are not subsidised by the general council tax payer.</p>			



Analysis of impact on protected groups

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

Protected group	Summary of impact	Negative outcome	Neutral outcome	Positive outcome
<b>Age</b>	<ul style="list-style-type: none"> <li>Having considered age we do not foresee any disproportionate positive or negative impact.</li> </ul>	☐	☒	☐
<b>Disability</b>	<ul style="list-style-type: none"> <li>This group could be at an increased disadvantage as they are more likely to have less disposable income and more likely to be reliant on this method of disposal.</li> </ul>	☒	☒	☐
<b>Gender reassignment</b>	<ul style="list-style-type: none"> <li>Having considered gender reassignment we do not foresee any disproportionate positive or negative impact.</li> </ul>	☐	☒	☐
<b>Marriage and civil partnership</b>	<ul style="list-style-type: none"> <li>Having considered marriage and civil partnership we do not foresee any disproportionate positive or negative impact.</li> </ul>	☐	☒	☐
<b>Pregnancy and maternity</b>	<ul style="list-style-type: none"> <li>Having considered pregnancy and maternity we do not foresee any disproportionate positive or negative impact.</li> </ul>	☐	☒	☐

<b>Race and ethnicity</b>	<ul style="list-style-type: none"> <li>Having considered race and ethnicity we do not foresee any disproportionate positive or negative impact.</li> </ul>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>Religion or belief</b>	<ul style="list-style-type: none"> <li>Having considered religion and belief we do not foresee any disproportionate positive or negative impact.</li> </ul>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>Sex</b>	<ul style="list-style-type: none"> <li>Having considered sex we do not foresee any disproportionate positive or negative impact.</li> </ul>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>Sexual orientation</b>	<ul style="list-style-type: none"> <li>Having considered sexual orientation we do not foresee any disproportionate positive or negative impact.</li> </ul>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>Other, e.g. carers, veterans, homeless, low income, rurality/isolation, etc.</b>	<ul style="list-style-type: none"> <li>Low Income, the inflationary rise may be a barrier to low income families utilising the service.</li> </ul>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Negative outcomes action plan</b> Where you have ascertained that there will potentially be negative outcomes, you are required to mitigate the impact of these. Please detail below the actions that you intend to take.				
<b>Action taken/to be taken</b>	<b>Date</b>	<b>Person responsible</b>	<b>How will it be monitored?</b>	<b>Action complete</b>
Monitor take-up of service to identify if further mitigations are required in addition to free disposal at recycling sites and subsidised home composters.	06/09/2023	Mike Cowdell	Subscription data	<input type="checkbox"/>

	Select date			<input type="checkbox"/>
	Select date			<input type="checkbox"/>
	Select date			<input type="checkbox"/>
	Select date			<input type="checkbox"/>
	Select date			<input type="checkbox"/>
	Select date			<input type="checkbox"/>
	Select date			<input type="checkbox"/>
<b>If negative impacts remain, please provide an explanation below.</b>				
<b>Completed by:</b>	<b>Mike Cowdell</b>			
<b>Date</b>	<b>06/01/2022</b>			
<b>Signed off by:</b>	<b>Mickey Green</b>			
<b>Date</b>	<b>06/01/2022</b>			
<b>Equality Lead/Manager sign off date:</b>	<b>20.01.2023</b>			
<b>To be reviewed by:</b> (officer name)				
<b>Review date:</b>				

# Transformation, Income, and Saving Proposal No 88

## Somerset Equality Impact Assessment

NS-2324-TSIGP-173 - Trading Standards - managed service levels and staffing reduction

Organisation prepared for	SCC/Somerset Council		
Version	1.0	Date Completed	8 January 2023

### Description of what is being impact assessed

Proposed revenue saving as part of the MTFP process for the new Somerset Council of £50,000 pa from 2023/24 in Somerset provision for costs of joint trading standards service with Devon, Plymouth and Torbay Councils (Heart of the South West trading standards joint service). This savings option involves implementing a managed reduction in staffing levels equivalent to 1 FTE in Somerset. It is envisaged that the savings option will be delivered by natural turnover of staff in the service and the implementation of succession planning, including an apprenticeship post in lieu of a senior post to provide savings in the staffing budget.

While the impact on service delivery will be managed and minimised it is envisaged that this will necessitate the reduction/removal of discretionary trading standards activity in Somerset and a lower level of service delivery compared to the other areas served by the partnership. This is likely to include reduced enforcement activity specifically in areas such as scams, age restricted sales and doorstep crime but also business advice and consumer education.

While trading standards is a universal service impact through protecting consumers and facilitating fair trading practices is of particular value and importance to lower income and vulnerable groups, including older people and people with disabilities. These impacts have been considered in respect of any impact on discretionary service delivery as a result of this savings proposal.

### Evidence

**What data/information have you used to assess how this policy/service might impact on protected groups?** Sources such as the [Office of National Statistics](#), [Somerset Intelligence Partnership](#), [Somerset's Joint Strategic Needs Analysis \(JSNA\)](#), Staff and/ or [area profiles](#), should be detailed here

No published data sets have been used – conclusions drawn from service specific insight

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

Impact assessed jointly with lead officers from Heart of the South West Trading Standards service given specialist knowledge of service and its impacts on individuals.

#### Analysis of impact on protected groups

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

Protected group	Summary of impact	Negative outcome	Neutral outcome	Positive outcome
<b>Age</b>	<p>With the increase of complexities of scams, students and young people are at a higher risk of being scammed and the phenonium of secondary age school's children now vaping (and smoking Shisha) is a great cause for concern.</p> <p>Individuals in older age groups are typically more vulnerable to unfair trading practises, scams and rogue trading. Older individuals also typically have greater levels of concern about these potential incidences. The reduction in service capacity associated with this savings proposal is likely to mean that the level of preventative work and scope to engage in proactive responses with other Somerset services and agencies (eg anti scams work and multi agency campaigns and responses) is likely to reduce.</p>	⊗	□	□

<b>Disability</b>	Trading Standards services in particular support residents with disabilities and mental health needs, including intervening on their behalf but also undertaking talks for the deaf and blind and installing call blockers and camera doorbells to protect those who suffer from dementia. Trading Standards has also supported the farming community with mental health during and post Covid 19. The reduction in service capacity associated with this savings proposal, while not effecting individual casework, is likely to mean that the level of preventative work and scope to engage in proactive responses with other Somerset services and agencies in these instances may need to be reduced.	☒	☐	☐
<b>Gender reassignment</b>	None	☐	☒	☐
<b>Marriage and civil partnership</b>	None	☐	☒	☐
<b>Pregnancy and maternity</b>	None	☐	☒	☐
<b>Race and ethnicity</b>	Trading standards consumer protection services and work to promote a fair trading environment are relevant to supporting refugees who have settled in Somerset as a result of the refugee resettlement programme	☒	☐	☐

<b>Religion or belief</b>	None	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>Sex</b>	None	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>Sexual orientation</b>	None	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>Other, e.g. carers, veterans, homeless, low income, rurality/isolation, etc.</b>	Individuals in lower age groups are typically more vulnerable to scams and rogue trading, with a small minority of unscrupulous traders looking to exploit their need for less expensive goods and services. This is particularly relevant in the context of the current cost of living crisis and for some low-income individuals this may compounded by other protected characteristics including older age and disability. The reduction in service capacity associated with this savings proposal is likely to mean that the level of preventative work and scope to engage in proactive responses with other Somerset services and agencies (eg response in general to scams and in particular to financial scams such as "loan sharking" plus multi agency campaigns and responses) is likely to reduce.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Negative outcomes action plan**

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

Action taken/to be taken	Date	Person responsible	How will it be monitored?	Action complete
Ensure service activity within available resources targeted at benefitting individuals in most vulnerable groups and least advantaged local communities	Ongoing	Fakir Osman Paul Hickson	Quarterly performance monitoring of trading standards service delivery	<input type="checkbox"/>

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

There will unavoidably be some negative impact associated with this change but the above action is designed to minimise and mitigate this.

<b>Completed by:</b>	<b>Paul Hickson/Fakir Osman</b>
<b>Date</b>	<b>5 January 2023</b>
<b>Signed off by:</b>	<b>Paul Hickson</b>
<b>Date</b>	<b>5 January 2023</b>
<b>Equality Lead/Manager sign off date:</b>	<b>20.01.2023</b>
<b>To be reviewed by:</b> (officer name)	
<b>Review date:</b>	



# Transformation, Income, and Saving Proposal No 96

## Somerset Equality Impact Assessment

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

Organisation prepared for	Somerset County Council		
Version	<u>1</u>	Date Completed	<u>6/1/23</u>

### Description of what is being impact assessed

The Council currently makes certain orders (modification and diversion) that make changes to the Definitive Map & Statement for public rights of way. Notice of these orders need to be advertised in a local newspaper in the area to which the order relates. New legislation will amend the relevant schedules to require the notice of such orders to be published on a website maintained by the authority.

Once there is no requirement to advertise in a local newspaper it is unlikely that the Council would continue to spend money to continue to advertise notice of orders in a local newspaper. This will have an impact on those that do not have access to the internet and would not receive a notices of such orders under other statutory provision. It should be noted that we are required to have copies of orders on deposit at Council Offices available for inspection and this will not change, and notices are also posted on site at either end of the route(s) in question. These aspects are not changing.

### Evidence

**What data/information have you used to assess how this policy/service might impact on protected groups?** Sources such as the [Office of National Statistics](#), [Somerset Intelligence Partnership](#), [Somerset’s Joint Strategic Needs Analysis \(JSNA\)](#), Staff and/ or [area profiles](#),, should be detailed here

We do not collect evidence to understand how much of existing contact arises from notice of orders being published in newspapers, but it is considered to be negligible. The majority of people that respond to orders that are made, tend to be landowners and stakeholders that we are obliged to notice direct anyway or stakeholders/ individuals that have already submitted formal requests to be notified direct of any such orders.

ONS data for 2020 for over 16’s in Dorset & Somerset indicates that:

- 94.5% have used the internet in the last 3 months
- 1.8% used the internet over 3 months ago
- 3.5% have never used the internet

Whilst this data is not solely for Somerset it does indicate there is only a small percentage of the adult population that have never used the internet.

ONS data for 2020 indicates that 96% of UK households have internet access.

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

The change in notice advertising is not something of choice, it will flow from new legislation. In that regard it is not common for the Council to consult on the change, as there would have been opportunity for any consultation/campaigning in the lead up to the legislation being passed. The nuance of this legislative change is that it doesn't prevent us from continuing to advertise in local newspapers but it would be a voluntary cost to the Council as opposed to a compulsory cost, a cost that it is not proposed that it continues to bear.

When the regulations that effect the legislative change are published, briefings will be given to Councillors and to the Somerset Local Access Forum and this will be an opportunity for them to raise any concerns with the approach the Council intends to take and their views can be taken into account.

#### Analysis of impact on protected groups

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

Protected group	Summary of impact	Negative outcome	Neutral outcome	Positive outcome
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<b>Age</b>	<ul style="list-style-type: none"> <li>Negative – the older age groups are those that in general terms use the internet less often or have no internet access, thus they may be reliant on local newspaper notices to know about changes to their local rights of way network.</li> <li>Positive – there is a general trend across all age groups of news consumption via non-print media, i.e.: television, internet and social media. Advertising online when we haven't previously will enable a reach to a wider audience.</li> </ul>	☒	☐	☒
<b>Disability</b>	<ul style="list-style-type: none"> <li>Having considered Disability we do not foresee any disproportionate positive or negative impact</li> </ul>	☐	☒	☐
<b>Gender reassignment</b>	<ul style="list-style-type: none"> <li>Having considered Gender Reassignment we do not foresee any disproportionate positive or negative impact</li> </ul>	☐	☒	☐
<b>Marriage and civil partnership</b>	<ul style="list-style-type: none"> <li>Having considered Marriage and Civil Partnership we do not foresee any disproportionate positive or negative impact</li> </ul>	☐	☒	☐
<b>Pregnancy and maternity</b>	<ul style="list-style-type: none"> <li>Having considered Pregnancy and Maternity we do not foresee any disproportionate positive or negative impact</li> </ul>	☐	☒	☐
<b>Race and ethnicity</b>	<ul style="list-style-type: none"> <li>Having considered Race and Ethnicity we do not foresee any disproportionate positive or negative impact</li> </ul>	☐	☒	☐

<b>Religion or belief</b>	<ul style="list-style-type: none"> <li>Having considered Religion or Belief we do not foresee any disproportionate positive or negative impact</li> </ul>	□	⊗	□
<b>Sex</b>	<ul style="list-style-type: none"> <li>Having considered Sex we do not foresee any disproportionate positive or negative impact</li> </ul>	□	⊗	□
<b>Sexual orientation</b>	<ul style="list-style-type: none"> <li>Having considered Sexual Orientation we do not foresee any disproportionate positive or negative impact</li> </ul>	□	⊗	□
<b>Other, e.g. carers, veterans, homeless, low income, rurality/isolation, etc.</b>	<ul style="list-style-type: none"> <li>Positive: local newspapers are not delivered to all residences and a percentage of such residences will have internet access, therefore the switch to online advertising will be beneficial for some in areas where they do not receive delivery of their free local newspaper.</li> <li>Negative: rural or deprived areas may not have/be able to afford any/ high quality internet access, making it difficult to access the notices. Libraries and Council offices would be alternatives to be able to access the information.</li> </ul>	⊗	□	⊗
<b>Negative outcomes action plan</b>				
Where you have ascertained that there will potentially be negative outcomes, you are required to mitigate the impact of these. Please detail below the actions that you intend to take.				
<b>Action taken/to be taken</b>	<b>Date</b>	<b>Person responsible</b>	<b>How will it be monitored?</b>	<b>Action complete</b>
A notice will be placed in relevant newspapers advising of the change in advertising of notices for certain orders and	TBC, but post	Pete Hobley	These actions will be added	□

advising of other methods of being kept up to date of orders that are made.	publication of regulations		to current Sharepoint location relevant to the legislative change and will form part of a wider action plan	
A briefing of Councillors, Local Access Forum and other stakeholders	TBC, but post publication of regulations	Pete Hobley	These actions will be added to current Sharepoint location relevant to the legislative change and will form part of a wider action plan	□
Ensure that the Council's website is amended to enable publication of notices and that they are easy to navigate to	TBC, but post publication of regulations	Pete Hobley	These actions will be added to current Sharepoint location relevant to the legislative change and will	□

			form part of a wider action plan	
Consider other means of online communication for raising awareness of notices to minimise the impact of no hard copy print advertising of the notice	TBC, but post publication of regulations Select date	Pete Hobley	These actions will be added to current Sharepoint location relevant to the legislative change and will form part of a wider action plan	<input type="checkbox"/>
<b>If negative impacts remain, please provide an explanation below.</b>				
It is not possible to eliminate all negative impacts. For those who do not access or do not have access to the internet the change will have a negative impact. However, we have no data to suggest that the change would result in a lesser response to the orders that we make. It is considered that the change would have the opposite effect and the reach of notices that orders have been made would be far wider than it is currently.				
<b>Completed by:</b>	<b>Pete Hobley</b>			
<b>Date</b>	<b>6/1/23</b>			
<b>Signed off by:</b>	<b>Pete Hobley</b>			
<b>Date</b>	<b>6/1/23</b>			

<b>Equality Lead/Manager sign off date:</b>	<b>17.01.2023</b>
<b>To be reviewed by:</b> (officer name)	<b>Pete Hobley</b>
<b>Review date:</b>	<b>Once notified that regulations have been published</b>

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# Somerset Council

## Fees & Charges

2023-2024

Somerset Council Fees & Charges (Appendix 4)		2023-24
Arts & Entertainment	Unit	Fee (£) (including VAT)

## Octagon Theatre

### Hire Charges (Commercial)

Get In / Rehearsal	4 hours	750.00
Get In / Rehearsal	8 hours	1,440.00
Get In / Rehearsal (Additional Hour: Standard)		228.00
Get In / Rehearsal (Additional Hour: After 2400)		252.00
Performance	Mon-Thu	1,860.00
Performance	Fri-Sun	2,040.00
2 Performances: (Same Day)		2,880.00
2 Performances: (Same Day)		3,000.00
Johnson Studio	Per hour	34.20
Brochure	Full page	780.00
Brochure	Half page	480.00
Brochure	Quarter page	300.00

### Hire Charges (Not for Profit)

Get In / Rehearsal	4 hours	630.00
Get In / Rehearsal	8 hours	1,074.00
Get In / Rehearsal Additional Hr Standard		198.00
Get In / Rehearsal Additional Hr After 2400		270.00
Performance		1,320.00
2 Performances (Same Day)		2,220.00

### Week long mid-week performance (subject to conditions)

Johnson Studio	Per hour	26.40
Johnson Studio	Per hour (booking 10 or more sessions)	21.60
Brochure	Full page	780.00
Brochure	Half page	480.00
Brochure	Quarter page	300.00

### Technical and Other Charges

Ticket Printing	Per ticket	0.12
Follow Spots - per rehearsal / performance		115.20

*Continued on the next page...*

Somerset Council Fees & Charges (Appendix 4)		2023-24
Arts & Entertainment	Unit	Fee (£) (including VAT)

Technical Equipment Available to Hire		
<b>Sound</b>		
Piano and tuning		210.00
Lapel/head/ hand held radio microphones and PCC (floor mics)	Per unit (daily)	36.00
Lapel/head/ hand held radio microphones and PCC (floor mics)	Per unit (weekly)	96.00
<b>Westlands</b>		
<b>Hire Charges (Commercial)</b>		
Get In / Rehearsal Additional Hr Standard		222.00
Get In / Rehearsal Additional Hr After 2400		252.00
Performance	Mon-Thu	1,716.00
Performance	Fri-Sun	1,824.00
2 Performances (Same Day)	Mon-Thu	2,520.00
2 Performances (Same Day)	Fri-Sun	2,760.00
Standing Gig	12 hours	3,600.00
Standing Gig	Additional hours	564.00
Flatfloor Setup		114.00
Trade Fair Operating		180.00
Party / Ball / Function	Mon-Thu	138.00
Party / Ball / Function	Fri-Sun	168.00
Wheeldon 1 or Parish		25.20
Wheeldon 1 & 2		37.20
Wheeldon 1, 2 & 3		48.00
Preview	Full page	732.00
Preview	Half page	408.00
Preview	Quarter page	240.00
<b>Hire Charges (Not for Profit)</b>		
Get In / Rehearsal Additional Hr Standard		198.00
Get In / Rehearsal Additional Hr After 2400		240.00
Performance	Mon-Thu	1,260.00
Performance	Fri-Sun	1,500.00
2 Performances (Same Day)	Mon-Thu	1,860.00
2 Performances (Same Day)	Fri-Sun	2,100.00
Flatfloor Setup	Per hour	108.00
Trade Fair Operating	Per hour	150.00

*Continued on the next page...*

Somerset Council Fees & Charges (Appendix 4)		2023-24
Arts & Entertainment	Unit	Fee (£) (including VAT)

Hire Charges (Not for Profit)		
Party / Ball / Function	Mon-Thu	150.00
Party / Ball / Function	Fri-Sun	174.00
Wheeldon 1		19.80
Wheeldon 1 & 2 or Parish Suite		26.40
Wheeldon 1, 2 & 3		34.80
Parish Room		0.00
Preview	Full page	732.00
Preview	Half page	408.00
Preview	Quarter page	240.00
Technical and Other Charges		
Ticket Printing	Per ticket	0.12
Technical Equipment Available to Hire		
Sound		
Lapel/head/ hand held radio microphones and PCC (floor mics)	Per unit (daily)	36.00
Lapel/head/ hand held radio microphones and PCC (floor mics)	Per unit (weekly)	96.00

Somerset Council Fees & Charges (Appendix 4)	2023-24
Bereavement Services	Fee (£) (including VAT)

<b>Cremation</b>	
Cremation of the body of a child under 18 years	0.00
Cremation of body parts	0.00
Early Direct Cremation 8.00am, 8:15am, 8:30am or 8:45am (no attendance)	531.00
Early Chapel time 9.00am or 9.30am*	807.00
Cremation of the body whose age exceeds 18 years (10am – 4pm)*	946.00
<b>Note:</b> * This fee includes use of chapel for 30 minutes, use of the Obitus Music System, services of Chapel Technician, medical referee fees, national environment levy for mercury abatement, provision of container for cremated remains, certificate for burial of cremated remains, unwitnessed interment of cremated remains in the Garden of Rest.	
Extended 1 hour chapel service	1,169.00
Early delivery of coffin in advance of a service	59.00
Same day collection of cremated remains (prior arrangement only)	59.00
Overrunning of chapel time 5 minutes or more. <b>Note:</b> Over runs significantly impact on later services and their mourners. Undertakers need to effectively manage their individual service lengths.	404.00
Fee for late paperwork (paperwork must be received 3 clear working days prior to service)	59.00
Service in Chapel (Shepton or Street)	54.00
<b>Cremated Remains</b>	
Purchase of scatter tube (large)	23.00
Purchase of scatter tube (small)	12.00
Purchase of rose casket	71.00
Purchase of willow casket	76.00
Holding of cremated remains after 6 Weeks (fee per month or part thereof).	46.00
<b>Interment of Cremated Remains</b>	
Witnessed interment in Garden of Rest, or scattering in woodland	91.00
Interment in any purchased grave (witnessed or un-witnessed)	188.00
<b>Exclusive Rights of Burial</b>	
<b>Note:</b> All SW&T fees below include the memorial permit fee but does not include the permit fee for kerb memorials or memorials over 36" high.	
<b>Purchase of Grave Rights</b>	
50 years	966.00
75 Years	1,204.00
100 years	1,359.00
Additional fee for pre-purchasing graves	174.00

Continued on the next page...

Somerset Council Fees & Charges (Appendix 4)	2023-24
Bereavement Services	Fee (£) (including VAT)
<b>Taunton &amp; Wellington Cemetery Only</b>	
Cremated remains grave (75 years)	871.00
Cremated remains grave (100 years)	1,003.00
<b>Interments in Full Burial Graves</b>	
<b>Note:</b> <i>The fees indicated below include the digging and backfilling of the grave but do not include the walling of a vault or walled grave</i>	
Of a body of a child up to the age of 18	0.00
<b>For the body of a person whose age exceeds 18 years</b>	
at SINGLE depth	807.00
at DOUBLE depth	946.00
at TREBLE depth	1,069.00
Burial in Natural Burial Copse	1,071.00
Additional charge for burial (within 48 hours)	390.00
<b>Other Fees &amp; Charges</b>	
Burial service in Crematorium Chapel	224.00
Transfer of Exclusive Rights of Burial	82.00
Lifting & levelling tablets and headstones	70.00
Turfing grave (one-off) including levelling & new turfs	47.00
<b>Grave maintenance</b>	
Grass cut weekly & memorial washed twice a year (price per year)	117.00
Exhumation of a full interment (depending on depth)	3,465.00
Exhumation of Cremated Remains	214.00
<b>Memorials &amp; Inscriptions</b>	
<b>Note:</b> <i>Memorials &amp; inscriptions may only be placed on a purchased grave</i>	
<b>In any "Traditional" Section</b>	
Flat stone or kerbstone	238.00
Headstone up to 36" or cross with base, or a tablet	227.00
Total surround including headstone - this option is not available at Taunton Crematorium	573.00
Inscribed stone vase	84.00
Slab or Ledger * this option is not available at Taunton Crematorium	403.00
<b>In any "Lawn" Section</b>	
Headstone up to 36" or cross with base	227.00

*Continued on the next page...*

Somerset Council Fees & Charges (Appendix 4)	2023-24
Bereavement Services	Fee (£) (including VAT)

<b>In any "Monolith" Section</b>	
Headstone up to 4'	227.00
Cremated Remains tablet or headstone up to 36"	227.00
Each removal of memorial for additional inscriptions	84.00
Re-fixing or making safe a memorial	84.00
<b>Miscellaneous Fees</b>	
Certified extract from the register of burials	45.00
Certified extract from the register of cremations	45.00
Register search	31.00
Refurbish pre-purchased wooden bench & plaque	111.00
Costs for additional maintenance works unspecified within fees table per hour	45.00
<b>Obitus Music System</b>	
Provision of audio recording	53.00
Provision of DVD/USB	74.00
Webcast of live service	79.00
Webcast of live service & 28 day watch again	85.00
Provision of webcast & DVD / USB	103.00
Subsequent copies of USB/DVD	23.00
<b>Visual Tributes</b>	
Halo Photo	0.00
Single Photo Holding Picture	28.00
up to 25 photos simple slideshow	57.00
26 - 50 photos simple slideshow	93.00
51-100 photos simple slideshow	129.00
up to 25 photos professional slideshow	93.00
26 - 50 photos professional slideshow	114.00
51 – 75 photos professional slideshow	139.00
76 – 100 photos professional slideshow	160.00
Family supplied video	38.00
Copy of tribute on USB stick/DVD	29.00
Subsequent copies of USB/DVD	23.00

*Continued on the next page...*

Somerset Council Fees & Charges (Appendix 4)	2023-24
Bereavement Services	Fee (£) (including VAT)

<b>Memorials</b>	
<b>Inscription into the Book of Memory (permanent memorial), memorial cards, miniature books</b>	
Two-line inscription	79.00
Five-line inscription	101.00
Five-line inscription with flower	174.00
Five-line inscription with motif, badge, coat of arms etc.	198.00
Eight-line inscription	144.00
Eight-line inscription with flower	216.00
Eight-line inscription with motif, badge, coat of arms etc.	240.00
<b>Leather Recordia Panel (15-year lease)</b>	
Single panel	259.00
Extension of lease for single panel per 5-year period	46.00
Double panel	451.00
Extension of lease for double panel per 5-year period	80.00
Plaque (Shepton or Street)	51.00
<b>Cornish Granite Tablet (10-year lease)</b>	
Memorial tablet without vase containing 25 letters	506.00
Memorial tablet with vase containing 25 letters	595.00
Provision of flower container in existing tablet	86.00
Cost of renewal for 10-year period	274.00
Cost of renewal for 5-year period	144.00
Cost of renewal for 3-year period	89.00
Cost of renewal for 1 year period	33.00
Cost of each additional letter/number	4.00
<b>Cast Bronze Memorial Plaque</b>	
Plaque Cost (5 Year Lease)	363.00
Cost of renewal for 5-year period	191.00
Cost of renewal for 3-year period	125.00
Cost of renewal for 1 year period	46.00
Refurbishment of current plaque	33.00
<b>Black Granite Plaque with Posy Holder (15-year lease)</b>	
Plaque with text only	316.00
Plaque with text and motif	351.00
Plaque with photo	405.00
Extension of lease per 5-year period	46.00

*Continued on the next page...*



Somerset Council Fees & Charges (Appendix 4)	2023-24
Bereavement Services	Fee (£) (including VAT)
<b>Black Granite Plaque with Rose Bush (15-year lease)</b>	
Plaque with text only	563.00
Plaque with text & motif	596.00
Plaque with photo	636.00
Extension of lease per 5-year period	85.00
<b>Granite Bench Plaque (20-year lease)</b>	
Plaque with text only	479.00
Plaque with text & motif	512.00
Plaque with photo	553.00
Extension of lease per 5-year period	85.00
<b>Vase Holder Plaque (15-year lease)</b>	
Plaque with text only	430.00
Plaque with text & motif	463.00
Plaque with photo	519.00
Extension of lease per 5-year period	85.00
<b>Barbican remembrance plaque (15-year lease)</b>	
Natural slate plaque in Memorial Walkway	416.00
<b>Woodland Memorial Boardwalk Inscription (10-year lease)</b>	
Engraved inscription on memorial tread of boardwalk (carried out in house)	220.00
<b>Mushroom plaque (10-year lease)</b>	
Engraved inscription on cast bronze plaque in woodland and copse	194.00
<b>Vault Options (Available in Taunton Cemetery &amp; Crematorium only)</b>	
Sanctum above ground vault for 75 years	1,296.00
Family Sanctum above ground vault for 75 years	2,369.00
Double leaf above ground vault for 75 years	1,296.00
Single leaf above ground vault for 75 years	918.00
Vase holder (leaf vault only)	213.00
Inscription on vault (incl. 80 characters)	158.00
Additional charge for each additional characters on vault	1.96
Standard design on vault	56.00
Photo Plaque	103.00
Large or bespoke design fee dependant on size, detail etc.	POA

*Continued on the next page...*

Somerset Council Fees & Charges (Appendix 4)	2023-24
Bereavement Services	Fee (£) (including VAT)

<b>Niche Options (Available in Wellington Cemetery Only)</b>	
Sanctum Columbarium Niche for 75 years	1,296.00
<b>Children's Garden Memorial Options (18-year lease)</b>	
<b>Note: Taunton Cemetery &amp; Crematorium Only</b>	
Baby cast bronze memorial plaque	107.00
Granite pedestal plaque*	146.00
Teddy pedestal plaque *	146.00
Ellie elephant columbarium niche*	270.00
*Standard design in addition to inscription	52.00
Renewal for 10 years	50% of current fee

Somerset Council Fees & Charges (Appendix 4)	2023-24
Building Control	Fee (£) (including VAT)

Please contact Building Control directly for current prices.	POA
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Somerset Council Fees & Charges (Appendix4)		2023-24
Closed Circuit Television	Unit	Fee (£) (including VAT)

Charge for viewing videotape by a solicitor/insurer	Per incident	72.60
Copy of the incident on tape		204.60

Somerset Council Fees & Charges (Appendix 4)	2023-24
Countryside Services	Fee (£) (including VAT)

<b>Countryside guided walks</b>	
Groups	60.00
Adult	8.00
Child	6.00
Educational group visits (Schools) per 2 hours (or half day session) / Ranger	65.00
<b>Educational Activities (School Holidays)</b>	
Adult	8.00
Child	6.00
Slide Talks (per attendance and 1 hour talk. total c.2 hours)	50.00
Reptile Translocation (Base Payment)	570.00
Reptile Translocation (5 Year Commuted Sum)	285.00
Trail Events (depending on materials & prizes) <b>Note:</b> <i>Some events are grant funded or subsidised and lower ticket prices will reflect this for certain events.</i>	1.00 to 3.00
Wood Sales (dependent on load size)	POA
Activity Licence	56.00

Somerset Council Fees & Charges (Appendix 4)	2023-24
Court Fees	Fee (£) (including VAT)
Court Fees	76.00

Somerset Council Fees & Charges (Appendix 4)		2023-24
Customers & Community	Unit	Fee (£) (including VAT)

Police & Crime Commission contribution to Business Intelligence	Annual contribution from Police re activities within Business Intelligence	Annual	5,547.00
Blue Badge	Charges to members of the public for Disabled Car Badges issued	Per badge	10.00

Somerset Council Fees & Charges (Appendix 4)	2023-24
Democratic Services	Fee (£) (including VAT)
Contribution to Lieutenancy (Annual contribution to Lieutenancy from Bath & North East Somerset Council and North Somerset Council)	6,000.00
Committee Services Support (Annual charge for support to Pension Fund - Meeting and governance support to Pensions Committee and Pensions Board)	10,000.00
School Exclusions (Adhoc support to Academies)	1,710.00



Somerset Council Fees & Charges (Appendix 4)		2023-24
Environmental Health (Resorts)	Unit	Fee (£) (including VAT)

## Resorts & Beach parking

Cars	per vehicle	6.50
Cars after 2-30pm	per vehicle	3.00
Berrow and Brean Residents - Cars	per vehicle	3.00
Horse Box, Minibus & Caravanettes	per vehicle	10.00
Horse Box, Minibus & Caravanettes - Disabled Badge Holder	per vehicle	5.00
Horse Transporter	per vehicle	16.00
Horse Transporter - Disabled Badge Holder	per vehicle	8.00
Coach	per vehicle	16.00
Car - Disabled Badge Holder	per vehicle	3.00
Car Berrow and Brean Residents - Disabled Badge Holder	per vehicle	2.00
Windsurfers, Kite surfers and other wind-powered water sports	per vehicle	3.00
Annual Parking Pass - Cars	per vehicle	70.00
Annual Parking Pass - Cars Disabled Badge Holder	per vehicle	60.00
Annual Parking Pass - Horsebox/Caravanette	per vehicle	75.00
Annual Parking Pass - Horsebox/Caravanette Disabled Badge Holder	per vehicle	65.00
Annual Parking Pass - Horse Transporter	per vehicle	90.00
Annual Parking Pass - Horse Transporter Disabled Badge Holder	per vehicle	85.00
Annual Jetty Permits - Boats general users	per permit	110.00
One Day Launch Charge BOS Jetty- Boats general users	per day	25.00
Annual Jetty permit - Burnham Boat owners club	per year	160.00
EA/Government-Commercial - Hovercraft	per launch	180.00
EA/Government-Commercial - Hovercraft Annual charge	per year	830.00
Recreational - Hovercraft	per launch	73.00

## Beach Concessions

Burnham/Brean Beach Concessions	per pitch	POA
Berrow Beach Concessions	per pitch	POA
Filming/photography charges	by negotiation according to facilities, staffing requirements & circumstances	POA

Somerset Council Fees & Charges (Appendix 4)	2023-24
Environmental Health Services	Fee (£) (including VAT)

<b>Private Water Supplies</b>	
Reg 9 - Risk Assessment (5 yearly)	336.00
Reg 10 - Risk Assessment (5 yearly)	197.00
Reg 9 - Routine Sampling	282.00
Revisit (Notices Served)	255.00
Revisit (Notices not Served)	137.00
Private Water Supply - Risk Assessment (Non-Statutory)	436.00
Private Water Supply - Sampling (Non-Statutory)	382.00
<b>Environmental Protection</b>	
Request for Environmental Information	113.00
Environmental Protection Officer Hourly Rate	55.00
<b>Planning Application Advice</b>	
Pre-Planning Advice (including meeting)	446.00
Review of technical report (Additional charge)	372.00
<b>Local Authority Pollution Prevention &amp; Control (LAPPC)</b>	
<b>Application Fee</b>	
Standard process (includes solvent emission activities)	1,650.00
Additional fee for operating without a permit	1,188.00
PVRI, and Dry Cleaners	155.00
PVR I & II combined	257.00
VRs and other Reduced Fee Activities	362.00
Reduced fee activities: Additional fee for operating without a permit	99.00
<b>Mobile plant</b>	
<b>Note:</b> Additional amount to be added where an application is for a combined Part B and waste application.	279.00
For the first and second applications	1,650.00
for the third to seventh applications	985.00
for the eighth and subsequent applications	498.00

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Somerset Council Fees & Charges (Appendix 4)	2023-24
Environmental Health Services	Fee (£) (including VAT)

Annual Subsistence Charges		
Standard process	Low	772.00
	Medium	1,161.00
	High	1,747.00
Standard process (combined Part B and waste installation)	Low	875.00
	Medium	1,317.00
	High	1,954.00
PVR1	Low	79.00
	Medium	158.00
	High	239.00
Dry Cleaners	Low	79.00
	Medium	158.00
	High	239.00
PVR I & II combined	Low	113.00
	Medium	226.00
	High	343.00
VRs and other Reduced Fees	Low	228.00
	Medium	365.00
	High	550.00
<b>Mobile plant</b>		
<b>Note: Additional amount to be added where a Part B installation is subject to reporting under the E-PRTE Regulation</b>		103.00
for first and second permits	Low	646.00
	Medium	1,034.00
	High	1,508.00
for the third to seventh permits	Low	385.00
	Medium	617.00
	High	924.00
For the eighth and subsequent permits	Low	198.00
	Medium	316.00
	High	473.00
Late payment Fee		52.00
<b>LAPPC (Part B) Charges</b>		
Standard process transfer		169.00
Standard process partial transfer		497.00
New operator at low risk reduced fee activity (extra one-off subsistence charge - see Art 15(2) of charging scheme)		78.00

Continued on the next page...

Somerset Council Fees & Charges (Appendix 4)	2023-24
Environmental Health Services	Fee (£) (including VAT)

<b>LAPPC (Part B) Charges (continued)</b>		
Surrender: all Part B activities		0.00
Reduced fee activities: transfer		0.00
Reduced fee activities: partial transfer		47.00
<b>Temporary transfer for mobile plant</b>		
First transfer		53.00
Repeat following enforcement or warning		53.00
Standard process		1,050.00
Standard process where the substantial change results in a new PPC activity		1,650.00
Reduced fee activities		102.00
<b>LAPPC (Part B) mobile plant charges (Not using simplified permits)</b>		
<b>Application fee</b>		
First and second permits	Low	2296.00
	Medium	2684.00
	High	3156.00
Third to seventh permits	Low	1370.00
	Medium	1602.00
	High	1909.00
Eight and subsequent permits	Low	696.00
	Medium	814.00
	High	971.00
<b>LA-IPPC (Part A2) charges</b>		
<b>Note:—Every subsistence charge in the table below includes the additional £103 charge to cover LA costs in dealing with reporting under the E-PRTR Regulation.</b>		
Application		3,363.00
Additional fee for operating without a permit		1,188.00
Annual Subsistence	Low	1,446.00
	Medium	1,610.00
	High	2,333.00
Late payment fee		52.00
Substantial variation		202.00
Transfer		235.00
Partial transfer		698.00

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Somerset Council Fees & Charges (Appendix 4)	2023-24
Environmental Health Services	Fee (£) (including VAT)

<b>Food Safety</b>	
Request for a Rescore	205.00
Export Certificates	141.00
Replacement certificates	19.00
Voluntary Surrender, Certification & Condemnation (1st hr) including administration	145.00
Safer Food Better Business Pack (Caterers)	37.00
Safer Food Better Business Pack (Retailers)	37.00
Safer Food Better Business Pack (Indian cuisine)	37.00
Safer Food Better Business Pack (Chinese cuisine in English)	37.00
Safer Food Better Business Pack (Chinese cuisine in Cantonese)	37.00
Safer Food Better Business Pack (Childminders)	32.00
Safer Food Better Business Pack (Residential care homes)	32.00
Safer Food Better Business Pack (Year's supply of diary sheets)	32.00
Food Hygiene Training (Level 2)	POA
Food Hygiene Training (Level 3)	POA
Food Safety Officers Hourly Rate	53.00
<b>Health &amp; Safety</b>	
Health & Safety Training	POA
First Aid training 1 Day	POA
First Aid training 3 days	POA

Somerset Council Fees & Charges (Appendix 4)		2023-24
Electric Vehicle Services	Unit	Fee (£) (including VAT)
Electric Vehicle Charging Point	Charge per Kwh	0.58

Somerset Council Fees & Charges (Appendix 4)	2023-24	
Fixed Penalty Notices	Fee (£) (including VAT)	Fee (£) (including VAT)  If paid within ten days

**Note:** *Reduced charge payable if timely payment received within 10 days of issue.*

Depositing Litter	150.00	100.00
Household waste duty of care	400.00	250.00
Failure to produce waste documents	300.00	180.00
Failure to produce authority to transfer waste	300.00	180.00
Failure to comply with a waste receptacles notice	100.00	60.00
Fly posting and graffiti	150.00	100.00
Fly tipping	400.00	300.00
Failure to comply with a community protection notice	100.00	80.00
Abandoned vehicles	200.00	120.00
Nuisance Parking	100.00	60.00
Failure to comply with a public space protection order including dogs	100.00	60.00

Somerset Council Fees & Charges (Appendix 4)		2023-24
Harbour & Port	Unit	Fee (£) (including VAT)

### Slipway fees Watchet & Minehead

Annual		185.00
Weekly		50.00
Daily		15.00
Annual Kayak launch (junior u16's)		50.00
Annual Kayak launch (full price)		63.00
Daily Kayak launch (junior u16's)		4.00
Daily Kayak launch (full price)		6.00

### Leisure Mooring fees

Annual (permanent mooring only)	Per metre or part metre	56.00
Weekly	Per metre or part metre	19.00
Flat fee (half day)	Per metre or part metre	13.00
Flat fee (full day)	Per metre or part metre	19.00

### Commercial Mooring fees

Annual (permanent mooring only)	Per metre or part metre	86.00
Flat administration fee for transfer between moorings	Per metre or part metre	72.00

### Harbour dues for vessels under 400 gross registered tonnes

Annual	Per metre	310.00
Six monthly	Per metre	215.00
Weekly	Per metre	80.00
Daily	Per metre	25.00

### Vessels over 400 gross registered tonnes (excluding hobbling duties)

Per Visit		476.00
Per Cancelled Visit		239.00

*Continued on the next page...*



Somerset Council Fees & Charges (Appendix 4)		2023-24
Harbour & Port	Unit	Fee (£) (including VAT)

### Non-Standard use of the harbours

Annual		595.00
Weekly		179.00
Daily		61.00
Price for charities & community groups - Annual		120.00
Minehead & Watchet advertising board - Annual		150.00

### Commercial Vessels from Sea to Berths/operations within the port

Harbour Conservancy Dues	per visit	477.00
Pilotage Charges (per Pilot)	per act	580.00
Boarding and Landing	per act	259.00
Cargo Tariff - Dry Bulk products	per tonne	0.23
Cargo Tariff - Project Cargo (ALL)	per unit	2,209.00
Boarding/Landing outside normal area - addition to (3) above	per act	433.00
Attendance fee (Pilotage not completed)	per act	433.00

### Commercial Vessels based/launched within the port limits

Harbour Conservancy Dues for vessels launched within the port	per visit/launch	214.00
Harbour Conservancy Dues for commercial vessels based within the Port of Bridgwater	annual	476.00
Commercial vessel operating within the Port	daily	107.00

### Pilotage Exemption Certificates

Charge for a Pilotage Exemption Examination/ Re examination	per examination	610.00
Issue of Pilotage Exemption Certificate and annual renewal of certificate	per renewal	61.00
Any alteration for a Pilotage Exemption Certificate	per alteration	61.00
Charge on Pilotage Exemption Certificate vessels	1st visit	580.00

### Miscellaneous Charges

Notice to Mariners - to issue, edit or cancel on behalf of third parties	per request	375.20
Services of the Pilot Vessel with 2-man crew (subject to availability)	per hour	610.00

### Pilotage for non-compulsory vessels

To River Brue & Highbridge	per attendance	440.00
To Comwich	per attendance	440.00
To Dunball	per attendance	440.00
To Bridgwater	per attendance	440.00

Somerset Council Fees & Charges (Appendix 4)		2023-24	
Health & Safety		Unit	Fee (£) (including VAT)
Civil Marriage H&S Inspections	Charge to Inspect Venues and produce H&S report who require licence to undertake civil marriages	Per hour or part	60.00
Mileage Charge for undertaking FRA/H&S Training away from SCC premise	Charge for mileage from officers base to venue and return to base	Current mileage rate + 5p per mile	0.60
Allowing Academies to access Occupational Health and Care First contracts	Charges to Academies for access to: <ul style="list-style-type: none"> <li>Occupational Health</li> <li>Care First</li> </ul>	<u>Occupational Health</u> £2.00 per head (access fee) + charge on a pay as you go = cost + 10%  <u>Care First</u> £3.20 per head.	

Somerset Council Fees & Charges (Appendix 4)		2023-24	
Highways & Transport Commission		Unit	Fee (£) (including VAT)
Stopping up the highway admin fee	Fee for application to stop-up the highway	One application	100.00
Obstructions on the highway (S115) admin	Administrative fee for authorising parking of goods vehicles, transfer of goods or temporary storage of goods which are to be hauled; on land adjoining a highway.	One application	165.00
Planting trees and shrubs (S142)	Fee for administering a licence to permit the occupier or the owner of any premises adjoining the highway to plant trees, shrubs etc in a highway.	One inquiry	75.00
Roads records (initial inquiry)	Fee for administering an initial inquiry into the status of a road as held on the roads records database.	Fee for each extra question asked.	40.00
Roads records (complex follow-up enquiry)	Fee for administering a more complex follow-up inquiry into the status of a road as held on the roads records database.	One application	7.00
Stopping up the highway legal fee	Legal fee for processing a stopping up of the public highway.	One application	3500.00 to 6000.00
Obstructions on the highway (S115) legal fee	Legal fee for authorising parking of goods vehicles, transfer of goods or temporary storage of goods which are to be hauled; on land adjoining a highway.	7.5% of cost of the works being approved and supervised	350.00
Estate Roads Team - S38 ledger for salaries costs	Charge for providing technical approval of new estate roads proposals and administering advance payments code.	One travel plan/ planning application. 4 levels of fee	Virement (annually) of lump sum of 223,000.00 to estate roads team from the holding account
<b>Travel Plan Fee</b>			
Fee for review and approval of travel plans submitted through the development planning process.		Measures Only	700.00
		Travel Plan Statement	2,000.00
		Standard Travel Plan	3,000.00

*Continued on the next page...*

Somerset Council Fees & Charges (Appendix 4)		2023-24
Highways & Transport Commission	Unit	Fee (£) (including VAT)

Traffic Modelling		
Protocol and fees for third party use of strategic traffic models.		
Level 1 Access (annually)	1 Junction	180.00
	2 Junctions	336.00
	3 Junctions	480.00
	4 Junctions	600.00
	Additional Junctions	108.00
Level 2 Access	3 months	6,480.00
	6 months	10,920.00
	12 months	19,200.00
Level 3 Access + 25% for Audit Report		Level 2 Access Charges + 25%
Survey and Data Report		60.00
Model Validation Report and network plots		60.00
Model Forecast Report		60.00

Somerset Council Fees & Charges (Appendix 4)		2023-24
Highways		Fee (£) (including VAT)

Highway licenses (Skips)	Application/permission to deposit a builders skip on the highway for the temporary storage of builders material or refuse in accordance with: Highways Act 1980, Section 139, 140 & 140A Road Traffic Regulations Act 1984, Section 65 Builders Skip (Markings) Regulations 1984 Environment Protection Act 1990, Section 34 Local Authorities (Transport Charges) Regulations 1998	65.00
Highway licenses (Scaffold)	Application/permission to place scaffolding, hoarding or any other structures on the highways in accordance with: Sections 169, 172 and 173 of the Highways Act 1980	90.00
Highway licenses (S184 vehicle access)	Application for a vehicle crossing over footways and verges in accordance with: Section 184 of the Highways Act 1980,	218.00
Highway licences (S171 minor works)	Application for minor works on or near the public highway – subject to planning conditions, for example, a waiting bay – charge.	250.00
Highway licences (S171 minor works)	Application for minor works (involving excavations) on or near the public highway.	232.00
Highway licences (S171 minor works)	Application for the deposition of materials (including work equipment, building materials, rubbish, and other things)	50.00

Somerset Council Fees & Charges (Appendix 4)	2023-24
Innovation Centre	Fee (£) (including VAT)

<b>Yeovil Innovation Centre</b>	
Small Meeting Room per hour max 6-person boardroom style	£14.00
Medium Meeting room per hour max 10 board room style	£28.00
Medium meeting room per hour max 10 board room Partners	£21.00
Medium Large meeting room max 15 boardroom 25 theatre style	£42.00
Medium Large meeting room max 15 boardroom 25 theatre style (partners rate)	£34.00
Large Meeting Room max 25 Boardroom 40 theatre style	£70.00
Large Meeting Room max 25 Boardroom 40 theatre style (partners rate)	£41.50
Photocopying starts at 25p per coloured A4	£0.30
Tea, coffee, and Biscuits	£6.00

Somerset Council Fees & Charges (Appendix 4)				2023-24	
Land Charges	Mendip	Sedgemoor	South Somerset	Somerset West and Taunton	Somerset County Council
LLC1 (Registers Only) Residential	44.00	37.00	30.00 (No VAT)	10.00	-
Con29R Residential	91.00	94.80	145.80	126.00	-
LLC1 and CON29R Residential	135.00	131.8	175.80	136.00	-
LLC1 (Registers Only) Commercial	44.00	37.00	30.00	-	-
CON29R Commercial	91.00	94.8	145.80	-	-
LLC1 and CON29R Commercial	135.00	131.8	175.80	-	-
CON290 Question 4	25.00	9.00	11.40	9.60	0.50
CON290 Question 5	4.50	9.00	11.40	9.60	0.50
Question 6	1.00	9.00	11.40	9.60	-
Question 7	1.00	9.00	11.40	9.60	-
Question 8	1.00	9.00	11.40	9.60	-
Question 9	8.00	9.00	11.40	9.60	-
Question 10	1.00	9.00	11.40	9.60	-
Question 11	1.00	9.00	11.40	9.60	-
Question 12	1.00	9.00	11.40	9.60	-
Question 13	1.00	9.00	11.40	9.60	-
Question 14	1.00	9.00	11.40	9.60	-
Question 15	1.00	9.00	11.40	9.60	-
Question 16	0.25	9.00	11.40	9.60	0.25
Question 17	0.25	9.00	11.40	9.60	0.25
Question 18	9.00	9.00	11.40	9.60	0.25
Question 19	4.50	9.00	11.40	9.60	-
Question 20	1.00	9.00	11.40	9.60	-
Question 21	0.50	9.00	11.40	9.60	0.50
Question 22.1-22.3	0.50	9.00	11.40	9.60	0.50
Additional Enquires (Each)	15.00	12.00	16.00	-	See response to solicitor's questions below
Additional Parcels of Land	TBC	12.60	13.50	13.20	-
LLC1 only	4.00	-	1.00 (No VAT)	-	-
Con29 only	10.00	-	12.50	-	7.00
LLC1 & Con 29	14.00	-	13.50	-	-
Applicant Own Question	-	12.00	13.50	-	-
NLIS LLC1 Search Only	-	37.00	30.00	-	-
NLIS CON 29 part II-each question	-	9.00	11.40	-	-
NLIS Additional Parcel	-	12.60	13.50	-	-
NLIS Own Question	-	12.00	13.50	-	-

Continued on the next page...

Somerset Council Fees & Charges (Appendix 4)				2023-24	
Land Charges	Mendip	Sedgemoor	South Somerset	Somerset West and Taunton	Somerset County Council

Registration of a charge in part 11 of the register	-	-	71.50	-	-
Filing a definitive certificate of the Lands Tribunal under Rule 10 (3)	-	-	2.60	-	-
Filing a judgement, order or application for the variation or cancellation of an	-	-	7.70	-	-
Inspection of documents filed under Rule 10 in respect of each parcel of land Official Search (including issue of official certificate of search)		-	2.60	-	-
In any one part of the register	-	-	5.60	-	-
In the whole of the register	-	-	32.00	-	-
And in addition, in respect of each parcel of land above one, where under	-	-	1.15	-	-
Office copy of any entry in the register (not including a copy or extract of any)	-	-	1.65	-	-
<b>Con29 required enquiries</b>					
One parcel of land	-	-	153.00	-	-
Each additional parcel			17.00	-	-
<b>Form LLC1 and CON29 Required Enquiries</b>	-	-	175.80	-	-
Summary Basic Fees – Additional parcel (when both forms are submitted together)	-	-	16.50	-	-
Summary Basic Fees – Search only – additional parcel		-	1.00	-	-

*Continued on the next page...*



Somerset Council Fees & Charges (Appendix 4)				2023-24	
Land Charges	Mendip	Sedgemoor	South Somerset	Somerset West and Taunton	Somerset County Council
Solicitors' own enquiry	-	-	-	13.30	40.00 fee for answering one question with a plan re any follow-ups from solicitors that are above and beyond the core CON29 question. Discretion exercised where appropriate.
2.1	-	-	-	-	2.15
2.2-2.5					0.50
3.2					0.25
3.4					1.80
3.5					0.25
3.6					1.80
3.7					0.25
Base Fee	-	-	-	-	2.30

Somerset Council Fees & Charges (Appendix 4)		2023-24
Legal Services	Unit	Fee (£)

**Note:** The VAT liability, added at the prevailing rate, is dependent on the factors of each case. These are indicative prices based on standard hours to complete a typical transaction. Where there is complicated or additional work required or high value transactions, there may be additional charges applied. Please contact our legal services to confirm specific fees in these circumstances.

Commercial	per hour	276.00 (including VAT)
Non-commercial (indicative rate – please contact the Council)		POA

## Shared Ownership

Replying to mortgage/landlord questionnaire	per questionnaire	115.00
Notice of assignment (charge dependent on terms of lease)	per notice	115.00
Licence (where qualified prohibition)	per licence	460.00
Deed of variation (where absolute prohibition)	per deed	460.00
Licence to assign	per licence	460.00
Extension of lease	per lease	1725.00

## Right to Buy

Mortgage redemption to Land Registry; cancellation of land charges (Unregistered land)	per mortgage	115.00
Deed of Postponement	per deed	115.00
Consent to works (including Retrospective)	per consent	115.00
Registration of RTB assignment of flats for new owner	per assignment	115.00
Landlord questionnaire - Lease - LPE1	per questionnaire	115.00
Deed of release of covenant	per deed	920.00
156A Certificate of compliance (Landlord Right of First Refusal)	per consent	115.00
Extension of lease	per lease	1725.00
Certificate of compliance with restriction on title	per certificate	115.00

## Section 106

Section 106 Agreement (Note: minimum charge applies)	per hour	276.00 (including VAT)
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## Commercial

Licence to assign a VAT exempt lease or alter a VAT exempt lease	per licence	770.00
Licence to assign a VAT Standard lease or alter a VAT standard lease	per licence	924.00 (including VAT)
Grant of VAT (exempt) lease	per hour	230.00
Grant of VAT (standard rated) lease	per hour	276.00 (including VAT)

Continued on the next page...

Somerset Council Fees & Charges (Appendix 4)		2023-24
Legal Services	Unit	Fee (£)

## Sale of Land

VAT exempt	per hour	230.00
VAT at standard rate	per hour	276.00 (including VAT)
Grant of Easement	per hour	230.00
Transfer of public open space	per hour	230.00

## Land and Property

Transactions (including transfers, leases, and licences)		230.00
Grant of Mortgage		230.00
Deeds of Release/Rectification/Easements etc.		230.00
Discharge of Mortgage		57.50
Copy or release of title deeds from SSDC's deeds		57.50

## Planning and Highway Matters

Agreements/Unilateral Undertakings and miscellaneous agreements (including Variations, Supplemental Agreements and Releases) minimum charge		828.00
Public Path Diversion Order		115.00
Public Path Stopping Up Order		115.00
Temporary Road Closure Order		115.00

## Litigation

Civil Costs (To be changed in line with any future changes to the Solicitors' Guideline Hourly Rates)		126.00 to 255.00
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## Miscellaneous Matters

Copying Documents		POA
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Somerset Council Fees & Charges (Appendix 4)		2023-24
Library Services	Unit	Fee (£) (including VAT)

<b>Hire Charge</b>			
Audio Book	3-week loan period	2.40	
DVD	2-week loan period	2.00	
DVD Premium Films		2.00	
DVD Boxed Sets		2.00	
<b>Photocopying</b>			
Photocopies (Black & White)	Printing charge 10% discount if spend £5+	1 A4 Copy	2.00
<b>Printing Charge</b>			
Prints from Microfilm or Microfiche	1 A4 Copy	2.00	
Prints from PCs (Black & White)	Charge per side of 1	0.15	
Prints from PCs (Colour)	A4 page	0.40	
<b>Fax Transmission</b>			
UK	First Page	1.10	
	Subsequent Page	0.60	
Europe	First Page	3.10	
	Subsequent Page	0.60	
Rest of the world	First Page	2.58	
	Subsequent Page	0.60	
Inward Transmission - received	A4 Page	0.60	
<b>Overdue Charge</b>			
Adult Items	Daily	0.25	
DVD		0.40	
<b>Reservation Charge</b>			
Adult Items	Per item	1.20	
DVDs		1.00	
Titles outside LibrariesWest		4.80	
Periodical articles outside LibrariesWest	Per Article	4.80	
Reading Groups	Per Set	6.60	

*Continued on the next page...*

Somerset Council Fees & Charges (Appendix 4)		2023-24
Library Services	Unit	Fee (£) (including VAT)

### Damaged or Lost

Adult Fiction, non-fiction, graphic novels, large print, books on prescription		9.00	
Children's fiction & non-fiction, young adult fiction & non-fiction	Per item	5.00	
Adult Reference book		30.00	
Children's Reference book		15.00	
Adult audio book (set)	Per Set	30.00	
Children's audio book		15.00	
Language course		36.00	
DVD	Per Item	12.00	
DVD boxed set		24.00	
Music score		15.00	
Drama, single copy		5.00	
Membership Cards	Replacement Charge	Per Card	2.40

### Room Hire

Main Library Room	Per Session (Whole day)	90.00
	Per Session (Half day)	48.00
Small room	Per Session (Whole day)	60.00
	Per Session (Half day)	24.00
Taunton Meetings room	Per Session (Whole day)	119.00
	Per Session (Half day)	78.00
Taunton Meetings room - Evenings	For up to 2 hours (Minimum charge)	78.00
	Subsequent Hourly charge	31.00
Taunton Meetings room - Sunday & Bank Holiday	Supplement Charge	25.00

*Continued on the next page...*

Somerset Council Fees & Charges (Appendix 4)		2023-24
Library Services	Unit	Fee (£) (including VAT)
<b>Performing Arts</b>		
Return of Incomplete music set without prior notification	Per Set	12.50
<b>Somerset</b>		
Annual Subscription	Per group with 20 members or less	24.00
	Per group with 21-50 members	60.00
	Per group with more than 50 members	84.00
Request: Vocal Set	Per 5 copies	4.50
Request: Orchestral Set	Per Set	18.00
Request: Drama Set		12.50
Overdue Charge: Vocal Set		12.00
Overdue Charge: Orchestral Set		6.00
Overdue Charge: Drama Set		3.50
<b>Non-Somerset</b>		
Annual Subscription:	Per group with 20 members or less	36.00
	Per group with 21-50 members	72.00
	Per group with more than 50 members	96.00
Request: Vocal Set	Per 5 copies	5.00
Request: Orchestral Set	Per Set	20.00
Request: Drama Set		14.00
Overdue Charge: Vocal Set		14.00
Overdue Charge: Orchestral Set		9.50
Overdue Charge: Drama Set		4.50
<b>Hire of Glass Box</b>		
Whole Day	Per Session	90.00
Half day		48.00
<b>Taunton Library Display &amp; Exhibition Fees</b>		
Non-third sector organisations	Per Session	84.00
Third sector organisations		42.00
<b>All other Libraries</b>		
All Exhibitors	Per Session	20% Commission on all sales

Somerset Council Fees & Charges (Appendix 4)		2023-24
Licensing Services	Unit	Fee (£) (including VAT)

## Animal Licensing

**Note:** (Vets fees are not included and must be borne by the applicant)

Vary animal activities licence		102.00
Request re-inspection		106.00
<b>Grant</b>		
Animal Boarding	Application Fee	274.00
	1 Year Licence	58.00
	2 Year Licence	112.00
	3 Year Licence	165.00
Dog Breeding	Application Fee	302.00
	1 Year Licence	58.00
	2 Year Licence	112.00
	3 Year Licence	165.00
Pet Shop	Application Fee	316.00
	1 Year Licence	58.00
	2 Year Licence	112.00
	3 Year Licence	165.00
Hiring of Horses	Application Fee	305.00
	1 Year Licence	58.00
	2 Year Licence	112.00
	3 Year Licence	138.00
Keeping or training of animals for exhibition		389.00
Dangerous Wild Animals		298.00
Zoos		1494.00
<b>Renewal</b>		
Animal Boarding	Application Fee	242.00
	1 Year Licence	58.00
	2 Year Licence	113.00
	3 Year Licence	165.00
Dog Breeding	Application Fee	238.00
	1 Year Licence	58.00
	2 Year Licence	112.00
	3 Year Licence	165.00
Pet Shop	Application Fee	253.00
	1 Year Licence	58.00
	2 Year Licence	112.00
	3 Year Licence	165.00

*Continued on the next page...*

Somerset Council Fees & Charges (Appendix 4)		2023-24
Licensing Services	Unit	Fee (£) (including VAT)
<b>Renewal (continued)</b>		
	Application Fee	300.00
Hiring of Horses	1 Year Licence	58.00
	2 Year Licence	112.00
	3 Year Licence	165.00
Keeping or training of animals for exhibition		399.00
Dangerous Wild Animals		367.00
Zoos		1449.00
<b>Caravan Sites</b>		
Caravan Site Licence	Grant	176.00
	Transfer	40.00
	Variation	146.00
Annual Fee		22.00
Site Owner Register	Application	58.00
	Renewal	58.00
<b>Gambling Act 2005 (Statutory Fees)</b>		
<b>New Regional Casino:</b>		
New Application		12750.00
New Application – with Provisional Statement		6800.00
Provisional Statement		12750.00
Transfer		5525.00
Re-instatement		5525.00
Variation		6375.00
Annual Fees		12750.00
<b>New Large Casino</b>		
New Application		8500.00
New Application – with Provisional Statement		4250.00
Provisional Statement		8500.00
Transfer		1830.00
Re-instatement		1830.00
Variation		4250.00
Annual Fees		8500.00
<b>New Small Casino</b>		
New Application		6800.00
New Application – with Provisional Statement		2550.00
Provisional Statement		6800.00

*Continued on the next page...*



Somerset Council Fees & Charges (Appendix 4)		2023-24
Licensing Services	Unit	Fee (£) (including VAT)
<b>New Small Casino (continued)</b>		
Transfer		1530.00
Re-instatement		1530.00
Variation		3400.00
Annual Fees		4250.00
<b>Bingo</b>		
New Application		2975.00
New Application – with Provisional Statement		510.00
Provisional Statement		2975.00
Transfer		1020.00
Re-instatement		1020.00
Variation		1500.00
Annual Fees		850.00
<b>Betting – not on course</b>		
New Application		2550.00
New Application – with Provisional Statement		510.00
Provisional Statement		2550.00
Transfer		1020.00
Re-instatement		1020.00
Variation		1275.00
Annual Fees		510.00
<b>Track Betting (on course)</b>		
New Application		2125.00
New Application – with Provisional Statement		400.00
Provisional Statement		2125.00
Transfer		800.00
Re-instatement		800.00
Variation		1100.00
Annual Fees		850.00
<b>Adult Gaming Centre</b>		
New Application		1700.00
New Application – with Provisional Statement		510.00
Provisional Statement		1700.00
Transfer		1020.00

*Continued on the next page...*

Somerset Council Fees & Charges (Appendix 4)		2023-24
Licensing Services	Unit	Fee (£) (including VAT)
<b>Adult Gaming Centre (continued)</b>		
Re-instatement		1020.00
Variation		850.00
Annual Fees		850.00
<b>Family Entertainment Centre</b>		
New Application		1700.00
New Application – with Provisional Statement		400.00
Provisional Statement		1700.00
Transfer		800.00
Re-instatement		800.00
Variation		850.00
Annual Fees		650.00
<b>Family Entertainment Centre Gaming Machine Permits</b>		
New application		300.00
Renewal		300.00
Change of name		25.00
Copy of permit		15.00
<b>Licensed Premises Gaming Machine Permit</b>		
New Application		150.00
Variation		100.00
Transfer		25.00
Change of Name		25.00
Copy of permit		15.00
Annual Fee		50.00
Notification of 2 or less Gaming Machines		50.00
<b>Prize Gaming Permit</b>		
New Application		300.00
Renewal		300.00
Change of name		25.00
Copy of permit		15.00
<b>Club Gaming Permit</b>		
New Application		200.00
Variation		100.00

*Continued on the next page...*

Somerset Council Fees & Charges (Appendix 4)		2023-24
Licensing Services	Unit	Fee (£) (including VAT)

<b>Club Gaming Permit (continued)</b>		
Copy Permit		15.00
Renewal		200.00
Annual Fee		50.00
<b>Club Machine Permit</b>		
New Application		200.00
Variation		100.00
Copy Permit		15.00
Renewal		200.00
Annual Fee		50.00
<b>Lotteries</b>		
New		40.00
Renewal		20.00
<b>Temporary Use Notice</b>		
New		40.00
Replacement		20.00
Occasional Use Notice		0.00
<b>Licensing Act 2003</b>		
<b>Premises Licence/Club Premises Certificate Grant</b>		
Band A		100.00
Band B		190.00
Band C		315.00
Band D		450.00
Band D*		900.00
Band E		635.00
Band E*		1905.00
<b>Note: *Multiplier applied to premises used exclusively or primarily for the supply of alcohol for consumption on the premises (Bands D &amp; E only)</b>		

*Continued on the next page...*

Somerset Council Fees & Charges (Appendix 4)		2023-24
Licensing Services	Unit	Fee (£) (including VAT)
<b>Premises Licence/Club Premises Certificate Variation</b>		
Band A		100.00
Band B		190.00
Band C		315.00
Band D		450.00
Band D*		900.00
Band E		635.00
Band E*		1905.00
<b>Note:</b> *Multiplier applied to premises used exclusively or primarily for the supply of alcohol for consumption on the premises (Bands D & E only)		
<b>Annual Fee</b>		
Band A		70.00
Band B		180.00
Band C		295.00
Band D		320.00
Band D*		640.00
Band E		350.00
Band E*		1050.00
<b>Note:</b> *Multiplier applied to premises used exclusively or primarily for the supply of alcohol for consumption on the premises (Bands D & E only)		
<b>Annual Fee - Additional Fee</b>		
5,000 to 9,999		500.00
10,000 to 14,999		1000.00
15,000 to 19,999		2000.00
20,000 to 29,999		4000.00
30,000 to 39,999		8000.00
40,000 to 49,999		12000.00
50,000 to 59,999		16000.00
60,000 to 69,999		20000.00
70,000 to 79,999		24000.00
80,000 to 89,999		28000.00
90,000 and over		32000.00
<b>Other</b>		
Personal Licence	Grant	37.00
	Renewal	37.00
Temporary Event Notice (TEN)		21.00

Continued on the next page...

Somerset Council Fees & Charges (Appendix 4)		2023-24
Licensing Services	Unit	Fee (£) (including VAT)
<b>Other (continued)</b>		
Replacement Premises Licence		10.50
Provisional Statement		315.00
Change of name and/or address		10.50
Variation of DPS		23.00
Disapplication of DPS		23.00
Transfer of Premises Licence		23.00
Interim Authority Notice		23.00
Change of Club name or rules		10.50
Change of Club address		10.50
Replacement TEN		10.50
Replacement Personal Licence		10.50
Name/address change (Pers. Lic)		10.50
Right of freeholder to be notified of licensing matters		21.00
Minor Variation		89.00
<b>Pavement Licensing</b>		
Section 115E Pavement Cafés	New Applications	373.00
	Renewal Applications	302.00
Pavement Licence	Grant	100.00
	Renewal	100.00
<b>Skin Piercing</b>		
Premise Registration		125.00
Personal Registration		34.00
<b>Scrap Metal Dealers Act</b>		
SMD Site	Grant	565.00
	Renewal	529.00
SMD Collector	Grant	312.00
	Renewal	290.00
SMD - Variation		36.00
SMD Variation from collector to site licence		331.00
<b>Sex Establishments</b>		
Grant		1020.00
Licence	Renewal	297.00
	Variation	37.00
	Transfer	29.00

Somerset Council Fees & Charges (Appendix 4)		2023-24
Licensing Services	Unit	Fee (£) (including VAT)

Street Trading Consents		
Street Trading Grant	1 day	80.00
	1 week	80.00
	1 month	80.00
	1 year	531.00
Street Trading Renewal		404.00
Miscellaneous		
Hypnotisum Permission		199.00
Film Classification		£90 per hour (based on film length)

*Continued on the next page...*

Somerset Council Fees & Charges (Appendix 4)		2023-24
Licensing Services	Unit	Fee (£) (including VAT)

## Taxi Licensing

**Note:** (MOT & Plate Test fees are not included and must be borne by the applicant)

Driver licence grant	Application fee	145.00
	1 year	49.00
	1 year w. DBS	101.00
	2 years	90.00
	2 years w. DBS	142.00
	3 years	130.00
	3 years w. DBS	182.00
Driver licence renewal	Application fee	110.00
	1 year	49.00
	1 year w. DBS	101.00
	2 years	90.00
	2 years w. DBS	142.00
	3 years	130.00
	3 years w. DBS	182.00
Knowledge test		62.00
Replacement driver badge		15.00
Vehicle licence	grant	124.00
	grant w. internal plate	131.00
	renewal	113.00
	renewal w. internal plate	120.00
Private hire operator grant	Application fee	47.00
	1 year licence fee	44.00
	2 year licence fee	84.00
	3 year licence fee	125.00
	4 year licence fee	165.00
	5 year licence fee	206.00
Private hire operator renewal	Application fee	45.00
	1 year licence fee	44.00
	2 year licence fee	84.00
	3 year licence fee	125.00
	4 year licence fee	165.00
	5 year licence fee	206.00
Request to approve vehicle advertising		29.00
Replacement vehicle plate		18.00
Replacement vehicle windscreen sticker		9.00

Somerset Council Fees & Charges (Appendix 4)		2023-24
Lifeline Service	Fee (£) (excluding VAT)	Fee (£) (including VAT)

**Note:** Customers will be eligible for zero VAT rating on a number of these charges if they are disabled or have a chronic illness.

### Rental (charge per week)

Analogue Monitoring	£5.86	£7.03
Analogue Response	£6.90	£8.28
Digital Monitoring	£7.92	£9.50
Digital Response	£9.46	£11.35
Audio Extender - TeleAlarm	£1.90	£2.28
Audio Extender - Tunstall Sound Booster	£1.90	£2.28
Chair Sensor	£3.30	£3.96
Bed Sensor - Over Mattress	£3.30	£3.96
Bed Sensor - Under Mattress	£3.30	£3.96
Bogus Caller	£1.90	£2.28
CO2 Detector	£1.90	£2.28
Epilepsy Sensor	£5.70	£6.84
Pendant - additional or replacement	£0.75	£0.90
Fall Detector - Ivy	£1.90	£2.28
Fall Detector - Vibby	£1.90	£2.28
Flood Detector	£1.90	£2.28
Heat Detector	£1.90	£2.28
Jelly bean switch	£1.90	£2.28
Pill Dispenser	£3.30	£3.96
Monitoring for purchased equipment or hardship rate	£3.35	£4.02
Movement Detector	£1.90	£2.28
Pressure Mat	£1.90	£2.28
Pull Cord	£1.90	£2.28
Smoke Detector	£1.90	£2.28
Sounder Beacon	£1.90	£2.28
Temperature Extreme Sensor	£1.90	£2.28
Tunstall Sound Booster	£1.90	£2.28
Universal Sensor (Door/Property Exit)	£1.90	£2.28

*Continued on the next page...*



Somerset Council Fees & Charges (Appendix 4)		2023-24
Lifeline Service	Fee (£) (excluding VAT)	Fee (£) (including VAT)

<b>Purchase</b>		
Set-up fee	£45.00	£54.00
Chair Sensor	£67.00	£80.40
Bed Sensor - Over Mattress	£75.00	£90.00
Bed Sensor - Under Mattress	£70.00	£84.00
Bogus Caller	£53.00	£63.60
Care Assist	£159.00	£190.80
Care Calls	£1.00	£1.20
CO2 Detector	£95.00	£114.00
Electrical extension lead	£5.00	£6.00
Enuresis Sensor	£65.00	£78.00
Epilepsy Sensor	£75.00	£90.00
Pendant - additional or replacement	£50.00	£60.00
Fall Detector - Ivi	£100.00	£120.00
Fall Detector - Vibby	£95.00	£114.00
Flood Detector	£90.00	£108.00
Heat Detector	£70.00	£84.00
Internal Batteries Recharge	£15.00	£18.00
Jelly bean switch	£58.00	£69.60
Key Safe - Masterlock	£40.83	£49.00
Key Safe - Supra C500	£49.99	£59.99
Key Safe - Supra Permanent Keysafe	£69.99	£83.99
Lifeline Unit	£149.00	£178.80
Lifeline Unit - GSM/Hybrid	£280.00	£336.00
Lifeline Unit - SmartHub (including sim)	£235.00	£282.00
Medication Dispenser Carousel	£29.00	£34.80
Medication Reminder Dispenser - PivoTell Advance	£208.00	£249.60
Medicine Dispenser Key	£5.00	£6.00
Pill Dispenser	£178.00	£213.60
Minuet Watch - Guardian	£135.00	£162.00
Minuet Watch - Guardian SIM after 1 year	£99.00	£118.80
Minuet Watch - Tunstall	£100.00	£120.00
Movement Detector	£65.00	£78.00
Piper System Charges - South Somerset Schemes	£58.00	£69.60
Pressure Mat	£9.50	£11.40
Property Exit Sensor Kit	£240.00	£288.00
Pull Cord	£67.00	£80.40
Smoke Detector	£65.00	£78.00
Sounder Beacon	£73.50	£88.20

*Continued on the next page...*

Somerset Council Fees & Charges (Appendix 4)		2023-24
Lifeline Service	Fee (£) (excluding VAT)	Fee (£) (including VAT)

<b>Purchase (continued)</b>		
Telephone extension lead	£2.50	£3.00
Telephone socket doubler	£0.85	£1.02
Temperature Extreme Sensor	£105.00	£126.00
Tunstall Sound Booster	£98.80	£118.56
Universal Sensor (Door/Property Exit)	£110.00	£132.00

Somerset Council Fees & Charges (Appendix 4)	2023-24
Parks & Open Spaces	Fee (£) (including VAT)

<b>Daily Hire Fee</b>	
Seafront, Minehead (wide section) parallel to Warren Road	234.30
Wilton Lands	333.30
<b>Destination Sites</b>	
Vivary Park	1313.40
Wellington Park	858.00
Blenheim Gardens	584.10
<b>Neighbourhood Sites</b>	
Castle Green	239.80
Dobree Park	239.80
French Weir Park	239.80
Goodland Gardens	239.80
Hamilton Park	239.80
Somerset Square	239.80
Taunton Green	239.80
Victoria Park	239.80
Wellington Playing Field	239.80
Longrun Meadow	239.80
All SSDC neighbourhood sites	0.00
<b>Local Sites</b>	
Cotford St Luke Recreation Ground	128.70
Galmington Playing Field	128.70
Gordon Hawkins Playing Field	128.70
Greenway Recreation Ground	128.70
Higher Holway	128.70
Hudson Way	128.70
Lyngford Park	128.70
Moorfields	128.70
Priorswood Playing Fields	128.70
Roughmoor	128.70
Weirfield Green	128.70
Wellington Recreation Ground	128.70
All SSDC local sites (There are no current charges for areas within the old SSDC area, these will form part of a future review and potential harmonisation of the charging regime.)	0.00

*Continued on the next page...*

Somerset Council Fees & Charges (Appendix 4)		2023-24
Parks & Open Spaces	Unit	Fee (£) (including VAT)

Local Sites (continued)		
Public Open Spaces, primary sites including. <ul style="list-style-type: none"> <li>• Blake Gardens</li> <li>• Eastover Park</li> <li>• Manor Gardens</li> <li>• St Mathews Field</li> <li>• Apex Park and Marine Cove</li> </ul>	Per booking	38.50
Additional charge when additional administration is involved, such as notifications to local residents.		59.40
Small Scale Fitness Activities		
Less than 50 people for less than 2 hours - Single park (flexible hour for 12 months)	Per session	238.70
Less than 50 people for less than 2 hours - Up to 5 locations (flexible hour for 12 months)	Per session	357.50
Less than 50 people for less than 2 hours - Permit renewal	Per session	27.50
Additional Charges		
Events charge for checking application and raising permit to use land		0.00
<i><b>Note:</b> Use of onsite electricity and water supplies will be charged at current unit cost plus a 10% administration fee where utilised. A refundable damage deposit will also be requested, the rate to be set by an authorised officer of the council, dependant on the type of event. Additional commercial services requested of the Open Spaces service will be charged at the appropriate chargeable rates.</i>		54.09
Temporary compound license	Per week	110.00
Temporary works access license	Per day	22.00
Sponsorship		
Roundabout Sponsorship - Major Road	12 months	2310.00
Roundabout Sponsorship - Minor Road	12 months	1100.00
Roundabout Sponsorship - Roundabout Sign	Per sign installed or replaced	550.00
Planting Flower Beds - Bed area	Up to 9m <sup>2</sup>	239.80
Planting Flower Beds - Bed area	10m <sup>2</sup> to 15m <sup>2</sup>	357.50
Planting Flower Beds - Bed area	More than 15m <sup>2</sup>	478.50

Continued on the next page...

Somerset Council Fees & Charges (Appendix 4)		2023-24
Parks & Open Spaces	Unit	Fee (£) (including VAT)

## Sports Pitch Hire

Junior Sized Pitch Hire		32.01
Junior Sized Pitch Hire *Sedgemoor. Not all pitches offer changing rooms		19.90
Senior Sized Pitch Hire		59.29
Football or Rugby Pitch *Sedgemoor not all pitches offer changing rooms		29.70
American football Train senior (AFT SR)		55.00
American football Train junior (AFT JN)		29.70
American football match Junior (AFMASR)		330.00
American football match senior (AFMASR)		165.00
American baseball (Victoria Park) (BB)		68.20
American baseball (Victoria Park) training (BBTRA)		23.10
Tennis Courts (Taunton Green and Vivary Park)	Per hour	6.00
	Annual pass	36.00
Mini / 7 a side / 5 a side		16.04
Training (no nets or flags)	Per hour	11.32
Netball	Per court, per hour	11.32
Croquet	Per pitch, per game	16.04
Rounders (lines marked)	Per pitch, per match	16.04
Junior Cricket pitch (Schools)	Per match	16.04
Changing Facilities		14.00
Toilet Facilities (under 16)		3.43
Public Liability Cover for season, home games only based on 10 bookings	Seniors	38.50
	Juniors	26.40
Litter Clearance following games. (Payment made in one month of account)		27.04

## Pitch and Putt

Adult	Per person, per round	4.27
Adult Concession	Per person, per round	3.44
Junior	Per person, per round	3.30
Junior Concession	Per person, per round	2.71
Tee Break (Off Peak 12-2pm weekday)	Per person, per round	2.43
Family Ticket (2 adults and 2 children)	Per person, per round	12.38

*Continued on the next page...*

Somerset Council Fees & Charges (Appendix 4)		2023-24
Parks & Open Spaces	Unit	Fee (£) (including VAT)

## Mini Golf

Adult	Per person, per round	2.75
Adult Concession	Per person, per round	2.24
Junior	Per person, per round	1.79
Junior Concession	Per person, per round	1.46
Family Ticket (2 adults and 2 children)	Per person, per round	7.34

## Artificial Grass Pitch

(Cascul)/Club Bookings) - with floodlights	Full pitch	59.59
(Cascul)/Club Bookings) - without floodlights	Full pitch	50.41
(Cascul)/Club Bookings) - with floodlights	1/3 pitch	24.75
(Cascul)/Club Bookings) - without floodlights	1/3 pitch	22.00
(YSHC) - with floodlights	Full pitch	41.53
YSHC) - without floodlights	Full pitch	38.73
Schools - with floodlights	Full pitch	33.00
Schools - without floodlights	Full pitch	28.41
Schools - with floodlights	1/3 pitch	16.04
Schools - without floodlights	1/3 pitch	14.21

## Yeovil Recreation Centre

Athletics Arena - Club training	Per hour	27.92
Athletics Arena - Club event	Per hour	52.03
Athletics Arena - Community room (casual user)	Per hour	11.00
Athletics Arena - Community room (non-profit)	Per hour	5.50

## Land Use Fees

exc Legal fees refer to Council - Hard landscape	Private	56.10
	Commercial	84.70
exc Legal fees refer to Council - Soft landscape	Private	84.70
	Commercial	112.20

*Continued on the next page...*

Somerset Council Fees & Charges (Appendix 4)		2023-24
Parks & Open Spaces	Unit	Fee (£) (including VAT)
<b>Commercial Desirable Location</b>		
(for non-trading use) - Selling of membership		24.20
(for non-trading use) - Charitable Stall		POA
<b>Events and Miscellaneous in Neighbourhood Services</b>		
Large Commercial Event 1000 > *		438.90
Medium Commercial Event 500 > < 1000 *		288.20
Small Commercial Event < 499 *		184.80
Circus or Fairs –Charge + refundable deposit of £471.50	Per day or part of day	435.60
Road Closure - New		173.80
Admin Charge for small charity events	Up to 100 people per day/part day	51.34
	More than 100 people per day/part day	100.84
Small events	Up to 300 people per day/part day	POA
Large events	Between 300 and 1000 people per day/part day	POA
<b>Markets</b>		
<b>Wells</b>		
Christmas Market		66.00
Christmas Chalet Hire		154.00
Pitch Wednesday	Per 2.5m stall	33.00
	Per 3x3 Gazebo	33.00
Pitch Saturday	Per 2.5m stall	33.00
	Per 3x3 Gazebo	35.20
<b>Frome</b>		
Pitch Wednesday	Per 3m stall	24.20
Pitch Saturday	Per 3m stall	40.70
<b>Glastonbury</b>		
Pitch Tuesday	Per 3m stall	24.20
<b>Shepton Mallet</b>		
Pitch Friday	Per 3m stall	24.20
<b>Street</b>		
Pitch Thursday	Per 3m stall	24.20

*Continued on the next page...*

Somerset Council Fees & Charges (Appendix 4)		2023-24
Parks & Open Spaces	Unit	Fee (£) (including VAT)

### Plant Nursery Sales

- Hanging basket 12		24.00
- Hanging basket 14		27.36
- Hanging basket 16		33.55
- Hanging basket 18		46.08
- Barrier troughs		33.55
- Window boxes		24.75
- Half rounds		33.55
- Large tubs		66.00
- Bedding plants 10cm pot		1.60
- Bedding plants 6 pack		4.13
- Herb pack		4.95
- Veg / herb pot 1ltr		3.30
- Veg / herb 10cm pot		1.93
- Shrubs (various)		5.50 to 88.00
- Compost (75L bags)		5.95
- House plants (various)		3.30 to 11.00
- Parish Ranger scheme (per hour)		23.65

### Taunton Nursery

Hanging Basket 16"		24.00
Patio Planter		21.00
Patio Plants 3 ltr		5.00
Herbaceous Perennials 10cm		1.75
Herbaceous Perennials 1 ltr		3.50
Herbaceous Perennials 3 ltr		7.50
Bedding, Patio plants 1 ltr		3.50
Bedding 10 cm (Basket and Patio plants)		1.50
Bedding 6 pack		3.00



Somerset Council Fees & Charges (Appendix 4)		2023-24
Planning	Additional charges	Fee (£) (including VAT)

The planning charges in this document are non-statutory. For statutory charges, refer to the following guidance.

Link: [Statutory fees for planning applications](#)

URL: <https://www.gov.uk/guidance/fees-for-planning-applications>

### Pre-Application planning advice

Level 1: Written advice within 20 working days	Householder Dwelling extensions, dormer windows, garages, fences, sheds etc to a single dwelling unit. Non material amendments, all non-material amendments regardless of scale. Advertisements, all proposals. Work to Trees, all proposals	A 1-hour meeting with an Officer can be arranged at an additional cost of £60 per meeting	150.00
Level 2: Written advice within 20 working days (includes a meeting of 1 hour)	Listed Buildings Advice about repairs, general alterations, major extensions etc		210.00
Level 3: Written advice within 20 working days (includes a meeting of 1 hour)	Single Dwellings Self build, infill, Agricultural Workers Dwellings	Additional meetings of 1 hour can be arranged at a cost of £60 per meeting	350.00
Level 4: Written advice within 20 working days (includes a meeting of 1 hour)	Small Minor Erection of 2-4 dwellings, including conversion or change of use to flats/houses. Commercial development of up to 500m2 of non-residential floorspace. Community buildings or facilities, including recreation, sports, and schools, up to 501m2 or up to 0.6ha site area		600.00
Level 5: Written advice within 20 working days (includes a meeting of 1 hour)	Large Minor Erection of 5-9 dwellings including conversion or change of use to flats/houses. Commercial development of between 501 and 1,000 m2 of non-residential floorspace. Community buildings or facilities, including recreation, sports, and schools, over 501m2 or over 0.6ha site area Agricultural or forestry development (not dwellings) over 0.6ha site area. Renewable energy proposals up to 2 hectares	Additional meetings of 1 hour can be arranged at a cost of £100 per meeting	1,000.00
Level 6: Written advice within 20 working days (includes two meetings of 1 hour each)	Small Major Erection of 10-49 dwellings including conversion or change of use. Listed Buildings - major extensions/alterations to multiple listed buildings. Commercial development of between 1,001 and 5,000 m2		1,850.00

*Continued on the next page...*

Somerset Council Fees & Charges (Appendix 4)		2023-24
Planning	Additional charges	Fee (£) (including VAT)

Pre-Application planning advice (continued)			
Level 7: Written advice within 20 working days (includes two meetings of 1 hour each)	Large Major Erection of 50-100 dwellings including conversion or change of use. Commercial development over 5,000 m2. Renewable energy proposals 2 hectares and over	Additional meetings of 1 hour can be arranged at a cost of £100 per meeting	2,640.00
Level 8	Minerals and Waste The fee will be calculated by officers based on the number and scale of the advice sought.		POA
Level 9	For all proposals that do not fit within the above criteria, are complicated or require a bespoke level of service including multiple meetings or significant economic development proposals. Please email (generic email address) with details of your proposal and a Senior Officer will respond to discuss a bespoke pre-application advice service.		POA
Planning Performance agreements			
Level 1	Householder Dwelling extensions, dormer windows, garages, fences, sheds etc to a single dwelling unit. Non-material amendments - all non-material amendments regardless of scale. Advertisements – all proposals. Works to Trees – all proposals. Certificate of Lawful Development – proposed/existing - all proposals. (All above are eligible for the Fast Track PPA Service)	£	200.00
Level 2	Listed Buildings Repairs, general alterations, major extensions etc. Discharge of conditions 1-3 planning conditions	Additional multiples of 3 conditions will be charged a further £150	350.00
Level 3	Small Minor. Erection of 1-3 dwellings, including conversion or change of use to flats/houses. Commercial development of up to 500m2 of non-residential floorspace. Community buildings or facilities, including recreation, sports, and schools, up to 501m2 or up to 0.6ha site area. Change of use of land or buildings with no physical development proposed (not to residential). Agricultural or forestry development		1,700.00

*Continued on the next page...*

Somerset Council Fees & Charges (Appendix 4)		2023-24
Planning	Additional charges	Fee (£) (including VAT)

Planning Performance agreements (continued)		
Level 4	Large Minor. Erection of 4-9 dwellings including conversion or change of use to flats/houses. Commercial development of between 501 and 1,000 m2 of non-residential floorspace. Community buildings or facilities, including recreation, sports, and schools, over 501m2 or over 0.6ha site area Agricultural or forestry development (not dwellings) over 0.6ha site area. Renewable energy proposals up to 2 hectares.	3,500.00
Level 5	Small Major Erection of 10-49 dwellings including conversion or change of use. Listed Buildings - major extensions/alterations to multiple listed buildings. Commercial development of between 1,001 and 5,000 m2	6,500.00
Level 6	Large Major Erection of 50-100 dwellings including conversion or change of use. Commercial development over 5,000 m2. Renewable energy proposals 2 hectares and over	£10,000.00
Level 7	Minerals and Waste. For all minerals and waste proposals	POA
Level 8	For all proposals that do not fit within the above criteria, are complicated or require a bespoke level of service including multiple meetings or significant economic development proposals. Agreements can also be agreed on a lump sum and hourly rate basis. Please email (generic email address) with details of your proposal and a Senior Officer will respond to discuss a bespoke pre-application advice service.	POA
Planning Obligations		
Section 106 monitoring fee per agreement		300.00
Financial obligation (per trigger point)		300.00
Affordable Housing obligation (per trigger point):		300.00
Non-financial obligation (per trigger point)		300.00
Obligation without a trigger		300.00
Planning obligations - impact of phosphates		
Section 106 monitoring fee per agreement payable at signing of agreement		300.00
Submission of monitoring report payable on submission of each and every monitoring report		300.00

Continued on the next page...

Somerset Council Fees & Charges (Appendix 4)		2023-24
Planning	Additional charges	Fee (£) (including VAT)

### Other planning charges (S106)

Request to confirm compliance with a Section 106 obligation or Community Infrastructure Levy (CIL)	This is a desktop check of the Council's records. If the clause in the agreement requires something to be undertaken on site, it would be necessary to undertake a site visit for which there may be an additional charge	Per hour	100.00
Request to modify or discharge a Section 106 obligation	Fee for the submission of an application to consider whether changes should be made to a planning obligation or to discharge an existing obligation – to be paid at point of receipt.		1,000.00
Request to modify or discharge a Section 106 obligation	If the request to modify or discharge a Section 106 obligation relates to affordable housing obligations and the Applicant is a Registered Housing Association.		500.00
Submission of documents to discharge a Section 106 obligation	Fee for the submission of an application to consider whether changes should be made to a planning obligation or to discharge an existing obligation – to be paid at point of receipt.		1,000.00
Submission of documents to discharge a Section 106 obligation	If the request to modify or discharge a Section 106 obligation relates to affordable housing obligations and the Applicant is a Registered Housing Association.		500.00

### Other planning charges

Planning History charge		Per hour	54.00
Minerals and Waste Monitoring Fee		Per site visit	400.00

*Continued on the next page...*

Somerset Council Fees & Charges (Appendix 4)		2023-24
Planning	Additional charges	Fee (£) (including VAT)

Other planning charges (continued)			
Copies of planning application documents held on microfiche	If you require a copy of an application decision or a tree preservation order and the documents are only available on microfiche.	Minimum charge	24.00
Fees for the assessment of the viability of developments	Where a viability appraisal is received as part of a planning application submission or at pre-application stage this will require an assessment to be undertaken to verify the assumptions being made. The cost for undertaking this assessment will be met by the developer and will be agreed between the Council and the developer prior to instruction. Payment must be received in full before the assessment is carried out (payment of VAT may be variable).		POA
Confirmation that no planning enforcement action will be taken or confirmation that an enforcement notice has been withdrawn	If an interested party, such as a solicitor or owner, wishes to receive in writing from the Planning Service either that no enforcement action will be taken following an investigation or that an enforcement notice will be withdrawn, this can be confirmed by letter for a fee.		100.00
High Hedge Complaints	Application to investigate a valid complaint of a high hedge and, if upheld, order the hedge owner to take action to remedy the problem.		500.00

Somerset Council Fees & Charges (Appendix 4)	2023-24
Private Sector Housing	Fee (£) (including VAT)
Enforcement Notices (HA2004)	383.00
HMO Licence NEW	780.00
HMO Licence RENEWAL	660.00
HMO Licence Extra room (over 5)	34.00
Discretionary visits (incl. immigration visit)	237.00
Hourly rate	52.00

Somerset Council Fees & Charges (Appendix 4)		2023-24	
Registration Services		Unit	Fee (£) (including VAT)
Birth, Death, and Marriage Certificates	Birth, Death, and Marriage Certificates issued by a Registrar or Superintendent Registrar. Issued at time of Registration, or if requested later then processed within 15 working days sent Second class post	Per Certificate	11.00
Civil Partnership Certificates Issued by the Local Registration Authority	Issued at time of registration, or if requested later then processed within 15 working days sent Second class post	Per Certificate	11.00
Priority Service - Birth, Death and Marriage Certificates issued by a Registrar or Superintendent Registrar	On or before next working day (orders up to 3pm) Sent First Class	Per Certificate	35.00
Priority Service - Certificates Issued by the Local Registration Authority		Per Certificate	35.00
Notice of Marriage - Persons subject to the Home Office Referral and Investigation Team	Entry of Each Notice of Marriage for persons subject to HORIT	Per Entry	47.00
Notice of Marriage - all other persons	Entry of Each Notice of Marriage	Per Entry	35.00
Foreign Divorce - Superintendent Registrar consideration	Consideration by Superintendent Registrar of a divorce obtained outside of the British Isles	Per Divorce Application	50.00
Foreign Divorce - Registrar General Consideration	Consideration by the Registrar General of a divorce obtained outside of the British Isles	Per Divorce Application	75.00
Marriage Fee - Attendance at the Ceremony	Attendance at the Register Office does not include a certificate	Per Ceremony	46.00
Marriage Fee - Attendance at a Registered Building	Attendance at the Registered Building does not include a certificate	Per Ceremony	86.00
Notice of Civil Partnership for persons subject to the Home Office Referral and Investigation Team	Entry of each Notice of Civil Partnership for persons subject to HORIT	Per Entry	47.00
Notice of Civil Partnership for all other persons	Entry of each Notice of Civil Partnership	Per Entry	35.00
Foreign Civil Partnership Dissolution - Registration Authority	Consideration by the registration authority of a Civil Partnership Dissolution obtained outside of the British Isles	Per Dissolution Application	50.00
Foreign Civil Partnership Dissolution - Registrar General	Consideration by the Registrar General of a Civil Partnership Dissolution obtained outside of the British Isles	Per Dissolution Application	75.00
Civil Partnership Attendance fee	Attendance at the Civil Partnership Registration at the Register Office (does not include a certificate)	Per Ceremony	46.00

*Continued on the next page...*

Somerset Council Fees & Charges (Appendix 4)			2023-24
Registration Services		Unit	Fee (£) (including VAT)
Conversion of Civil Partnership to a Marriage	At the Register Office	Per conversion	45.00
Civil Partnership Conversion two-step process	Completing the declaration	Per conversion	27.00
Civil Partnership Conversion two-step process	Signing the declaration in a religious building registered for the marriage of same sex couples	Per conversion	91.00
Waiver Application	Application to the Registrar General to reduce the statutory waiting time of Notice of Marriage/Civil Partnership (in addition to NOM fee)	Per Application	60.00
Registrar General's Licence	Attendance per ceremony - no certificate included	Per Ceremony	15.00
Change of Forename (Space 17)	Change of forename added within 12 months of birth registration	per Application	40.00
Correction Application - Local	Consideration by Registrar/Superintendent Registrar of a correction	per Application	75.00
Correction Application - General Register Office	Consideration by the Registrar General of a correction.	per Application	90.00
Citizenship Ceremony (Private)	Attendance Private Citizenship (Register Office)	Per Ceremony	POA
	Attendance Private Citizenship (Approved Premises)		
<b>Marriage and Civil Partnership</b>			
<b>Approved Premises/External Venue</b>			
Attendance at Marriage and Civil Partnership ceremonies by two staff. (one certificate included)	Monday - Thursday	Per Ceremony	465.00
	Friday		495.00
	Saturday		495.00
	Sunday		545.00
	Bank Holiday		645.00
<b>Frome</b>			
Emma Sheppard Meeting Room (max party size 20)	selected Saturdays only	Per Ceremony	215.00
Council Chamber (max party size 100)			365.00
<b>Taunton (The Old Municipal Buildings)</b>			
Attendance at Marriage and Civil Partnership ceremonies by two Registrars. (one certificate included)	Vivary Room (max party size 40)	Per Ceremony	215.00
	Tudor Hall (max party size 100)		365.00

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Somerset Council Fees & Charges (Appendix 4)		2023-24	
Registration Services		Unit	Fee (£) (including VAT)
<b>Weston</b>			
Use of the Hutton Suite (max party size 40), including the attendance of two Registrars. (one certificate included).	Monday – Friday	Per Ceremony	165.00
	Saturday		165.00
Use of the Old Council Chambers (max part size 60), including the attendance of two Registrars. (one certificate included).	Monday – Friday		215.00
	Saturday		215.00
<b>Yeovil</b>			
Use of Abbey Manor (max party size 40), including the attendance of two Registrars. (one certificate included).		Per Ceremony	215.00
<b>Welcome and Renewal of Vows</b>			
Each extra child added to Welcome ceremony booking	Each extra child per existing child		60.00
Each extra Couple added to Renewal Ceremony Booking	Each extra couple per Renewal booking		60.00
<b>Approved Premises/External Venue</b>			
Attendance at Welcome/Renewal of Vows Ceremony by one Registrar. Includes Commemorative Certificate.	Monday - Thursday	Per Ceremony	465.00
	Friday		495.00
	Saturday		495.00
	Sunday		545.00
	Bank Holiday		645.00
<b>Taunton (The Old Municipal Buildings)</b>			
Welcome/Renewal of Vows Ceremony by one Registrar. Includes Commemorative certificate.	Vivary Room (max party size 40)	Per Ceremony	215.00
	Tudor Hall (max party size 100)		365.00
<b>Weston</b>			
Welcome/Renewal of Vows Ceremony by one Registrar at the Hutton Suite (max party size 40). Includes Commemorative certificate	Monday - Saturday	Per Ceremony	165.00
			215.00
Welcome/Renewal of Vows Ceremony by one Registrar at Old Council Chamber (max party size 60). Includes Commemorative certificate			
<b>Yeovil</b>			
Welcome/Renewal of Vows Ceremony by one Registrar at Abbey Manor (max party size 40). Includes Commemorative certificate		Per Ceremony	215.00

*Continued on the next page...*

Somerset Council Fees & Charges (Appendix 4)		2023-24
Registration Services	Unit	Fee (£) (including VAT)

### Approved Premises (New Application)

Application for Approved Premises Licence with 2 Rooms Licensed	Valid for 3 years	Per Licence Application	TBC
Application for Approved Premises Licence with 3 Rooms Licensed			TBC
Application for Approved Premises Licence with 4 Rooms Licensed			TBC
Application for Approved Premises Licence with 5+ Rooms Licensed			TBC

### Approved Premises (Renewal)

Renewal of existing licence under same terms (required every 3 years)	Per Renewal	TBC
Renewal including application for addition of 1 room		TBC
Renewal including application for addition of 2 rooms		TBC
Renewal including application for addition of 3 rooms		TBC
Application to review refused Approved Premises Application	Per Application	TBC

Somerset Council Fees & Charges (Appendix 4)	2023-24
Rights of Way	Fee (£) (including VAT)

Land Charges	Question 2.1	2.15
Land Charges	Question 2.2-2.5	0.50
Land Charges	Question 3.2	0.25
Land Charges	Question 3.4	1.80
Land Charges	Question 3.5	0.25
Land Charges	Question 3.6	1.80
Land Charges	Question 3.7	0.25
Land Charges	Question 4	0.50
Land Charges	Question 16	0.25
Land Charges	Question 17	0.25
Land Charges	Question 21	0.50
Land Charges	Question 22.1-22.3	0.50
Land Charges	Base Fee	2.30

Somerset Council Fees & Charges (Appendix 4)		2023-24
Somerset Waste Partnership	Unit	Fee (£)
Garden Waste	Bin for 1 year	62.90
	Pack of 10 waste sacks	31.10
Bulky Waste	1 to 3 items	68.00
	Per additional item (up to 5)	17.00
Asbestos	Maximum of 16 sheets or 1 tonne	280.40
Asbestos at recycling sites	Per sack or sheet equivalent	15.00
Plasterboard at recycling sites	Per sack or sheet equivalent	5.10
Gas Bottles	Up to 10kg	7.80
	10kg to 20kg	15.50
	Specialist Cylinders	45.50
Soil & Hardcore	Single carrier bag	No Charge
	Rubble sack	4.40
Small van or Trailer		22.70
Soil & Hardcore - Medium van or trailer		45.50
Tyres	per Un-rimmed tyre	4.40
	per rimmed tyre	5.80
	per large (e.g., lorry type tyre)	59.00

Somerset Council Fees & Charges (Appendix 4)		2023-24
Sports Facilities	Unit	Fee (£) (including VAT)
<b>Yeovil Recreation Centre</b>		
<b>Athletics Arena</b>		
Adult Casual Session		5.00
Adult Casual Concession		4.00
Adult Concession 90 mins		6.00
Junior Casual Session		4.30
Junior Casual Concession		3.50
Junior Concession 90 mins		5.20
<b>Track Pass</b>		
Adult		110.30
Adult concession		83.80
Junior		66.20
Junior Concession		50.80
<b>Athletics Arena - Club Use</b>		
Club Training	Per hour	32.00
Club Meeting		59.60
<b>Athletics Arena - Educational Establishment</b>		
Training	Per hour	30.90
Meetings		46.30
<b>Athletics Arena – Floodlights</b>		
Training	Per hour	20.30
Meetings		24.60
<b>Community Space</b>		
Casual/exercise		10.50
Charity/non profit		5.25
<b>Miscellaneous</b>		
Activity License		56.00
Rounders(per pitch/max 4 pitches)		5.25

Somerset Council Fees & Charges (Appendix 4)		2023-24
Street Naming & Numbering	Unit	Fee (£) (including VAT)

Change of individual property name		82.50
New address for a single new property		110.00
New development 10 plots or less	Initial charge	121.00
	Per additional plot	11.00
New development more than 10 plots	Initial charge	110.00
	Per additional plot	11.00
Merger of two or more properties into one, where new address required	Initial charge	110.00
	Per additional plot	11.00
Property division		110.00
Confirmation of official address		38.50
Change of existing street name of residents request	Initial charge	137.50
	Per additional plot	11.00
Changes to existing street naming and numbering	Per 30 mins	55.00
Naming of new street or renaming a street		110.00
Renumbering of scheme following development changes	First address	110.00
	Per additional address	11.00
Nameplates erected for each new street (developers option)	First address	220.00
	Per additional address	137.50

Somerset Council Fees & Charges (Appendix 4)	2023-24
Streetscene	Fee (£) (including VAT)

<b>MOT Testing Centres</b>		
<b>Fleet Management</b>		
Hackney/Private Hire		63.80
Hackney/Private Hire Retest - up to 3 items		10.73
Hackney/Private Hire Retest		22.83
Hackney/Private Hire with MOT (58 +35)		102.30
Trailer Testing Fee		28.60
Private Purchase Inspections		53.90
MOT Testing (Class 4)	Public	49.50
	Staff	38.50
	Trade	44.00
MOT Testing (Class 5)	Public	60.50
	Staff	60.50
	Trade	52.80
MOT Testing (Class 7)	Public	60.50
	Staff	52.80
	Trade	52.80
SSDC internal hourly		49.01
SSDC external hourly		70.01

Somerset Council Fees & Charges (Appendix 4)	2023-24
Tourism & Heritage	Fee (£) (including VAT)

<b>Heritage</b>		
Photocopying A5 - A3, black and white or colour (minimum charge per item)		0.50
Identification Service		Free on public ID days as advertised
<b>Research</b>		
First initial enquiry via e-mail, telephone, or visit		Free of charge
Additional supervised visit to the store		13.70
Talks		57.00
Loan Box - charge per term		27.40
<b>Tours</b>		
per person during working hours		3.60
per person during evening (minimum charge 25.00)		7.20
<b>Postcards, Greeting cards, calendars</b>		
Yeovil in the Past Calendar	Per calendar	7.20
Yeovil Greeting Cards	Individual	1.50
	Pack of 5	7.50
Yeovil Postcards	Individual	0.50
	Pack of 3	1.00
	Pack of 6	2.00
First World War booklet		2.00
Outreach events (Drop in outreach events at partner venues)		Donation
<b>Photograph for publication (Per item)</b>		
Not-for-profit		7.00
Commercial		50.00
Written off stock		Donation

*Continued on the next page...*



Somerset Council Fees & Charges (Appendix 4)	2023-24
Tourism & Heritage	Fee (£) (including VAT)

<b>Tourism</b>	
<b>Cartgate TV screen advertising</b>	
<b>Screen only</b>	
12 months	1,110.00
Low season (per month)	65.00
High season (per month)	105.00
<b>Display package - screens &amp; leaflet display by screen</b>	
12 months	1,475.00
Low season (per month)	95.00
High season (per month)	140.00
<b>Premium package - screens, leaflets, info to staff</b>	
12 months	1,820.00
Low season (per month)	115.00
High season (per month)	190.00

Somerset Council Fees & Charges (Appendix 4)		2023-24
Traffic Management	Unit	Fee (£) (including VAT)

Road Injury Collision data requests	Staff costs for time and checking and an element of validation & Data system costs		210.00
Temporary Traffic Signals	NRSWA 1991		28.50
Section 50 Licence			340.00
Section 50 Licence(with site visit)			390.00
<b>(CAT 0,1 &amp; 2 or Traffic Sensitive)</b>			
Somerset Permit Scheme	Minor Permit		58.00
	Immediate		54.00
	Standard Permit		114.00
	PAA Permit		92.00
	PA Permit		186.00
	Permit Variation		45.00
<b>(CAT 3, 4 and non-Traffic Sensitive)</b>			
Somerset Permit Scheme	Minor Permit		30.00
	Immediate		25.00
	Standard Permit		57.00
	PAA Permit		60.00
	PA Permit		98.00
<b>Occupancy Charges</b>			
Traffic-sensitive street or protected street not in road category 2, 3 or 4	NRSWA 1991	Per first three days	5,000.00
		Per day thereafter	10,000.00
Traffic-sensitive street or protected street in road category 2	NRSWA 1991	Per first three days	3,000.00
		Per day thereafter	8,000.00
Traffic-sensitive street or protected street in road category 3 or 4	NRSWA 1991	Per day	750.00
Other street not in road category 2, 3 or 4	NRSWA 1991	Per day	2,500.00
Other street in road category 2		Per day	2,000.00
Other street in road category 3 or 4		Per day	250.00
Street not in road category 2, 3 or 4 (outside of carriageway)	NRSWA 1991	Per day	2,500.00
Street in road category 2 (outside of carriageway)	NRSWA 1991	Per day	2,000.00
Street in road category 3 or 4 (outside of carriageway)	NRSWA 1991	Per day	250.00

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Somerset Council Fees & Charges (Appendix 4)		2023-24
Traffic Management	Unit	Fee (£) (including VAT)

Regulation 19, Regulation 20 and Fixed Penalty Notices			
Regulation 19: Offence to undertake works without a required permit.	Somerset Permit Scheme	If paid within 29 days	120.00
		If not paid within 29 days	500.00
Regulation 20: Offence to breach a permit condition	Somerset Permit Scheme	If paid within 29 days	80.00
		If not paid within 29 days	300.00
Fixed Penalty Notice	NRSWA 1991	If paid within 29 days	80.00
		If not paid within 29 days	120.00
Standard Inspection charge (Non-Sample)	NRSWA 1991		47.50
Sample inspection charge	NRSWA 1991		50.00
Permit Variation (CAT 3, 4 and non-Traffic Sensitive)	Somerset Permit Scheme		35.00
Temporary Traffic Regulation Order Application Fee	Charges are applied to cover all SCC costs associated with making temporary Traffic Regulation Orders	Temporary Traffic Regulation Order	1,375.00
Temporary Traffic Regulation Notice Application Fee	Charges are applied to cover all SCC costs associated with making temporary Traffic Regulation Notices	Temporary Traffic Regulation Notice	495.00
Tourist Sign Applications (Brown Signs)	Recoverable costs associated with the supply and installation of directional signage for tourist facilities and attractions	Scheme costs vary and are recharged to the applicant	On Application
Temporary Traffic Regulation Order required within 12 weeks (Fast Track) Application Fee	Charges are applied to cover all SCC costs associated with making temporary Traffic Regulation Notices	Temporary Traffic Regulation Order (Fast Track)	2,475.00
Additional Temporary Traffic Regulation Order Public Notice Fee	Charges are applied to cover all SCC costs associated with making temporary Traffic Regulation Notices	Temporary Traffic Regulation Order Additional Public Notice	550.00

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Somerset Council Fees & Charges (Appendix 4)		2023-24	
Traffic Management		Unit	Fee (£) (including VAT)
Permanent Traffic Regulation Order Fee	Charges are applied to cover all SCC costs associated with making permanent Traffic Regulation Orders	Permanent Traffic Regulation Order	3,300.00
<b>Transport Data Speed and Traffic Count Radars</b>			
Internal Charge	7-day on-site survey	based on hours and rates (grade 13 of the team working)	297.00
External Charge			363.00
<b>CCTV for vehicle and pedestrian counts</b>			
Internal Charge	5-day on-site survey		429.00
External Charge			495.00
<b>Transcribing of CCTV data &amp; Validation</b>			
Internal Charge	Transcribing calculated separately at enumerator time cost, as it cannot be predicted prior to the survey		125.40
External Charge			165.00
Transport data Requests	Staff costs for time and checking and an element of validation costs		231.00
THE NEW ROADS AND STREET WORKS ACT 1991 SECTION 50 placement of Survey Counters, Traffic Monitoring equipment works without excavation, and enumerator surveys	Licencing of third-party surveys on SCC highways		118.80

Somerset Council Fees & Charges (Appendix 4)	2023-24
Transporting Somerset	Fee (£)

Accessible Transport Contributions	POA
Administration Fee for arranging Health Transport	POA
Bus Fares for passengers	POA (Route dependant)
Rental of Park and Ride Spaces	1073.10
Replacement of lost/stolen/damaged concessionary fare cards	10.00
Schools Early Closure Admin Fee	POA

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## Summary of Additional Funding Requests by Directorate

Directorate	Requirement type	Title	Description of requirement	Lead Member	Director	2023.24 £m	2024.25 £m	2025.26 £m
Climate & Place	<b>Change in legislation</b>	Development of new Somerset Local Plan	A new Local Plan for Somerset is required within 5 years of Vesting Day. The creation of a Local Plan is a Statutory Requirement. This is a cyclical activity and only a minimal amount is included in base budgets.	Cllr Ros Wyke	Mickey Green	0.790	0.000	0.000
	<b>Demand/ demography</b>	Project management - Major Road Network schemes to Capital Funding	Contribution to project management for the Major Road Network schemes.	Cllr Mike Rigby	Mickey Green	(0.010)	0.000	0.000
		Disposal Contract volume growth	The growth in housing will result in an unavoidable increase in waste volumes	Cllr Sarah Dyke	Mickey Green	0.311	0.154	0.159
		Funding of completion of secondment contract.	To honour fixed term secondment until 5/9/23	Cllr Sarah Dyke	Mickey Green	0.053	(0.053)	0.000
		TMC Cashable Saving	Prior year saving not achieved	Cllr Mike Rigby	Mickey Green	0.080	0.000	0.000
		Further Education Supported Services Contract Pressures	County Ticket has been suspended as it was no longer fit for purpose. Revenue now taken on the bus but as passengers are travelling less than previously the revenue has fallen. Contract prices have increased with inflationary pressures. We have a duty to provide access to Further Education.	Cllr Mike Rigby	Mickey Green	0.247	0.000	0.000
		<b>Inflation (general)</b>	Electricity Inflation	Forecast increase in electricity budget. Includes 22/23 in year budget pressure of £350k and forecast increase in prices of 75% as unmetered supply.	Cllr Ros Wyke	Mickey Green	2.967	1.221
	Forecast increase in electricity budget. Includes 22/23 in year budget pressure of £40k and forecast increase in prices of 40%			Cllr Ros Wyke	Mickey Green	0.088	0.034	0.020
	Drainage Board Levies		Inflation on Drainage Board Levies	Cllr Sarah Dyke	Mickey Green	0.071	0.000	0.000
	Inflationary impacts on delivery of maintenance function for Rights of Way		Additional funding required to cover the inflationary pressures of materials and labour.	Cllr Sarah Dyke	Mickey Green	0.030	0.000	0.000

Directorate	Requirement type	Title	Description of requirement	Lead Member	Director	2023.24 £m	2024.25 £m	2025.26 £m
Climate & Place	Policy/financing change	Replacement of lost LEP income	Somerset County Council has Service Level Agreements (SLAs) with the Local Enterprise Partnership (LEP) of £265k pa. This income has enabled budget reductions in previous MTFP rounds. Government is reviewing LEPs and the Heart Of the South West (HOSW) LEP is reviewing its operating model. This pressure is based on remaining impacts of this after mitigating management action	Cllr Val Keitch	Mickey Green	(0.115)	0.000	0.000
		Multi-year financial support for Somerset Local Nature Partnership and for Somerset Environmental Records Centre	SERC and the LNP will be leading on delivery of the Local Nature Recovery Strategy for Somerset, for which Somerset County Council is the Responsible Authority.	Cllr Sarah Dyke	Mickey Green	0.095	(0.095)	0.000
	Inflation (contractual)	Highways Maintenance (Contract Inflation)	Highways Maintenance Contract inflation	Cllr Mike Rigby	Mickey Green	0.541	0.313	0.138
		Highways Bridges and Structures (Contract Inflation)	Bridges and Structures contract inflation	Cllr Mike Rigby	Mickey Green	0.062	0.036	0.016
		Technically Competent Manager - closed landfill inspections	SCC operate 3 permitted facilities as part of the current highways contract and require TCM (Technically Competent Manager) cover to demonstrate it is managing and operating the permitted waste activities using sufficient competent persons and resources.	Cllr Mike Rigby	Mickey Green	0.020	(0.020)	0.000
		Emergency Overspend	Due to climate change and the unpredictable nature of emergency events the annual budget is constantly overspent	Cllr Mike Rigby	Mickey Green	0.050	0.000	0.000
		Highway Lighting Maintenance (SSE) contract	Inflation on costs for the Highway Lighting Maintenance contract	Cllr Mike Rigby	Mickey Green	0.159	0.092	0.040
		Inflationary costs	CPI (Consumer Price Index) applied to contract costs across Accessible Transport, Contract Bus, County Ticket Routes	Cllr Mike Rigby	Mickey Green	0.491	0.235	0.090



Directorate	Requirement type	Title	Description of requirement	Lead Member	Director	2023.24 £m	2024.25 £m	2025.26 £m
Climate & Place	Inflation (contractual)	Contract Inflation - Disposal Contract	Inflation on the Disposal contract using a mix of RPI (Retail Price Index) and Baxter baskets of indices	Cllr Sarah Dyke	Mickey Green	3.475	1.854	1.025
		Contract Inflation - Collection Contract	The collection contract inflation allows for both housing growth and price inflation. Inflation is a mix of CPI (Consumer Price Index) and a Baxter basket	Cllr Sarah Dyke	Mickey Green	2.130	1.362	0.674
		Trading Standards - adjustment for joint service salary related costs	Provision for inflation/annual changes to salary, NI and superannuation costs for the HoSW (Heart of the South West) joint trading standards service employed by DCC on behalf of SCC to meet the additional cost of the equivalent core team compared to 2022/23	Cllr Federica Smith-Roberts	Mickey Green	0.087	0.028	0.028
		Exmoor National Park Authority (ENPA) contribution	Additional funding required to ensure Exmoor National Park Authority (ENPA) retain an Agency Agreement with SCC to perform the maintenance function for Rights of Way within the National Park	Cllr Sarah Dyke	Mickey Green	0.037	0.000	0.000
<b>Climate &amp; Place Total</b>						<b>11.856</b>	<b>5.159</b>	<b>2.922</b>
Corporate Areas	Inflation (general)	Increase in pension costs	Increase in pension costs over next 3 years	Cllr Liz Leyshon	Jason Vaughan	0.120	0.000	0.000
	Policy/financing change	Resilience Budget for Business As Usual	To add resilience to service budgets throughout the Local Government Reorganisation (LGR) process	Cllr Liz Leyshon	Jason Vaughan	(1.473)	0.000	0.000
		Environment Agency Levy	The Environment Agency (EA) levy on the County Council to fund its local flood defence programme. (increased by 2% each year)	Cllr Liz Leyshon	Jason Vaughan	0.015	0.015	0.000
		Update discontinued services in line with current forecasts	Update discontinued services in line with current forecasts	Cllr Liz Leyshon	Jason Vaughan	0.006	0.006	0.000
		Reduction in income from the Housing Revenue Account	Reduction in income from the Housing Revenue Account	Cllr Liz Leyshon	Jason Vaughan	0.223	0.000	0.000
		Pension Revaluation	Estimated Increase in Pension Costs - Tri-Annual Review	Cllr Liz Leyshon	Jason Vaughan	0.000	0.000	0.000
		Devon & Severn IFCA Levy	Update Devon & Severn Inshore Fisheries Conservation Authority (IFCA) Levy in line with budget paper	Cllr Liz Leyshon	Jason Vaughan	0.001	0.001	0.000
<b>Corporate Areas Total</b>						<b>(1.109)</b>	<b>0.022</b>	<b>0.000</b>

Directorate	Requirement type	Title	Description of requirement	Lead Member	Director	2023.24 £m	2024.25 £m	2025.26 £m
Communities Services	Change in legislation	Contracts for vehicle hire, play areas and tools	Contracts for vehicle hire, play areas and tools funded by capital	Cllr Federica Smith-Roberts	Chris Hall	0.236	0.000	0.000
		Contract hire currently funded by capital	Contract hire funded by capital	Cllr Federica Smith-Roberts	Chris Hall	0.012	0.000	0.000
		Car cruising Injunction legal and associated costs Cheddar Gorge	Evidence for Injunction currently with barristers for legal view on potential of achieving an injunction. If approved would aim to move to full application through the courts. This to include consultation, advertising and signage. It is a rough estimation.	Cllr Adam Dance	Chris Hall	0.030	(0.030)	0.000
	Inflation (general)	Utilities Cost Inflation - Chilton Trinity Pool	Through the PFI (Private Finance Initiative) contract with BSF (Building Schools for the Future), 1610 operate the Pool facilities at Chilton Trinity pool in Bridgwater. As per the contract provisions, Sedgemoor DC undertake to pay the utilities costs. Current costs are c.£96k, these are expected to rise by at least 400% to c.£400k p/a	Cllr Federica Smith-Roberts	Chris Hall	0.300	(0.300)	0.000
		Provision for increase in utilities costs across leisure sector	Service delivery across the leisure sector is under significant pressure due to increases in utilities costs, calling into question the ongoing viability of contractors / service providers. Provision will need to be made for non-contractual contributions to utilities costs of service providers where ongoing service provision is at risk due to a rise in these costs	Cllr Federica Smith-Roberts	Chris Hall	0.500	(0.500)	0.000
	Policy/financing change	Fleet Contract	Somerset West and Taunton have a fleet contract with Specialist Fleet Services. This budget growth represents the contract budget required for 23/24. This includes the lease element which would be accounted for as capital if the council had adopted the lease accounting standard (IFRS16).	Cllr Federica Smith-Roberts	Chris Hall	0.010	(0.010)	0.000
		Lifeline Unit purchase for lease.	Funding required to purchase Lifeline Units for lease to customers.	Cllr Federica Smith-Roberts	Chris Hall	0.029	0.000	0.000

Directorate	Requirement type	Title	Description of requirement	Lead Member	Director	2023.24 £m	2024.25 £m	2025.26 £m
Communities Services	Inflation (contractual)	Contracts	Service providers that help local authorities to prevent and relieve homelessness are facing increased costs due to energy, wages and cost of living increases.	Cllr Federica Smith-Roberts	Chris Hall	0.164	0.063	0.043
		Contract inflation on idverde contract	10.1% inflation uplift from December 23. Split Taunton contract £67,973, Minehead contract £42,824 and Toilet cleansing £10,858	Cllr Federica Smith-Roberts	Chris Hall	0.122	0.065	0.035
			10% inflation - inflation based on GM87 (Grounds Maintenance 1987 index) which is and RICS (Royal Institute of Chartered Surveyors) index, estimated.	Cllr Federica Smith-Roberts	Chris Hall	0.153	0.085	0.037
		Additional contract costs for heritage services	Heritage services managed for SCC by the South West Heritage Trust, in particular as a result of rising utility and staff costs for running unique museum, archive and historic environment services and sites in Somerset.	Cllr Federica Smith-Roberts	Chris Hall	0.105	0.240	0.000
<b>Communities Services Total</b>						<b>1.660</b>	<b>(0.387)</b>	<b>0.115</b>
Accountable Bodies	Demand/demography	Resource requirement for management of new CDS contracts	<p>SCC is the accountable body for the CDS (Connecting Devon &amp; Somerset) programme. The programme has expanded over recent years originally delivering 1 contract with BT and is now delivering 6 contracts with a range of suppliers and Voucher Top Up Schemes with DCMS. Accordingly there is significantly more work being undertaken liaising with multiple suppliers across the region. In addition funding has been secured from multiple grant providers and their respective funding requirements must be honoured.</p> <p>In recognition of the significant increase in project and contract management work the programme team has been expanded over the past six months. Delivery under the contracts is expected to continue until 2024. This project continues to extend digital infrastructure across the region benefiting both residents and businesses.</p>	Cllr Mike Rigby	Jason Vaughan	0.000	0.072	0.004
	Policy/financing change	Somerset Rivers Authority (SRA) Budget	Somerset Rivers Authority (SRA) Budget to match precept income.	Cllr Liz Leyshon	Jason Vaughan	0.072	0.015	0.015
<b>Accountable Bodies Total</b>						<b>0.072</b>	<b>0.087</b>	<b>0.019</b>

Directorate	Requirement type	Title	Description of requirement	Lead Member	Director	2023.24 £m	2024.25 £m	2025.26 £m	
Adults Service	Change in legislation	Fair Cost of Care - Residential	Fair Cost of Care	CLlr Heather Shearer	Mel Lock	5.833	0.000	0.000	
		Fair Cost of Care - Nursing	Fair Cost of Care	CLlr Heather Shearer	Mel Lock	7.735	0.000	0.000	
		Fair Cost of Care - Homecare	Fair Cost of Care	CLlr Heather Shearer	Mel Lock	3.431	0.000	0.000	
		Reforms	Reforms - Staffing	CLlr Heather Shearer	Mel Lock	1.600	0.400	0.000	
		Better Care Support Costs - IT	Better Care Support Costs - IT	CLlr Heather Shearer	Mel Lock	0.116	0.000	0.000	
	Demand/ demography	Adults Service Demographic Growth	CCG Pooled Budget Income		CLlr Heather Shearer	Mel Lock	(1.330)	0.000	0.000
			Demographic Growth for Adults Services (Direct Payments)		CLlr Heather Shearer	Mel Lock	0.330	0.312	0.392
			Demographic Growth for Adults Services (Home Care)		CLlr Heather Shearer	Mel Lock	0.294	0.307	0.304
			Demographic Growth for Adults Services (Placements)		CLlr Heather Shearer	Mel Lock	1.387	1.378	1.354
			Demographic Growth for LD Services (Supported Living)		CLlr Heather Shearer	Mel Lock	0.477	0.478	0.478
			Demographic Growth for Learning Disabilities Services (Day Care)		CLlr Heather Shearer	Mel Lock	0.103	0.103	0.103
			Demographic Growth for Learning Disabilities Services (Direct Payments)		CLlr Heather Shearer	Mel Lock	0.245	0.245	0.245
			Demographic Growth for Learning Disabilities Services (Home Care)		CLlr Heather Shearer	Mel Lock	0.067	0.067	0.067
			Demographic Growth for Learning Disabilities Services (Placements)		CLlr Heather Shearer	Mel Lock	0.481	0.482	0.482
			Demographic Growth for Learning Disabilities Services (Shared Lives)		CLlr Heather Shearer	Mel Lock	0.042	0.043	0.043
			Demographic Growth for Mental Health Services (Direct Payments)		CLlr Heather Shearer	Mel Lock	0.034	0.035	0.037
			Demographic Growth for Mental Health Services (Home Care)		CLlr Heather Shearer	Mel Lock	0.106	0.108	0.111
			Demographic Growth for Mental Health Services (Placements)		CLlr Heather Shearer	Mel Lock	0.335	0.341	0.344
			In Year Pressure (Day Care)		CLlr Heather Shearer	Mel Lock	1.651	0.000	0.000
			In Year Pressure (Direct Payments)		CLlr Heather Shearer	Mel Lock	0.947	0.000	0.000
			In Year Pressure (Home Care)		CLlr Heather Shearer	Mel Lock	1.977	0.000	0.000
			In Year Pressure (Residential & Nursing)		CLlr Heather Shearer	Mel Lock	6.397	0.000	0.000
			In Year Pressure (Residential)		CLlr Heather Shearer	Mel Lock	0.735	0.000	0.000

Directorate	Requirement type	Title	Description of requirement	Lead Member	Director	2023.24 £m	2024.25 £m	2025.26 £m	
Adults Service	Demand/ demography	Named Transitions (LD Services)	Demographic Growth	Cllr Heather Shearer	Mel Lock	1.000	1.000	1.000	
		CCG Pooled Budget Income	Demographic Growth	Cllr Heather Shearer	Mel Lock	(0.604)	(0.604)	(0.605)	
		Technology Enabled Care	Putting in equipment/technology to enable services users to remain in their homes	Cllr Heather Shearer	Mel Lock	0.450	0.000	0.000	
	Inflation (general)	Provider Inflation	Fee Inflation for Social Care providers		Cllr Heather Shearer	Mel Lock	9.979	38.175	36.931
			Clinical Commissioning Group (CCG) Pooled Budget Income		Cllr Heather Shearer	Mel Lock	(2.047)	(2.388)	(2.346)
<b>Adults Service Total</b>						<b>41.771</b>	<b>40.481</b>	<b>38.942</b>	
Children's Service	Change in legislation	Change in requirement for numbers of Unaccompanied Asylum Seeking Children (UASC) children being taken into care	Change in requirement for numbers of Unaccompanied Asylum Seeking Children (UASC) children being taken into care	Cllr Tessa Munt	Claire Winter	0.108	0.181	0.083	
		Inter-agency increased spend and formula review	Increased contribution to regional adoption agency following review of the original funding formula	Cllr Tessa Munt	Claire Winter	0.123	0.135	0.085	
	Demand/ demography	Continued funding for the two additional posts for the SEND Business Support team.	There has been an increase in the number of Education, Health and Care Plans (EHCPs). Whilst there has been an increase in capacity in the operational team there has been no corresponding increase in the Business Support Team. This will contribute to Special Educational Needs & Disabilities (SEND) Improvement.	Cllr Tessa Munt	Claire Winter	0.051	0.000	0.000	
		Continued funding for an additional post supporting the Tribunal Process for the SEND Business Support team.	There has been an increase in the number of Special Educational Needs and Disabilities (SEND) Tribunal Panels. This additional support will establish permanent support to the Tribunal Panels plus the Weekly Mediation Panel and the Local First Panel. This will contribute to SEND Improvement.	Cllr Tessa Munt	Claire Winter	0.024	0.000	0.000	

Directorate	Requirement type	Title	Description of requirement	Lead Member	Director	2023.24 £m	2024.25 £m	2025.26 £m
		Careers & Enterprise Company (CEC )	Continue the support which has been provided to the Careers & Enterprise Company (CEC) and the HoSW Careers Hub since its inception in 2015, by all Local Authorities (LAs) who are part of the Hub (Somerset, Devon, Torquay and Plymouth). Each LA has historically supported the Hub with match funding.	Cllr Tessa Munt	Claire Winter	0.075	0.000	0.000
Children's Service  Page 274	Demand/ demography	Somerset Works	Somerset Works and the Somerset Works Partnership College (SWPC) are currently delivered with external funding - European Social Fund (ESF), Community Renewal Fund (CRF) and Covid funding. The projects work to help prevent young people from becoming NEET (Not in Education, Employment or Training) or to engage those who become NEET on leaving statutory education.	Cllr Tessa Munt	Claire Winter	0.100	0.600	0.000
		Additional Equipment for Community Equipment Store for children and young people	Additional Equipment for Community Equipment Store because demand has consistently exceeded supply over the last 5 years. In addition the unit prices of the equipment have increased over the last five years.	Cllr Tessa Munt	Claire Winter	0.150	0.000	0.000
		Increase in care days	Those children in care remain in the care of an external placement provider for longer periods than previous	Cllr Tessa Munt	Claire Winter	8.123	0.682	1.639
		Setting Up Home Allowances increased demand due to increasing CLA numbers	Anticipated increase in Leaving Carers as a result of population increase aged 0 to 17	Cllr Tessa Munt	Claire Winter	0.145	0.000	0.000
		Direct Payments demand	To support families with disabled children to care for their child at home	Cllr Tessa Munt	Claire Winter	0.745	0.301	0.301
		Section 17 Placements	Increased demand for Disability Placements	Cllr Tessa Munt	Claire Winter	0.127	0.000	0.127
		Home to School transport	There is an overall increase in pupil numbers for 2022/23 which will continue for the next 5 years.	Cllr Tessa Munt	Claire Winter	0.350	0.000	0.000
		Population Increase - Children Looked After (CLA)	Anticipated increase in Children Looked After (CLA) as a result of population increase aged 0 to 17	Cllr Tessa Munt	Claire Winter	0.327	0.207	0.089

Directorate	Requirement type	Title	Description of requirement	Lead Member	Director	2023.24 £m	2024.25 £m	2025.26 £m
Children's Service	Demand/ demography	Population increase Children In Need (CIN) and Child Protection (CP)	Anticipated increase in CIN/CP (Children In Need/Child Protection) as a result of population increase aged 0 to 17	Cllr Tessa Munt	Claire Winter	0.204	0.129	0.056
		Increased staffing capacity Statutory SEND (Special Educational Needs & Disabilities) team	The overall requirement for Statutory EHC (Education, Health & Care plan) Assessments and the processing/supporting of Annual Reviews has continued to grow. The ability of the Statutory SEND (Special Educational Needs & Disabilities) team to deliver both the statutory functions relating to the EHC processes and to continue our commitment to improving the experience for children, young people and their families will not be achieved without increased capacity.	Cllr Tessa Munt	Claire Winter	0.497	0.000	0.000
		Home to School transport SEN (Special Educational Needs)	The demand for this service is continuing to increase in excess of previous predictions	Cllr Tessa Munt	Claire Winter	1.905	0.617	0.297
	Inflation (general)	Inflation for staying put allowances and other leaving care allowances	Contractual inflation for staying put and leaving care allowances paid to young people	Cllr Tessa Munt	Claire Winter	0.053	0.025	0.010
		Fostering fees and allowances inflation increase	To recruit and retain in house foster carers and the provision of special guardianship support (to remove children from the care system to the care of a family member)	Cllr Tessa Munt	Claire Winter	0.448	0.483	0.198
		Direct Payments inflation	To support families with disabled children to care for their child at home	Cllr Tessa Munt	Claire Winter	0.125	0.075	0.029
		Transport inflation	Inflationary pressure is expected to drive higher unit costs in 2023/24.	Cllr Tessa Munt	Claire Winter	0.121	0.062	0.031
		Somerset Parent Carer Forum	To continue to support Somerset Parent Carer Forum	Cllr Tessa Munt	Claire Winter	0.051	0.000	0.000
	Policy/financing change	Adjustment to funding stream	Change current Dedicated Schools Grant (DSG) allocation from 67% to 50%.	Cllr Tessa Munt	Claire Winter	0.089	0.000	0.000
		Interest on School Balances	Interest on School balances	Cllr Tessa Munt	Claire Winter	0.084	0.000	0.000

Directorate	Requirement type	Title	Description of requirement	Lead Member	Director	2023.24 £m	2024.25 £m	2025.26 £m
Children's  Page 276	Inflation (contractual)	Children's Services contracts	Contractual inflation for all contracts managed by Commissioning Team	Cllr Tessa Munt	Claire Winter	0.192	0.104	0.041
		P2i cost of living pressures (YMCA Dulverton Group, YMCA Brunel Group)	Cost of living pressures in terms of operational building running costs and staff salaries. P2i (Pathway to Independence) is a block contract delivering 179 beds and supported accommodation for young people aged 16-25 years old	Cllr Tessa Munt	Claire Winter	0.245	0.136	0.052
		External placements inflation	Contractual inflation for external placement contracts	Cllr Tessa Munt	Claire Winter	5.482	2.830	2.272
		Section 17 Placements	Contractual inflation for disability placements	Cllr Tessa Munt	Claire Winter	0.114	0.059	0.053
		Home to School transport	The Council is experiencing significant inflationary pressure on this service.	Cllr Tessa Munt	Claire Winter	2.000	0.746	0.286
		Home to School transport SEN (Special Educational Needs)	The Council is experiencing significant inflationary pressure on this service.	Cllr Tessa Munt	Claire Winter	1.368	1.061	0.506
		<b>Children's Service Total</b>						<b>23.427</b>
Strategy, Workforce & Localities	Demand/ demography	Additional Legal Staff	Additional Legal Staff	Cllr Liz Leyshon	Alyn Jones	0.250	0.000	0.000
		Policy/financing change	Election & Member Development	May 2020-21 Council Election and Member Induction/Council Support	Cllr Liz Leyshon	Alyn Jones	(0.024)	0.000
	Scrutiny Review		Scrutiny Policy and Research Support	Cllr Liz Leyshon	Alyn Jones	(0.032)	0.000	0.000
<b>Strategy, Workforce &amp; Localities Total</b>						<b>0.195</b>	<b>0.000</b>	<b>0.000</b>
Resources & Corporate Services	Change in legislation	Introduction of 3rd party Office 365 backup	SCC don't use a 3rd party Office 365 backup tool whereas most of the Districts have one. This backup would need to be in place for the whole organisation as it makes no sense to have it in place for a subset of staff	Cllr Mike Rigby	Jason Vaughan	0.155	0.000	0.000
		Cessation of infection control measures.	Reversal of former pressure as enhanced COVID infection control measures no longer required.	Cllr Ros Wyke	Jason Vaughan	(0.120)	(0.043)	0.000



Directorate	Requirement type	Title	Description of requirement	Lead Member	Director	2023.24 £m	2024.25 £m	2025.26 £m
Resources & Corporate Services	Demand/ demography	Allow sharing of Power BI reports with outside Organisations	Sharing of Power BI reports with outside organisations	Cllr Mike Rigby	Jason Vaughan	0.082	0.000	0.000
		Increase in Azure Costs	Tranche 2 plans to consolidate District and SCC data centres down from 8 and to consolidate backup and DR into Azure will require more capacity with Azure	Cllr Mike Rigby	Jason Vaughan	0.150	0.000	0.000
		Increase in cost of running Azure Sentinel Cyber Security system	As we move to a single platform for the new authority we will have an increase in the logs and data analysed but our Cyber Security system (Azure Sentinel)	Cllr Mike Rigby	Jason Vaughan	0.012	0.000	0.000
		Microsoft premiere support	Increase in staff numbers and associated Microsoft products means the cost of Microsoft support will increase	Cllr Mike Rigby	Jason Vaughan	0.060	0.000	0.000
		Office 365 licences for Volunteers	Information governance rules stops the use of personal email accounts for volunteers e.g. Foster carers	Cllr Mike Rigby	Jason Vaughan	0.008	0.000	0.000
		Extended support for SQL server for Acolaid	Microsoft only support their database product SQL server for 10 years for free, beyond that time extended support has to be purchased to continue to receive security updates. Legacy applications with SW&T require this as they are running on older versions of SQL Server (2012 or older)	Cllr Mike Rigby	Jason Vaughan	0.025	0.000	0.000
		Efficiency Savings Target Removed	Efficiency Target no longer achievable	Cllr Liz Leyshon	Jason Vaughan	0.200	0.000	0.000
		Commercial and Procurement Contract rationalisation	Unachievable Prior Year MTFP Savings C&SS- 2122-09 - Cross Cutting - Commercial & Procurement C&P Strategic Mgr. - Commercial post to focus on commercial activities	Cllr Liz Leyshon	Jason Vaughan	0.233	0.000	0.000
		Dynamics 365 Support staff	New support team needed to support Dynamics 365	Cllr Mike Rigby	Jason Vaughan	0.150	0.000	0.000
		Dynamics 365 Licences	Licences for new Dynamics Finance and Procurement functionality	Cllr Mike Rigby	Jason Vaughan	0.450	0.000	0.050

Directorate	Requirement type	Title	Description of requirement	Lead Member	Director	2023.24 £m	2024.25 £m	2025.26 £m	
Resources & Corporate Services	Inflation (general)	Electricity Inflation	Forecast increase in electricity budgets. Includes 22/23 in year budget pressure, forecast consumption and forecast increase in prices of 40%.	Cllr Ros Wyke	Jason Vaughan	1.313	0.668	0.401	
		Gas Inflation	Forecast increase in gas budgets. Includes 22/23 in year budget pressure, forecast consumption and forecast increase in 23/24 prices of 72%	Cllr Ros Wyke	Jason Vaughan	1.236	0.837	0.502	
		Business Rates Inflation	Business rates increase.	Cllr Ros Wyke	Jason Vaughan	0.000	0.099	0.101	
		Water	Increase in water charges	Cllr Ros Wyke	Jason Vaughan	0.013	0.008	0.009	
		Repairs and Maintenance Inflation	Inflation on materials and labour	Cllr Ros Wyke	Jason Vaughan	0.398	0.000	0.000	
	Policy/financing change	Early Contract Release	Early release from Hart contract - reduction in income.	Cllr Liz Leyshon	Jason Vaughan	0.165	0.000	0.000	
	Inflation (contractual)	Other contracts	Forecast increase on cleaning contracts	Cllr Ros Wyke	Jason Vaughan	0.052	0.000	0.000	
		Contract inflation - Idverde contract	10% inflation on contract for Public Conveniences and Facilities Management function.	Cllr Ros Wyke	Jason Vaughan	0.059	0.000	0.000	
		Extension Of Trapeze contract due to resource pressures	SCC transport system was due to be replaced with a new system in Oct/Nov 2022, resource pressures within the service has meant this project has been delayed, so the Trapeze contract will need to be extended by 2 years	Cllr Mike Rigby	Jason Vaughan	0.010	0.000	(0.010)	
	Inflation (contractual)	Azure File share	We need to shutdown EOL hardware in the SCC data centre and migrate the files onto a cloud service	Cllr Mike Rigby	Jason Vaughan	0.010	0.000	0.000	
		Contract Inflation	ICT Contract Inflation	Cllr Mike Rigby	Jason Vaughan	1.453	0.000	0.000	
		SDC cost pressures	Increase in annual cost to support ICT contracts that currently sit outside Sedgemoor District Council (SDC) ICT Budget	Cllr Mike Rigby	Jason Vaughan	0.018	0.000	0.000	
	<b>Resources &amp; Corporate Services Total</b>						<b>6.134</b>	<b>1.570</b>	<b>1.052</b>
	Local Government Reorganisation	Policy/financing change	Final Year of LGR Implementation	Final Year of LGR Implementation	Cllr Val Keitch	Alyn Jones/ Jason Vaughan	0.903	(0.903)	0.000
	<b>Local Government Reorganisation Total</b>						<b>0.903</b>	<b>(0.903)</b>	<b>0.000</b>
<b>Grand Total</b>						<b>84.910</b>	<b>54.461</b>	<b>49.205</b>	

Parish	2023/24		
	tax base	Special Expense	Council Tax Band D
	£	£	£ p
Ashwick	553.95	2,569.38	4.64
Croscombe	263.50	3,293.75	12.50
Evercreech	950.49	4,349.44	4.58
Frome	9,060.52	37,305.45	4.12
Glastonbury	3,254.62	35,253.61	10.83
Godney	93.83	1,172.88	12.50
Leigh on Mendip	223.42	458.22	2.05
Meare	544.83	5,534.80	10.16
Nunney	325.70	3,960.12	12.16
Pilton	489.41	5,623.79	11.49
Rode	508.61	1,706.80	3.36
Rodney Stoke	560.16	3,046.90	5.44
Shepton Mallet	3,429.64	15,452.31	4.51
Street	3,832.13	47,812.73	12.48
Tellisford	94.05	637.37	6.78
Trudoxhill	183.98	1,252.26	6.81
Walton	457.91	2,573.83	5.62
Wells	4,352.77	41,294.62	9.49
Castle Cary (All Saints Churchyard)	851.11	3,916.00	4.60
Ilchester (St Mary Major Churchyard)	695.40	1,593.00	2.29
Wayford (St Michaels Churchyard)	51.47	1,264.00	24.56
SER TOTAL Tax Base	30,777.50		
<b>TOTAL</b>	<b>205,674.09</b>	<b>220,071.26</b>	<b>1.07</b>

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## Detailed Directorate Summaries

### Adults Services

The changes to the Adults Services budget are set out in Table 1 below. It shows how the 2023/24 budget has been built from the original 2022/23 budget as the starting point.

**Table 1: Changes to the Adults Services Budget**

Adults Services	£m	£m
2022/23 Combined Original Base Budget		159.684
Removal of Once off & Inter-Authority Budgets for 2022/23	(1.019)	
In Year Permanent Virements	0.000	
		(1.019)
<b>2022/23 Amended Base Budget</b>		<b>158.665</b>
Additional Funding Requirements:		
Inflation (Contractual and General)	7.932	
Demographic and other Demand Increases	15.124	
Other Funding Requirements	18.715	
Growth	0.000	
Total Additional Funding Requirements		41.771
Pay Award		0.000
Savings Previously Agreed		0.000
Prior Year Savings Not Delivered		0.000
New Savings Proposals		(10.525)

Use Of Reserves		0.000
Technical Adjustments		(3.277)
<b>2023/24 Proposed Budget</b>		<b>186.634</b>
<b>Change £m</b>		<b>27.969</b>
<b>Change %</b>		<b>17.63%</b>

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 residents' needs have increased, or whether there is a degree of temporary 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 10.1%.

The anticipated demographic growth in demand across the service has been calculated using Office for National Statistics population data and trends from previous years.

Historically Somerset has been a low fee payer for residential and nursing placements, this was highlighted in the recent cost of care exercise undertaken by all England local authorities. As part of this outcome, it is acknowledged we would not be able to achieve the full cost of care outcome next financial year and therefore, need to take a step approach to enable it to be achieved over the next 2-3 financial years.

New transformation saving proposals for 2023/24 included £5m linked to the current exercise being undertaken by Newton Europe to identify savings across the adults system. Work has progressed to identify savings and once confirmed this will be shared at a later date.

The Adults Improvement Programme continues to offer a test and learn environment to test ideas with key stakeholders.

- New Models of Micro Provision are aiming to increase the options available to people and professionals in deciding how their care and support is provided either through a different model to access micro providers or using a different payment method.
- Technology Enabled Care aims to increase the technology options available to support people in their own homes. There has been an ongoing delay in the implementation of the prescriber portal, necessitating mitigating actions and a new agreed timeline. Proposals are now starting to be received and TEC installations have begun. Benefits analysis to be conducted shortly.

The Intermediate Care Model has been under significant pressure with demand, capacity and flow within the wider system creating some challenges that have affected capacity to deliver the improvement plan. As a consequence, the Intermediate Care Board agreed in September the essential deliverables needed ahead of the winter pressures, with the remainder of the plan is due to go on hold until the new year.

### **Childrens Services**

The changes to the Childrens Services are set out in **Table 2** below. It shows how the 2023/24 budget has been built from the original 2022/23 budget as the starting point.

**Table 2: Changes to the Childrens Services Budget**

<b>Children's Services</b>	<b>£m</b>	<b>£m</b>
2022/23 Combined Original Base Budget		105.048
Removal of Once off & Inter-Authority Budgets for 2022/23	(0.767)	
In Year Permanent Virements	(0.015)	

## Appendix 7

		(0.792)
<b>2022/23 Amended Base Budget</b>		<b>104.266</b>
Additional Funding Requirements:		
Inflation (Contractual and General)	10.454	
Demographic and other Demand Increases	12.691	
Other Funding Requirements	0.282	
Growth	0.000	
Total Additional Funding Requirements		23.427
Pay Award		0.000
Savings Previously Agreed		0.000
Prior Year Savings Not Delivered		0.000
New Savings Proposals		(4.625)
Use Of Reserves		0.000
Technical Adjustments		0.000
<b>2023/24 Proposed Budget</b>		<b>123.067</b>
<b>Change £m</b>		<b>18.801</b>
<b>Change %</b>		<b>18.03%</b>

Demand for Children’s Services, especially those with complex needs, continues to increase reflecting - increasing poverty amongst Somerset families, impact of COVID measures on children, and contextual safeguarding issues. The impact of the pandemic has meant that children entering the system have had more complex needs and therefore their care needs are higher costs in their own right. The future demand and inflation are based upon latest forecasts and trends over the last 3 years.



Inflation includes contractual inflation for existing contracts for Home to School transport and care placements as well as several smaller contracts across Children's Services. Rates of inflation vary between contracts, but significant inflationary pressures are expected which are caused by rising fuel costs, driver shortages and wage demand. Although fuel costs have reduced in recent months, it is unclear how this will impact contract costs, when balanced against wage demands and staff shortages.

Demographic and other demand changes include projected increased demand for care and SEND school transport.

Other funding requirements are £0.2m for a change in financing of budgets previously funded by the Dedicated Schools Grant and £0.1m for changes in government policy that impact on the number of UASC children transferred to Somerset as part of the national scheme.

New transformation, savings, and income generation proposals for 2023/24 of £4.6m include our strategic partnership with The Shaw Trust of £1.2m and ongoing savings from the Family Safeguarding transformation programme of £1.3m.

Compared to other local authorities, overall need for social work intervention and care placements are significantly lower, due in part to the Council's investment in Family Safeguarding and the Family Intervention Service (SCCs Early Help Service).

However, the increasing number of children with complex needs is putting a significant capacity and resource strain on the service at all levels. This is due in part to increased need but also changes nationally in the provision of care to those children with the most complex needs, these include:

Regulations which came into force in Autumn 2021 prohibiting the use of unregulated (i.e., not registered with Ofsted) provision for under 16s – this had unintended (but

predictable) consequences of putting even more pressure on an already saturated residential care market.

Changes in access to Tier 4 CAMHS provision (not consulted beyond the NHS) – restricting access to children with a diagnosed mental health disorder who require inpatient treatment.

Secure Estate – issues about the quality of care have led to restrictions to this provision, resulting in children who would have entered the secure estate requiring other residential care provision

Residential Care Staffing – longstanding recruitment and retention issues in the sector have further deteriorated post pandemic resulting in some homes closing at short notice due to inadequate staffing levels.

These are national issues which have been recently highlighted by independent reports commissioned by central Government from the Competition and Markets Authority and an independent expert report – The Care Review. The former has highlighted the profits from private care companies.

Local proposals to improve the availability of local high-quality care placements are being progressed, specifically through the mobilisation of the Strategic Partnership as described above.

The Children's Transformation Programme continues at pace; working with families to deliver sustainable change, enabling them to reduce reliance on statutory services and to achieve excellent outcomes.

The Strategic Partnership (with Homes 2 Inspire and the Shaw Trust) is developing into a strong partnership model which will increase our capacity for providing high quality Somerset homes for our most complex young people, reduce our reliance on unregulated provision and enable improved long-term outcomes.

- The first 2 homes are due to open by end January/ early February 2023 with a further 3 opening during the year. These homes will accommodate our

most complex children, reducing our reliance on external unregistered and high cost provision.

- The partnership is also delivering an innovative career pathway for foster carers and residential staff which is starting to evidence positive results.

Recent benchmarking undertaken against national and southwest trends has evidenced that the Family Safeguarding service is holding off the rise in numbers of younger children coming into care. Interim evaluation of the multi-disciplinary staffing model has evidenced positive feedback from staff and families, who feel supported and empowered to lead their own change. Learning from this model is influencing how we work with partners and agencies to build successful integrated teams.

Recently commissioned external reviews of the drivers of costs in children's services and our school transport system will help us understand what further efficiencies and innovation can be delivered to reduce costs further.

### **Communities Services**

This is a new Directorate and includes Housing, Culture, Customers and Regulatory & Operational services.

The changes to the Communities Services budget are set out in **Table 3** below. It shows how the 2023/24 budget has been built from the original 2022/23 budget as the starting point.

**Table 3: Changes to the Communities Services Budget**

Communities Services	£m	£m
2022/23 Combined Original Base Budget		36.853
Removal of Once off & Inter-Authority Budgets for 2022/23	(1.198)	
In Year Permanent Virements	(0.033)	
		(1.231)

<b>2022/23 Amended Base Budget</b>		<b>35.622</b>
Additional Funding Requirements:		
Inflation (Contractual and General)	1.344	
Demographic and other Demand Increases	0.000	
Other Funding Requirements	0.317	
Growth	0.000	
Total Additional Funding Requirements		1.660
Pay Award		0.000
Savings Previously Agreed		0.000
Prior Year Savings Not Delivered		0.000
New Savings Proposals		(1.560)
Use Of Reserves		0.000
Technical Adjustments		(0.500)
<b>2023/24 Proposed Budget</b>		<b>35.223</b>
<b>Change £m</b>		<b>(0.399)</b>
<b>Change %</b>		<b>-1.12%</b>

The main pressure within these services is contract pressures especially within leisure centres that have been impacted by fuel and pay inflation. Other pressures are within the provision of accommodation for homelessness.

A large saving in a leisure contract as well as increases in fees and charges provide most of the savings proposals. Fees and charges will be reviewed by Scrutiny Committee and presented to the Executive in February 2023.

**Climate and Place Services**

This is new a Directorate and includes Climate & Sustainability, Infrastructure & Transport and Economy, Employment & Planning.

The changes to the Climate and Place Services budget are set out in **Table 4** below. It shows how the 2023/24 budget has been built from the original 2022/23 budget as the starting point.

**Table 4: Changes to the Climate and Place Services Budget**

Climate & Place	£m	£m
2022/23 Combined Original Base Budget		83.069
Removal of Once off & Inter-Authority Budgets for 2022/23	0.076	
In Year Permanent Virements	0.013	
		0.088
<b>2022/23 Amended Base Budget</b>		<b>82.157</b>
Additional Funding Requirements:		
Inflation (Contractual and General)	10.406	
Demographic and other Demand Increases	0.681	
Total Additional Funding Requirements		11.856
Pay Award		0.000
Savings Previously Agreed		(0.120)
Prior Year Savings Not Delivered		0.000
New Savings Proposals		(7.700)
Use Of Reserves		0.000
Technical Adjustments		(0.090)

<b>2023/24 Proposed Budget</b>		<b>87.104</b>
<b>Change £m</b>		<b>3.946</b>
<b>Change %</b>		<b>4.75%</b>

Inflation has had a major impact on services within this Directorate with inflation within waste services estimated to increase by £5.6m. Other contracts that have been impacted are street lighting and highways. Additional funding of £0.8m has been provided for revision of the Local Plan.

The main saving within this directorate is the full rollout saving from the introduction of Recycle More £3.1m, the rolling back of Covid measures £0.6m and the capitalisation of waste bins £1m. There are also a number of proposals to increase fees and charges – these will be reviewed by Scrutiny Committee and presented to the Executive in February 2023.

**Strategy, Workforce & Localities Services**

This a new Directorate and includes Partnerships & Localities. Strategy & Performance. Governance, Legal & Democratic, and Human Resources services.

The changes to the Strategy, Workforce and Localities Services budget are set out in **Table 5** below. It shows how the 2023/24 budget has been built from the original 2022/23 budget as the starting point.

**Table 5: Changes to the Strategy, Workforce, and Locality Services Budget**

<b>Strategy, Workforce &amp; Localities</b>	<b>£m</b>	<b>£m</b>
2022/23 Combined Original Base Budget		23.592
Removal of Once off & Inter-Authority Budgets for 2022/23	(3.590)	

## Appendix 7

In Year Permanent Virements	0.015	
		(3.575)
<b>2022/23 Amended Base Budget</b>		<b>20.017</b>
Additional Funding Requirements:		
Inflation (Contractual and General)	0.000	
Demographic and other Demand Increases	0.250	
Other Funding Requirements	(0.055)	
Growth	0.000	
Total Additional Funding Requirements		0.195
Pay Award		0.000
Savings Previously Agreed		0.261
Prior Year Savings Not Delivered		0.000
New Savings Proposals		(0.614)
Use Of Reserves		0.300
Technical Adjustments		0.000
<b>2023/24 Proposed Budget</b>		<b>20.159</b>
<b>Change £m</b>		<b>0.142</b>
<b>Change %</b>		<b>0.71%</b>

On 16 November 2022, Executive Members noted that to establish LCN' s in Somerset it could cost up to £0.9m based on modelling at that time from other Unitary authorities and learning from LCN pilots. This comprised predominantly of community development and democratic services staffing, the continuation of the Highways Steward pilot in the Exmoor Area and one-off capital costs for technology. Further work has been done to refine that figure, including evaluation of job descriptions to

understand salary impacts, allocation of the new pay award as well as recognising the part year effect of being able to recruit staff to the new LCN roles.

There was also a recognition that the new Council would not be working from a standing start with their being locality and community development roles and expertise within the current five Councils and wanting to build on this best practice and legacy. Whilst scope and resourcing levels are different in each council, it is expected that there will be officers in the new Somerset Council with the knowledge, skills and experience to develop and manage LCNs. However, at this point in time it is not possible to accurately quantify the capacity that will be available, as in many cases the current roles cover multiple functions, some of which are likely to sit within different directorates in the new Council. Nonetheless a review of community development spend has commenced and we are confident that existing community engagement and development staff and resources could be identified and re-assigned to support LCNS' s over the coming 12 months. Furthermore, there are also opportunities to explore other funding streams with partners and shared models of delivery.

The budget proposals include the setting up of an earmarked reserve of £0.300m to establish LCN' s and to support the completion of a Community Development spend review across the councils to identify existing funding to support LCN' s on an ongoing basis.

### **Resources & Corporate Services**

This is new a Directorate and includes Finance & Procurement, Strategic Asset Management and Information Communications Technology services.

The changes to the Resources & Corporate Services budget are set out in **Table 6** below. It shows how the 2023/24 budget has been built from the original 2022/23 budget as the starting point.

**Table 6: Changes to the Resources & Corporate Services**

Resources & Corporate Services	£m	£m
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## Appendix 7

2022/23 Combined Original Base Budget		18.900
Removal of Once off & Inter-Authority Budgets for 2022/23	(0.418)	
In Year Permanent Virements	0.020	
		(0.398)
<b>2022/23 Amended Base Budget</b>		<b>18.502</b>
Additional Funding Requirements:		
Inflation (Contractual and General)	4.563	
Demographic and other Demand Increases	1.370	
Other Funding Requirements	0.200	
Growth	0.000	
Total Additional Funding Requirements		6.134
Pay Award		0.000
Savings Previously Agreed		0.015
Prior Year Savings Not Delivered		0.000
New Savings Proposals		(4.658)
Use Of Reserves		0.000
Technical Adjustments		0.481
<b>2023/24 Proposed Budget</b>		<b>20.474</b>
<b>Change £m</b>		<b>1.972</b>
<b>Change %</b>		<b>10.66%</b>

The main pressures within this budget are inflationary with £3m required for electricity costs for council premises and £1.5m for increases in ICT contracts.

Savings proposals include additional rental income £0.5m, and rationalisation of ICT licences, applications, decommissioning systems £0.6m, Dividend income £1.7m.

### **Public Health Services**

The changes to the Public Health Services budget are set out in **Table 7** below. It shows how the 2023/24 budget has been built from the original 2022/23 budget as the starting point.

**Table 7: Changes to the Public Health Services**

Public Health	£m	£m
2022/23 Combined Original Base Budget		1.336
Removal of Once off & Inter-Authority Budgets for 2022/23	0.000	
In Year Permanent Virements	0.000	
		0.000
<b>2022/23 Amended Base Budget</b>		<b>1.336</b>
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

## Appendix 7

Pay Award		0.000
Savings Previously Agreed		0.000
Prior Year Savings Not Delivered		0.000
New Savings Proposals		(0.100)
Use Of Reserves		0.000
Technical Adjustments		0.000
<b>2023/24 Proposed Budget</b>		<b>1.236</b>
<b>Change £m</b>		<b>(0.100)</b>
<b>Change %</b>		<b>-7.49%</b>

The Comprehensive Spending Review committed to maintaining the Public Health grant at current levels in real terms until 2024/25, but we await the detail with concerns over inflationary pressures for both contracts and staff costs. Somerset receives a very low proportion of the overall Public Health grant and is 141st out of the 152 authorities with Public Health responsibilities, when comparing allocation per person in the population.

In addition to the public Health grant, the council provides funding of over £1.3m for services that the public health team manage for the organisation. The savings proposals above relate to these services and include the reduction in dedicated communications support for the central volunteer team £0.010m and a £0.018m reduction for projects within Stronger Communities. The remaining SCC funding in this budget line will still enable the service to function and to fulfil its agreements. It also includes a reduction in contribution for the Somerset Integrated Domestic Abuse service contract of £0.072m. This saving can be achieved as a provider has won a number of lots within the contract and therefore can reduce establishment costs as a result.

### Local Government Reorganisation

This budget area includes the LGR Implementation Costs and LGR Business Case savings from staffing that will be allocated out to services during the year.

The changes to the Local Government Reorganisation budget are set out in **Table 8** below. It shows how the 2023/24 budget has been built from the original 2022/23 budget as the starting point.

**Table 8 – Changes Local Government Reorganisation**

Local Government Reorganisation	£m	£m
2022/23 Combined Original Base Budget		9.404
Removal of Once off & Inter-Authority Budgets for 2022/23	(6.284)	
In Year Permanent Virements	0.000	
		(6.284)
<b>2022/23 Amended Base Budget</b>		<b>3.120</b>
Additional Funding Requirements:		
Inflation (Contractual and General)	0.000	
Demographic and other Demand Increases	0.000	
Other Funding Requirements	0.903	
Growth	0.000	
Total Additional Funding Requirements		0.903
Pay Award		0.000
Savings Previously Agreed		0.000
Prior Year Savings Not Delivered		0.000
New Savings Proposals		(3.900)
Use Of Reserves		0.000

Technical Adjustments		0.000
2023/24 Proposed Budget		0.123
<b>Change £m</b>		<b>(2.997)</b>
<b>Change %</b>		<b>-96.04%</b>

This budget is made up of two elements, £4.023m for the final year of LGR Implementation costs and £3.9m of staff savings as per the LGR Business Case. The staff savings will be allocated to individual services once the restructuring process has been completed and is made up of the reduction of 39 posts in Tiers 1 to 3 (£2.9m) and £1m out of the £9.4m (300 posts) of other staff savings.

**Corporate Costs and Special Grants**

This budget includes those costs that do not directly relate to individual services and non-service specific grants such as New Homes Bonus. It also includes the estimated increase in the 2023/24 national pay award that will be allocated out to services during the year.

The changes to the Corporate Costs and Special Grants budgets are set out in **Table 9** below. It shows how the 2023/24 budget has been built from the original 2022/23 budget as the starting point.

**Table 9 -Corporate Costs and Special Grants**

<b>Corporate Costs and Special Grants</b>	<b>£m</b>	<b>£m</b>
2022/23 Combined Original Base Budget		3.954
Removal of Once off & Inter-Authority Budgets for 2022/23	(4.073)	
In Year Permanent Virements	0.000	
		(4.073)

## Appendix 7

<b>2022/23 Amended Base Budget</b>		<b>(0.119)</b>
Additional Funding Requirements:		
Inflation (Contractual and General)	0.120	
Demographic and other Demand Increases	0.000	
Other Funding Requirements	(1.229)	
Growth	0.000	
Total Additional Funding Requirements		(1.109)
Pay Award		15.337
Savings Previously Agreed		0.000
Prior Year Savings Not Delivered		0.000
New Savings Proposals		(7.102)
Use Of Reserves		0.000
Technical Adjustments		2.642
<b>2023/24 Proposed Budget</b>		<b>9.649</b>
<b>Change £m</b>		<b>9.768</b>
<b>Change %</b>		<b>8203%</b>

The main areas held within corporate costs is £15.337m in additional pay costs that is being held centrally and the adjustment post actuarial valuation of the pension scheme resulting in a reduction of £7m.

# Somerset Council

## Capital Strategy 2023/24– 2024/26

# Capital Strategy Report 2023/24

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## 1. Background and Context



This capital strategy for 2023/24 gives 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. This is the first strategy for the new Somerset Council which combines the programmes of all five Councils for the first time.

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 emerging Unitary 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 first budget setting process for Somerset Council, and this is reflected in the strategy taken towards capital approvals. 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. This strategy therefore has a focus for 2023/24 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.

It is clear that the programme will need to be revisited post vesting day. This will enable the new authority to review projects alongside the new Corporate Plan, In addition to this we have requested that all five authorities do not reprofile their programmes after Quarter 2. This enables the new authority to set a programme for 2023/24 but on the understanding that the capital projects currently being delivered will have year end balances that will require reviewing and updating. Therefore, a revised programme will need to be set in Quarter 1 or Quarter 2 of 2023/24.

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 Corporate Plan to achieve the most beneficial balance of investment within the resources available.

There is a strong link with the Treasury Management Strategy<sup>1</sup> that provides a framework for the borrowing and lending activity of the Council supporting the historic investment programme. This capital strategy, non-treasury investment strategy, and the capital MTFP align to service planning and the corporate asset strategy. Asset information is overseen by the Asset Strategy 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 occurs when the Council spends money on assets, such as property or vehicles, that will be used for more than one year. In local government this also 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.

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<sup>1</sup> Treasury Management Strategy link: *to be added when approved at Full Council*

In 2023/24, the Council is planning capital expenditure of £294.0m. The following table shows our planned spend for the future:

**Table 1: Estimates of Capital Expenditure**

	<b>2022/23 forecast Q2 All Somerset Authorities £m</b>	<b>2023/24 Somerset Council budget £m</b>	<b>2024/25 budget £m</b>	<b>2025/26 budget £m</b>
<b>Capital Expenditure HRA (Housing Revenue Account)</b>	46.8	46.8	37.8	33.7
<b>Capital Expenditure GF (General Fund)</b>	180.2	258.6	59.4	14.2
<b>Total Capital Expenditure</b>	<b>227.0</b>	<b>305.4</b>	<b>97.2</b>	<b>47.6</b>

This table includes an overview of capital spend – including historic County and District Council, General Fund and the Housing Revenue Account spend, to enable comparisons across years to be made. It includes both the current approved capital programme and the proposed 2023/24 programme due to be put to Full Council on 22nd February 2023. For example, the 2023/24 General Fund budget of £258.6m is made up of £196.1m current programme and £62.5m 2023/24 proposed new schemes.

The Housing Revenue Account (HRA) is a ring-fenced, self-financing, account used to manage the Council's housing stock. Somerset Council acts as the Landlord to the tenants of properties in Somerset West and Taunton, whereas the properties in Sedgemoor are managed through an ALMO (Arms-Length Management Organisation) The HRA has its own ring-fenced revenue account, capital programme and reserves. This ensures that council housing neither subsidises, nor is itself subsidised by, Council Tax-payers. The HRA Capital Programme's main purpose is to invest in the housing portfolio to replace major components periodically, to ensure that the decent homes

standard and warmer homes standards are maintained and that fire safety regulations are adhered to.

Within the General Fund 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 financed). The bids are appraised against a set criterion including a comparison of service priorities against the affordability of the financing costs. Director Groups of previous County and District Councils have undertaken 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 2023/24 capital programme, see the main 2023/24 Budget and MTFP report within the papers to Full Council on 22<sup>nd</sup> February 2023.

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 - HRA**

	<b>2022/23 forecast Q2 All Somerset Authorities £m</b>	<b>2023/24 Somerset Council budget £m</b>	<b>2024/25 budget £m</b>	<b>2025/26 budget £m</b>
<b>Major Repairs Reserve</b>	20.9	18.1	17.8	18.5
<b>RTB Receipts</b>	4.7	4.2	8.5	8.3
<b>Grants</b>	3.2	1.5	0.3	
<b>Other Capital receipts</b>	1.6	0.8	11.2	2.4
<b>RCCOs</b>	-	1.2	-	-
<b>Debt</b>	16.4	21.0	-	4.5
<b>TOTAL</b>	<b>46.8</b>	<b>46.8</b>	<b>37.8</b>	<b>33.7</b>

**Table 3: Capital financing - General Fund**

	<b>2022/23 forecast Q2 All Somerset Authorities £m</b>	<b>2023/24 Somerset Council budget £m</b>	<b>2024/25 budget £m</b>	<b>2025/26 budget £m</b>
<b>External sources</b>	82.4	166.5	19.1	3.5
<b>Own resources:</b>				
<b>Capital receipts</b>	13.0	6.4	2.9	2.8
<b>Revenue / Reserves</b>	5.50	0.1	0.1	0.1
<b>S106/CIL</b>	10.2	10.8	4.4	4.4
<b>Debt</b>	69.1	74.8	32.8	3.4
<b>TOTAL</b>	<b>180.2</b>	<b>258.6</b>	<b>59.4</b>	<b>14.2</b>

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 4: MRP for the repayment of General Fund debt**

	<b>2022/23 forecast Q2 All Somerset Authorities £m</b>	<b>2023/24 Somerset Council budget £m</b>	<b>2024/25 budget £m</b>	<b>2025/26 budget £m</b>
<b>Own resources</b>	15.1	21.4	22.7	24.5

- Note Depreciation rather than MRP is used for HRA debt
- Note 22/23 includes voluntary MRP of £3.7m
- The Council's full minimum revenue provision statement is available as part of the 2023/24 Budget and MTFP papers to Full Council on 22nd 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 £95.9m during 2023/24. It is worth noting that the Housing Revenue Account uses depreciation and therefore MRP is not charged to the HRA. Based on the above figures for expenditure and financing, the Council's estimated CFR is as follows:

**Table 5: Prudential Indicator: Estimates of Capital Financing Requirement**

	<b>2022/23 forecast Q2 All Somerset Authorities £m</b>	<b>2023/24 Somerset Council budget £m</b>	<b>2024/25 budget £m</b>	<b>2025/26 budget £m</b>
<b>Housing Revenue Account</b>	189.3	210.3	210.3	214.8
<b>General Fund</b>	945.2	1,022.1	1,031.0	1,015.7
<b>TOTAL CFR</b>	<b>1,134.5</b>	<b>1,232.4</b>	<b>1,241.3</b>	<b>1,230.5</b>

It is important to ensure capital plans are affordable and the Council can meet the costs of this debt over both the short- and long-term. The Council's Medium Term Financial Plan reflects the impact of debt financing costs on revenue budgets in future years. In relation to Housing Revenue Account assets, the HRA Business Plan sets out the impact of capital expenditure over a 30-year period. Other measures of affordability are contained within the prudential indicators set out in the Treasury Management Strategy.

**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 Somerset Councils plan to receive £6.3m of capital receipts in the current financial year, £11.0 in 2023/24, and have £18.7m banked from previous years as at the 31<sup>st</sup> March 2022.

**Table 7: Capital receipts – General Fund**

	<b>2022/23 forecast Q2 All Somerset Authorities £m</b>	<b>2023/24 Somerset Council budget £m</b>
<b>TOTAL asset sales</b>	<b>6.3</b>	<b>11.0</b>

Department for Levelling Up, Housing and Communities (DLUHC) have issued a revised 'flexible use of capital receipts' directive. This allows 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 expected use of receipts under this directive for 2022/23 and 2023/24 is expected to be a total of £15.9m. The Flexible Receipts Strategy outlines that the flexibility will be utilised to fund eligible Local Government Reorganisation costs in 2022/23 and 2023/24'. The Strategy will be presented to full Council approval as part of the MTFP and Budget Setting Report.

### 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, all of the Somerset authorities have long-term borrowing of £400.3m at an average interest rate of 4.17% within the General Fund and £148.6m at an average interest rate of 2.81% within the HRA. The new authority will continue to maximise the use of the cash held before taking costly external debt, this is referred to as internal borrowing.

The budget for debt interest paid for General Fund debts in 2023/24 is £31.2m, based on an average debt portfolio of £835.5m at an average interest rate of 3.84%. The budget for Treasury and strategic investment income in 2023/24 is £13m based on an average investment portfolio of £350m at an average return of 3.75%. (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 internal borrowing, cheaper short-term loans, and long-term fixed rate loans where the future cost is known but is at higher rates.

**Table 8: Prudential Indicator: External Debt and the Capital Financing Requirement**

	<b>31.3.2023 forecast £m</b>	<b>31.3.2024 budget £m</b>	<b>31.3.2025 budget £m</b>	<b>31.3.2026 budget £m</b>
Short term debt	N/A	210.0	210.0	210.0
Long term debt *	N/A	522.8	511.5	499.6
Assumed debt not yet taken	N/A	261.0	260.0	274.5
PFI & leases	N/A	77.3	76.0	74.7
<b>Total external borrowing</b>	<b>N/A</b>	<b>1,071.1</b>	<b>1,057.5</b>	<b>1,058.8</b>
Housing Revenue Account	189.3	210.3	210.3	214.8
General Fund	945.2	1,022.1	1,031.0	1,015.7
<b>Total CFR</b>	<b>1,134.5</b>	<b>1,232.4</b>	<b>1,241.3</b>	<b>1,230.5</b>

\*(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 9: Prudential Indicators: Authorised limit and operational boundary for external debt**

	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>
	<b>limit</b>	<b>limit</b>	<b>limit</b>	<b>limit</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Operational boundary – borrowing	N/A	1,004.4	1,013.1	1,015.7
Operational boundary – PFI and leases	N/A	79.3	78.0	76.7
<b>Operational boundary – total external debt</b>	<b>N/A</b>	<b>1,083.8</b>	<b>1,091.1</b>	<b>1,092.4</b>
Authorised limit – borrowing	N/A	1,039.4	1,048.1	1,050.7
Authorised limit – PFI and leases	N/A	84.3	83.0	81.7
<b>Authorised limit– total external debt</b>	<b>N/A</b>	<b>1,123.7</b>	<b>1,131.1</b>	<b>1,132.4</b>

Please note this includes General Fund and Housing Revenue Account

**Treasury investments:** is the management of the Council’s cash flows, 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.

**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 Resources 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 Council (SC) 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 Somerset District Councils 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 now 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 the complexity and value of the investments made a separate strategy for Non-Treasury Investments is required and will be presented as part of the MTFP and Budget Setting Report in February 2023.

## 4. Other long-term liabilities

In addition to debt detailed above, the Council is committed to making future payments to cover its pension fund deficit. The deficit reported in the 2021/22 accounts was £812.7m (as at 31/03/2022). It has also set aside £7m (as at 31/03/2022) 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 Council 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 outlined in each Somerset Councils 2021/22 statement of accounts:

## 5. 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 10: Prudential Indicator: General Fund Proportion of financing costs to net revenue stream**

	<b>2022/23 forecast</b>	<b>2023/24 budget</b>	<b>2024/25 budget</b>	<b>2025/26 budget</b>
Financing costs (£m)	N/A	53.5	55.6	57.6
Proportion of net revenue stream	N/A	9.98%	9.68%	9.13%

**Table 11. Prudential Indicator: Housing Revenue Fund Proportion of financing costs to net revenue stream**

	<b>2022/23 forecast</b>	<b>2023/24 budget</b>	<b>2024/25 budget</b>	<b>2025/26 budget</b>
Financing costs (£m)	4.9	6.2	6.9	7.2
Proportion of net revenue stream	10.1%	12.1%	12.4%	12.8%

- Further details on the revenue implications of capital expenditure can be found in 2023/24 MTFP report to Full Council on 22nd February 2023.

**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 and Governance is satisfied the proposed new capital schemes are prudent, affordable and sustainable. This follows full challenge of all capital bids against a set criteria. There will however be a need to continually review the overall programme against the authority's Corporate Plan and ongoing financial position to ensure that the capital programme continues to meet the objectives of the new authority.

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.

## 6. 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.

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**Somerset Council – Flexible Capital Receipts Strategy (Revised 2022/23 and 2023/24)**

**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 in certain circumstances. The criteria for the application of capital receipts for revenue spend has gradually changed over time. The current rules that were introduced in 2021 outline that:

- Only receipts received within the timescales that authorities have a Flexible Receipts Strategy can be used
- Only receipts from PPE (Property, Plant, and Equipment) can be used where the authority ceases to have an interest in the asset
- The authority must be able to demonstrate that ongoing savings are a result of the application of receipts
- Discretionary redundancy payments cannot be funded from capital receipts, but statutory redundancy and pension strain payments are allowable

The current requirement states that the strategy should list each project that plans to make use of the capital receipts flexibility. Council approved the current strategy in February 2022. However, this was before further criteria were outlined by central Government. This Strategy therefore clarifies those outstanding points and will apply to both years.

**2. Projects Which Meet the Criteria**

The costs of Implementing Local Government Reorganisation meet the criteria. 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 Council and submitted to the Secretary of State. A revised strategy may be replaced by another during the year through the same approval process.

**3. 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. In terms of Implementation Costs £599,755 was spent in 2021/22 and it is proposed that the remainder of £15,928,221 of expenditure for 2022/23 and 2023/24 as shown below will be financed from capital receipts with the exception of any discretionary redundancy costs.

**Table 1 - LGR Implementation Costs**

	<b>2021/22 £m</b>	<b>2022/23 £m</b>	<b>2023/24 £m</b>	<b>Total £m</b>
1. Programme Delivery	0.6	5.6	1.2	7.4
2. Redundancy	-	5.6	2.8	8.4
3. Unallocated		0.7		0.7
<b>Total Implementation Budget</b>	<b>0.6</b>	<b>11.9</b>	<b>4.0</b>	<b>16.5</b>

The budget for 2023/24 reflects this strategy.

#### **4. 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.

#### **5. The Impact on Borrowing and Prudential Indicators**

The impact of this has been reflected in the prudential indicators as part of setting the 2023/24 budget as follows:

**Table 2 - Capital financing - General Fund**

	<b>2022/23 forecast Q2 All Somerset Authorities £m</b>	<b>2023/24 Somerset Council budget £m</b>	<b>2024/25 budget £m</b>	<b>2025/26 budget £m</b>
<b>External sources</b>	82.4	166.5	19.1	3.5
<b>Own resources:</b>				
<b>Capital receipts</b>	13.0	6.4	2.9	2.8
<b>Revenue / Reserves</b>	5.50	0.1	0.1	0.1



<b>S106/CIL</b>	10.2	10.8	4.4	4.4
<b>Debt</b>	69.1	74.8	32.8	3.4
<b>TOTAL</b>	<b>180.2</b>	<b>258.6</b>	<b>59.4</b>	<b>14.2</b>

### 6. Updating the Strategy

The strategy in future years will monitor the savings are delivered. The Strategy must be approved by Council and submitted to the Secretary of State. A revised strategy may be replaced by another during the year with Council approval.

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New Capital Schemes 2023/24

Appendix 10

Ref	Service	Scheme	Description	Bid - Profiled Expenditure				Funding		
				2023.24 (£'m)	2024.25 (£'m)	2025.26 > (£'m)	Total (£'m)	Borrowing	External Funds	Total (£'m)
<b>Fully Meets the Criteria</b>										
C23-053	Adult Social Care	Disabled Facilities Grant	Government grant given to Local Authorities in order to assist individuals to remain in their own homes by providing adaptations or specialist facilities.	4.900	0.000	0.000	<b>4.900</b>	0.000	4.900	<b>4.900</b>
C23-031	CYP - Schools	High Needs Provision (SEN)	In March 2022, the DfE announced the 'High Needs Provision Capital Allocation (HNPCA)' for financial years 2022-23 and 2023-24. This funding is used to support Local Authorities deliver new school places or improve existing provision for children and young people with SEND.	1.966	1.967	1.967	<b>5.900</b>	0.000	5.900	<b>5.900</b>
C23-002	Highways	Highway Lighting - Basic Need	Rolling programme of upgrading lighting columns and lamps which reach their end of life.	0.750	0.000	0.000	<b>0.750</b>	0.000	0.750	<b>0.750</b>
C23-004	Highways	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, drainage assets, etc). The extensive network requires a significant rolling capital investment programme to ensure that the network remains available, safe and easy to use for the public.	1.421	0.000	0.000	<b>1.421</b>	0.000	1.421	<b>1.421</b>
C23-013	Highways	Highways - Basic Need	Programmes of highway maintenance construction activity to keep highway assets in a steady state of repair.	26.569	0.000	0.000	<b>26.569</b>	0.000	26.569	<b>26.569</b>
C23-014	Highways	Highway Bridges and Structures - Basic Need	An annual programme to continue addressing the backlog of sub-standard highway structures (e.g. bridges, culverts and other structures).	1.020	0.000	0.000	<b>1.020</b>	0.000	1.020	<b>1.020</b>
C23-007	Leisure	Glastonbury Community Sports & Leisure Hub (MDC)	The aim of the Glastonbury Community Sports & Leisure Hub project is to transform the existing Tor Leisure Centre into a new multipurpose functional facility for a wide range of sports and recreational activities.	1.829	0.000	0.000	<b>1.829</b>	0.000	1.829	<b>1.829</b>
<b>Total Bids that Meet Criteria or Priority</b>				<b>38.455</b>	<b>1.967</b>	<b>1.967</b>	<b>42.389</b>	<b>0.000</b>	<b>42.389</b>	<b>42.389</b>

Ref	Service	Scheme	Description	Bid - Profiled Expenditure				Funding		
				2023.24 (£'m)	2024.25 (£'m)	2025.26 > (£'m)	Total (£'m)	Borrowing	External Funds	Total (£'m)
<b>Health &amp; Safety</b>										
C23-009	Countryside	Chard Reservoir - Dam Works (SSDC)	Programme of works to improve and extend the life of the Reservoir.	0.078	0.003	0.018	<b>0.099</b>	0.099	0.000	<b>0.099</b>
C23-030	CYP - Schools	Schools Basic Need	The provision of additional school places to meet the LA's statutory duty. This bid is for two separate school projects, both requiring a single classroom each.	0.394	0.747	0.109	<b>1.250</b>	1.250	0.000	<b>1.250</b>

New Capital Schemes 2023/24

Appendix 10

Ref	Service	Scheme	Description	Bid - Profiled Expenditure				Funding		
				2023.24 (£'m)	2024.25 (£'m)	2025.26 > (£'m)	Total (£'m)	Borrowing	External Funds	Total (£'m)
C23-036	Economic Development	Frome Enterprise Centre Health and Safety issues	The Frome Enterprise Centre at Keyford Court Frome is part of the Somerset Enterprise Centre network. The centre comprises 16 light industrial units which are currently fully occupied. There are currently 13 tenant businesses operating from this site. The complex was built circa 1984 and is of steel frame and blockwork construction with metal cladding and a corrugated steel sheet roof. At this point in the building life cycle the building is in poor condition and now requires major refurbishment.	0.375	0.450	0.000	<b>0.825</b>	0.825	0.000	<b>0.825</b>
C23-005	Environment	North Hill, Minehead- Cliff Stabilisation (SWT)	This project is to stabilise the cliff at North Hill, Minehead for a period of 50 years. Small cliff falls have occurred at the site causing damage to the properties below the cliff.	1.010	0.000	0.000	<b>1.010</b>	1.010	0.000	<b>1.010</b>
C23-012	Heritage	Heritage Services	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.	0.055	0.000	0.000	<b>0.055</b>	0.055	0.000	<b>0.055</b>
C23-008	Highways	Traffic Signals Recovery Programme	This project is to invest in the refurbishment of Traffic Signal sites, focussing on those with the highest risk of failure.	4.741	0.000	0.000	<b>4.741</b>	3.541	1.200	<b>4.741</b>
C23-015	Highways	Road Safety - Local Safety Schemes	Schemes are generated through the Road Safety Team as a result of their ongoing review of collision sites to deliver collision and casualty reduction benefits. Schemes are prioritised on the basis of collision volumes and injury severity. A bid for £1.8m is deffered until 2023/24 and the funding here will be utilised for design and preparation	0.500	0.000	0.000	<b>0.500</b>	0.000	0.500	<b>0.500</b>
C23-010	Library Service	Library Service - CCTV	Install CCTV in 4 Libraries (Taunton, Yeovil, Frome, Glastonbury).	0.015	0.000	0.000	<b>0.015</b>	0.015	0.000	<b>0.015</b>
C23-011	Library Service	Library Service - Asset Improvement	The Libraries' asset improvement fund will refurbish the Wellington librariy following the property related works, ensuring the site is fit for purpose for many years to come.	0.045	0.000	0.000	<b>0.045</b>	0.045	0.000	<b>0.045</b>
C23-021	Property Services	Building Compliance (H&S)	Fire Precaution works, High Hazard Asbestos works, Accessibility Improvements, Radon Measures	0.250	0.000	0.000	<b>0.250</b>	0.250	0.000	<b>0.250</b>
C23-022	Property Services	Building Condition Programme (non Schools)	This funding is to address poor condition building issues across the Council's estate (excluding Schools), to ensure buildings are safe and functional and remain operational. This funding only includes those issues identified in poor or bad condition and which are urgent or essential.	0.900	0.600	0.000	<b>1.500</b>	1.500	0.000	<b>1.500</b>
C23-032	Property Services	Schools Condition Programme	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 school building are safe and functional and that their condition does not detract from teaching and learning, or lead to unplanned school closures.	3.626	5.432	0.000	<b>9.058</b>	7.058	2.000	<b>9.058</b>

New Capital Schemes 2023/24

Appendix 10

Ref	Service	Scheme	Description	Bid - Profiled Expenditure				Funding		
				2023.24 (£'m)	2024.25 (£'m)	2025.26 > (£'m)	Total (£'m)	Borrowing	External Funds	Total (£'m)
C23-033	Property Services	Replacement Poor Condition School Buildings	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 school building are safe and functional and that their condition does not detract from teaching and learning, or lead to unplanned school closures. Recent surveys have identified single prefabricated buildings at two separate sites have reached their end of serviceable life and require replacement.	0.376	0.764	0.060	1.200	1.200	0.000	1.200
C23-046	Somerset Waste Partnership	SWP Waste Containers	Provision of waste containers to residents of Somerset.	1.275	0.000	0.000	1.275	1.275	0.000	1.275
C23-051	Transporting Somerset	Current Districts Fleet Replacement Programme	This bid has been revised down to remove vehicles where the useful life can be extended/alternatives found and to remove funding for electric vehicles. With significant changes expected in how the vehicles are used we cannot be certain that electric vehicles will be viable operationally. This bid is for specialist vehicles such as street sweepers where electric technology lags behind that for cars, and hence the VFM/operational viability of electric alternatives needs further testing. Replacement of these vehicles is now necessary to ensure continued compliance with our statutory responsibilities and to continue to secure commercial income.	0.719	0.000	0.000	0.719	0.719	0.000	0.719
C23-052	Transporting Somerset	Future fleet management and maintenance provision for new Council including readiness for SCC fleet maintenance contract ending in April 2024.	This bid is for the capital equipment (ramps etc) that are necessary in order for us to extend the existing in-house District services to enable them to maintain the legacy County Council fleet (inc minibuses). The SCC contract (c£450k per annum) ends in Spring 2024 and hence the capital is needed in 23/24 to ensure we are ready for this. An invest to save business case is being developed. It also includes funding to implement the findings of the external audit being conducted on O licence compliance.	0.450	0.000	0.000	0.450	0.450	0.000	0.450
<b>Total Health and Safety Bids</b>				<b>14.809</b>	<b>7.996</b>	<b>0.187</b>	<b>22.992</b>	<b>19.292</b>	<b>3.700</b>	<b>22.992</b>

Ref	Service	Scheme	Description	Bid - Profiled Expenditure				Funding		
				2023.24 (£'m)	2024.25 (£'m)	2025.26 > (£'m)	Total (£'m)	Borrowing	External Funds	Total (£'m)
<b>Required for LGR/ Operations</b>										
C23-017a	ICT	ICT - Infrastructure & Hardware	ICT Infrastructure and hardware replacement, consolidation and redesign programme 23/24. This capital bid has been divided into officer deemed priority categories – oPriority 1 being critical infrastructure/hardware refresh oPriority 2 being funding linked to achieving savings from office rationalisation oPriority 3 needing a decision from Members linked to the LCN's	3.090	0.750	0.500	4.340	4.340	0.000	4.340

New Capital Schemes 2023/24

Appendix 10

Ref	Service	Scheme	Description	Bid - Profiled Expenditure				Funding		
				2023.24 (£'m)	2024.25 (£'m)	2025.26 > (£'m)	Total (£'m)	Borrowing	External Funds	Total (£'m)
C23-035	CYP - Social Care	Homes for Children - next phase	This bid builds on the success of last year's capital bid for £3million, supplemented by £1million match funding from the Department for Education (DfE) 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. A total of 10 homes are required to mitigate the high costs of out of county placements.	3.468	0.000	0.000	<b>3.468</b>	3.468	0.000	<b>3.468</b>
C23-024	Property Services	Asset Rationalisation & Face to Face Provision	This capital bid should be read in conjunction with and complements the LGR office rationalisation needs proposal. As a result of upcoming decisions to rationalise customer facing sites for Somerset Council through the Customer workstream linked to Local Community Networks, we anticipate there will be a need for a capital allowance for scoping and implementing customer facing spaces for Somerset Council	0.130	0.070	0.000	<b>0.200</b>	0.200	0.000	<b>0.200</b>
C23-029	Property Services	Somerset Council Signage	Post Vesting Day, Somerset Council properties that have existing Local Authority branding, signage and wayfinding will require changes to reflect the new council's branding which has yet to be designed and confirmed.	0.078	0.000	0.000	<b>0.078</b>	0.078	0.000	<b>0.078</b>
C23-025	Property Services	Office Rationalisation as a result of LGR	Options for rationalising Somerset Council's office accommodation are still being developed and proposals have yet to be shared with Executive Members for consideration. This bid seeks to establish a moderate capital allowance for delivering and implementing office rationalisation decisions once these decisions have been taken.	0.500	0.000	0.000	<b>0.500</b>	0.500	0.000	<b>0.500</b>
C23-xxx	Corporate Services - Finance	Contingency	Additional Capital Contingency Requirement	2.000	0.000	0.000	<b>2.000</b>	2.000	0.000	<b>2.000</b>
<b>Total Bids Required for LGR/ Operations</b>				<b>9.266</b>	<b>0.820</b>	<b>0.500</b>	<b>10.586</b>	<b>10.586</b>	<b>0.000</b>	<b>10.586</b>
<b>Total Proposed New Capital Bids</b>				<b>62.530</b>	<b>10.783</b>	<b>2.654</b>	<b>75.967</b>	<b>29.878</b>	<b>46.089</b>	<b>75.967</b>

Reference	Authority	Directorate Area and Scheme		Forecasted Expenditure				
				2023/24	2024/25	2025/26	2026/27 >	Total
				£m	£m	£m	£m	£m
		<b>Adult and Health Services</b>						
1	SCC	Operations	Adult Social Care	2.175	0.284	0.275		<b>2.734</b>
2	SCC	Operations	Learning Disabilities	0.06	0.053			<b>0.113</b>
<b>Operations Total</b>				<b>2.235</b>	<b>0.337</b>	<b>0.275</b>		<b>2.847</b>
		<b>Children's Services</b>						
3	SCC	Children and Families	Childrens Residential	3.468	0.126	0.071	0.071	<b>3.736</b>
4	SCC	Children and Families	Children Looked After	0.013	0.013			<b>0.026</b>
<b>Children and Families Total</b>				<b>3.481</b>	<b>0.139</b>	<b>0.071</b>	<b>0.071</b>	<b>3.762</b>
5	SCC	Inclusion	Special Education Needs	3.778	3.769	2.067		<b>9.614</b>
6	SCC	Inclusion	Schools Access Initiative	0.514	0.135			<b>0.649</b>
<b>Inclusion Total</b>				<b>4.292</b>	<b>3.904</b>	<b>2.067</b>		<b>10.263</b>
7	SCC	Education, Partnership and Skills	Early Years	0.865	0.212			<b>1.077</b>
8	SCC	Education, Partnership and Skills	School Services	27.597	15.016	3.947	2.353	<b>48.913</b>
<b>Education, Partnership and Skills Total</b>				<b>28.462</b>	<b>15.228</b>	<b>3.947</b>	<b>2.353</b>	<b>49.99</b>
		<b>Climate and Place</b>						
9	SWT	Climate, Environment and Sustainability	Flood & Water Management (Non SRA)	3.649	1			<b>4.649</b>
10	ALL	Climate, Environment and Sustainability	Somerset Waste Partnership	1.345	0.07	0.07		<b>1.485</b>
11	NEW	Climate, Environment and Sustainability	Chard Reservoir Dam Works	0.078	0.003	0.018		<b>0.099</b>
12	NEW	Climate, Environment and Sustainability	North Hill Cliff Stabilisation	1.01				<b>1.01</b>
20	SWT	Climate, Environment and Sustainability	Phosphates	1.795				<b>1.795</b>
<b>Climate, Environment and Sustainability Total</b>				<b>7.877</b>	<b>1.073</b>	<b>0.088</b>		<b>7.243</b>
13	SCC	Economy, Employment and Planning	Business Growth Fund	1.306	0.434			<b>1.74</b>
14	SCC	Economy, Employment and Planning	Taunton Digital Innovation Centre	1.914				<b>1.914</b>
15	SDC	Economy, Employment and Planning	Bridgwater Town Deal	22				<b>22</b>
16	SDC	Economy, Employment and Planning	Bridgwater Levelling Up Fund	19.7				<b>19.7</b>
17	MDC	Economy, Employment and Planning	Glastonbury Town Deal	11.197	5.008	1.371		<b>17.576</b>
18	MDC	Economy, Employment and Planning	Saxonvale, Frome	0.1	0.1	0.098		<b>0.298</b>
19	SWT	Economy, Employment and Planning	Taunton Town Centre Regeneration	0.5	0.897			<b>1.397</b>
21	SWT	Economy, Employment and Planning	Firepool Development FHSF Phase	7.116				<b>7.116</b>
22	SSDC	Economy, Employment and Planning	Chard Regeneration	1.7				<b>1.7</b>
23	SSDC	Economy, Employment and Planning	Yeovil Refresh	13.472				<b>13.472</b>
24	SWT	Economy, Employment and Planning	Staplegrove Housing Infrastructure Fund	14.216				<b>14.216</b>
25	SWT	Economy, Employment and Planning	Contribution to CDS Broadband	0.55				<b>0.55</b>
26	NEW	Economy, Employment and Planning	Frome Enterprise Centre	0.375	0.45			<b>0.825</b>
<b>Economy, Employment and Planning Total</b>				<b>94.146</b>	<b>6.889</b>	<b>1.469</b>		<b>104.299</b>

Reference	Authority	Directorate Area and Scheme		Forecasted Expenditure				
				2023/24	2024/25	2025/26	2026/27 >	Total
				£m	£m	£m	£m	£m
27	SCC	Infrastructure and Transport	Bridge Structures	3.52	1.5			5.02
28	SCC	Infrastructure and Transport	Road Structures	30.255				30.255
29	SCC	Infrastructure and Transport	Traffic Control	4.741				4.741
30	SCC	Infrastructure and Transport	Traffic Management	0.89				0.89
31	SCC / SWT	Infrastructure and Transport	Active Travel	1.808	1.666			3.474
32	SCC	Infrastructure and Transport	Integrated Transport	1.007				1.007
33	SCC	Infrastructure and Transport	Small Improvement Schemes	1.527				1.527
34	SCC	Infrastructure and Transport	Highway Lighting	0.75				0.75
35	SCC	Infrastructure and Transport	Rights of Way	1.83				1.83
36	SSDC	Infrastructure and Transport	Car Parks & Parking Services	0.301	0.248	0.248		0.797
37	SCC	Infrastructure and Transport	M5 Junction 25 Improvements	0.9		-0.4		0.5
38	SCC	Infrastructure and Transport	Toneway Corridor Capacity Improvements	0.75				0.75
39	SCC	Infrastructure and Transport	Trenchard Way Residual Works	0.58				0.58
40	SCC	Infrastructure and Transport	Major Road Network	0.1	0.2	0.1		0.4
41	SCC	Infrastructure and Transport	A38 Chelston Link	5.25				5.25
42	SCC	Infrastructure and Transport	J23 Dunball Improvements	5.242				5.242
43	SWT	Infrastructure and Transport	Blue Anchor Coast Protection	2.298				2.298
44	Update	Infrastructure and Transport	Various Other Schemes	0.495				0.495
45	ALL	Infrastructure and Transport	Fleet Management	3.466	0.5	0.5		4.466
46	SCC	Infrastructure and Transport	Bus Service Improvement Programme	3.195	3.743			6.938
<b>Infrastructure and Transport Total</b>				<b>68.905</b>	<b>7.857</b>	<b>0.448</b>		<b>77.21</b>
<b>Community Services</b>								
47	SCC	Cultural Services	Wellington Library Improvements	1.199	0.03			1.229
48	SCC	Cultural Services	Library Services	0.4	0.326			0.726
49	SCC / SWT	Cultural Services	Cultural and Heritage Services	2.124	0.314	0.595		3.033
<b>Cultural Services Total</b>				<b>3.723</b>	<b>0.67</b>	<b>0.595</b>		<b>4.988</b>
50	ALL	Housing	Disabled Facilities Grant	7.084	1.093	1.093		9.27
51	SWT	Housing	Grants to Registered Social Landlords (RSLs)	0.403	0.276			0.679
52	SWT	Housing	Gypsy Site	0.108				0.108
53	SWT	Housing	IAC Staffing and Support	0.102	0.102	0.102		0.306
54	SWT	Housing	Energy Efficiency Grants	0.062	0.062	0.062		0.186
55	SWT	Housing	Home Maintenance	0.057	0.057	0.057		0.171
56	SWT	Housing	Prevention Grants	0.045	0.045	0.038		0.128
57	SWT	Housing	Other Schemes	0.19				0.19
<b>Housing Total</b>				<b>8.051</b>	<b>1.635</b>	<b>1.352</b>		<b>11.038</b>



Reference	Authority	Directorate Area and Scheme		Forecasted Expenditure				
				2023/24	2024/25	2025/26	2026/27 >	Total
				£m	£m	£m	£m	£m
58	SWT	Leisure Centres, Facilities and Services	Wellington Leisure Centre	0.761				<b>0.761</b>
59	NEW	Leisure Centres, Facilities and Services	Glastonbury Community Sports & Leisure Hub	1.829				<b>1.829</b>
		<b>Leisure Centres, Facilities and Services Total</b>		<b>2.59</b>				<b>2.59</b>
60	SWT	Parks and Play Areas	Norton Fitzwarren Playing Pitches (S106)	0.244				<b>0.244</b>
		<b>Parks and Play Areas Total</b>		<b>0.244</b>				<b>0.244</b>
61	SWT	Theatres	Brewhouse Theatre	0.185				<b>0.185</b>
62	SSDC	Theatres	Octagon Redevelopment	16.191	10.527	0.428		<b>27.146</b>
		<b>Theatres Total</b>		<b>16.376</b>	<b>10.527</b>	<b>0.428</b>		<b>27.331</b>
		<b>Resources and Corporate Services</b>						
63	SCC	Finance	Finance - Capital Programme Contingency	2				<b>2</b>
64	ALL	Information Communication Technology	Corporate ICT Investment	3.358	1.098	0.78		<b>5.236</b>
		<b>Information Communication Technology Total</b>		<b>5.358</b>	<b>1.098</b>	<b>0.78</b>		<b>7.236</b>
65	ALL	Strategic Asset Management	Property Services General	3.051	0.798			<b>3.849</b>
66	NEW	Strategic Asset Management	Building Compliance Health & Safety	0.25				<b>0.25</b>
67	NEW	Strategic Asset Management	Asset Rationalisation	0.13	0.07			<b>0.2</b>
68	NEW	Strategic Asset Management	New Somerset Council Signage	0.078				<b>0.078</b>
69	NEW	Strategic Asset Management	Office Rationalisation	0.5				<b>0.5</b>
70	NEW	Strategic Asset Management	Building Condition Programme (Non Schools)	0.9	0.6			<b>1.5</b>
71	SCC	Strategic Asset Management	Outdoor Education Centres Improvements	0.412	0.274			<b>0.686</b>
72	SCC	Strategic Asset Management	Saltlands Solar Park	3.107				<b>3.107</b>
73	SCC	Strategic Asset Management	South West Heritage Trust Building Condition	0.28	0.04			<b>0.32</b>
74	SCC	Strategic Asset Management	Outdoor Education Centres Building Condition	0.96	0.12			<b>1.08</b>
75	SCC	Strategic Asset Management	Estate De-carbonisation	1				<b>1</b>
76	SSDC	Strategic Asset Management	Birchfield Gas Control System (SSDC)	0.394				<b>0.394</b>
77	SSDC	Strategic Asset Management	Capital Works for Investment Properties	1.615	0.288			<b>1.903</b>
		<b>Strategic Asset Management Total</b>		<b>12.677</b>	<b>2.19</b>			<b>14.867</b>
		<b>Strategy, Workforce and Localities</b>						
78	SWT	Grants & Lotteries	Hinkley CIM Funded SWT Projects	0.1				<b>0.1</b>
79	SWT	Grants & Lotteries	Various Other Schemes	0.135	0.135	0.136		<b>0.406</b>
		<b>Grants &amp; Lotteries Total</b>		<b>0.235</b>	<b>0.135</b>	<b>0.136</b>		<b>0.506</b>

Reference	Authority	Directorate Area and Scheme		Forecasted Expenditure				
				2023/24	2024/25	2025/26	2026/27 >	Total
				£m	£m	£m	£m	£m
<b>Paused Schemes - Deferred until 2024/25 with further review in 2023/24</b>								
80	SCC	Children and Families	Homes for Children with Disabilities Phase 2		1.5			<b>1.5</b>
81	SCC	Cultural Services	Bridgwater Library Improvements		1.286	0.139		<b>1.425</b>
82	SSDC	Economy, Employment and Planning	Wincanton Regeneration		1.537			<b>1.537</b>
83	SCC	Infrastructure and Transport	Walton & Ashcott Bypass					
84	SSDC	Strategic Asset Management	Yeovil Crematorium Refurbishment		3.367			<b>3.367</b>
<b>Paused Schemes Total</b>					<b>7.69</b>	<b>0.139</b>		<b>7.829</b>
<b>Total Capital Programme</b>				<b>258.652</b>	<b>59.372</b>	<b>11.795</b>	<b>2.424</b>	<b>332.243</b>

	Total £m
<b>Financed By:</b>	
Grants	<b>193.028</b>
Capital Receipts	<b>12.19</b>
Reserves	<b>0.345</b>
S106 or CiL	<b>19.612</b>
Borrowing	<b>107.068</b>
<b>Total</b>	<b>332.243</b>

## 2023/24 Non-Treasury Management Investment Strategy

### 1. Background

- 1.1.** The 2023/24 Non-Treasury Management Investment Strategy for the new Somerset Council is required to be considered by Somerset County Council as part of the 2023/24 budget setting process. This is a complex and highly regulated area of activity, and this strategy has been written to meet the relevant regulatory framework as set out in Annex 12C of this report.
- 1.2.** Councils invest money for three broad purposes:
  - 1) Because it has surplus cash arising from its day-to-day activities or cash that it holds pending its spending plans (known as treasury management investments).
  - 2) To support local public services by lending to other organisations (known as service-based investments).
  - 3) To earn investment income (known as investments made primarily for yield or commercial investments).
- 1.3.** This investment strategy focuses on the second and third of these investment categories and together they are termed non-treasury management investments. The first category is considered in the 2023/24 Treasury Management Strategy. Whilst service investments and investments primarily for yield are entered into and managed outside of normal treasury management activities, the Treasury Management Strategy comes into play in their financing.
- 1.4.** The objectives of this Non-Treasury Management Investment Strategy are to provide:
  - 1) The proposed Strategic Objectives for 2023/24.
  - 2) A high-level overview of the different types of non-treasury investments that will be held by Somerset Council on 1st April 2023.
  - 3) The governance and reporting arrangements for these investments.
  - 4) Management of the investments and the capacity, skills, and knowledge available to the Council.
  - 5) The Annual Review of financial performance, as required under the revised Prudential Code, for 2023/24 of the net cost/return to the General Fund revenue budget of holding the investments for yield.:
  - 6) An explanation of the relevant regulatory framework that needs to be considered when holding, managing, and divesting these investments.
  - 7) An analysis of the associated risks and management's proposed mitigations including indicators which allow Elected Members and the public to assess the level of risk involved.
- 1.5.** Proposed 2023/24 Strategic Objectives

**Strategic Objective 1: Ensure the Council has flexibility and choice in obtaining loan finance.**

Policy commitments and detailed objectives:

- Ensure the Council meets the criteria for accessing the Public Works Loan Board (PWLB) by not acquiring any new investments that fall within the definition "investments primarily for yield".

**Strategic Objective 2: Ensure the investments for yield continue to contribute to the Council's overall financial health.**

Policy commitments and detailed objectives:

- Retain the current investments made primarily for yield that will be vested to Somerset Council from the predecessor councils on 1st April 2023 for the immediate future.
- Ensure effective arrangements are maintained to collect all income due in a timely manner, and actively manage tenancy and lease arrangements to minimise losses through voids and/or non-collection of rents and service charges.
- Undertake regular modelling of the net return being achieved and forecast from holding these investments for the portfolio as a whole and for individual properties and from both the shorter and the longer-term viewpoint.
- Establish objectives, aims and expectations around the contribution being targeted from investments for yield.
- Maintain a proactive knowledge of the state of the UK commercial property market.
- Undertake regular reviews of relevant risks and mitigation options.
- Review opportunities for new permitted investment in existing investments to maximise the net return and/or improve the asset value (within acceptable risks).
- Review opportunities for selling the investments to maximise the overall net return, or to minimise future risks (such as reducing the Council's exposure in a particular market sector or geographic location), or to generate capital receipts.
- Review options available to the Council to finance the remaining indebtedness that has arisen from purchasing these investments to maximise the net return or to minimise future risks.
- Obtain relevant expert advice, when needed, to achieve these objectives.

**Strategic Objective 3: Ensure commercial property investments are attractive in the market**

Policy commitments and detailed objectives:

- Develop a Property Investment Strategy to ensure:
  - Properties remain attractive to tenants for letting and, at least, maintain their investment value.
  - Properties are fit for purpose, safe, and compliant with relevant legislative requirements.
- Review the costs of achieving a) and b) above with the potential return obtainable and the impact on other capital financing needs.

## **2. Investments Primarily for Yield**

### **Background**

- 2.1.** The four predecessor district councils in Somerset all established programmes of investing for the primary purpose of making a yield. Most of the activity focused on acquiring commercial property. Many other councils across the country have also pursued this strategy with levels of local authority investment increasing more sharply in recent years across the sector.
- 2.2.** The net returns make a significant contribution to the funding of the four councils' General Fund revenue budgets because the additional income generated exceeded the returns the councils were able to get with their cash investments and more than covered the costs of any short-term and longer-term borrowing undertaken to fund the capital acquisition costs.
- 2.3.** The primary objective for all four councils was to generate new income to enable them to continue providing essential council services to their communities at a time of declining financial support from central government, and where risk and uncertainty of funding remains high (notably, Government grants and business rates). This was achieved.
- 2.4.** The four councils viewed these acquisitions as long-term investments that would be proactively managed by having the flexibility to respond fluidly to opportunities and changes in the economy, the market, and differing performance across asset classes. The ability to sell properties to reinvest is a common portfolio investment tool in the private sector which helps achieve higher net returns whilst also mitigating risk.
- 2.5.** However, since the strategies were implemented, there have been several changes to the regulatory and economic background that have significantly impacted on this investment activity (see Annex 12C for the detail):
  - a) Changes were made to the PWLB (Public Works Loan Board) terms of lending effectively making it inaccessible for councils who continue acquiring investments made primarily for yield.
  - b) Changes made to the Prudential Code also prohibited acquiring investments primarily for yield with councils needing to pay "due regard to" the guidance as required by legislation.
  - c) Other changes made to the regulatory framework now prohibit councils using the sales proceeds from selling these assets to fund new investments for yield. This means that the approach private property fund managers undertake in selling and

repurposing the proceeds to acquire better performing and/or less risky assets cannot now be undertaken by councils.

d) Unfavourable and very rapid changes to the economic situation, particularly the rise in interest rates during the 2022/23 financial year and the risk of a recession, are putting pressure on the investments achieving a net rate of return in the short and medium term and potentially increase the risks involved in holding these investments.

- 2.6.** Given that PWLB loan finance represents a relatively cheap and easy-to-access source of long-term borrowing, as compared to other often more complex sources of loan finance, it is being recommended in this strategy that Somerset Council ensures it has access to the PWLB if needed and therefore does not undertake any new acquisitions that fall within the definition of "investments primarily for yield".
- 2.7.** The Director of Finance and Governance can confirm that the proposed Capital Budget for Somerset Council for the period 2023/24 to 2027/28 does not contain any budget for acquiring investments primarily for yield.
- 2.8.** The portfolio of investments made primarily for yield is therefore now complete. The focus for Somerset Council will be on proactive management of the investments and associated risks within the regulatory framework as set in the proposed Strategic Objectives shown in paragraph 1.5 of this report.

### **Commercial Property Acquisitions and their financing**

**2.9.** The period over which these investments were acquired is shown below. No further investments meeting the definition "investments primarily for yield" were acquired after December 2021 when the revised Prudential Code came into effect:

- Mendip District Council: October 2017 to November 2019
- Sedgemoor District Council: December 2018 to December 2020
- Somerset West & Taunton District Council: August 2020 to December 2021
- South Somerset District Council: November 2017 to December 2021.

**Table one: Acquisition costs and financing (£000s)**

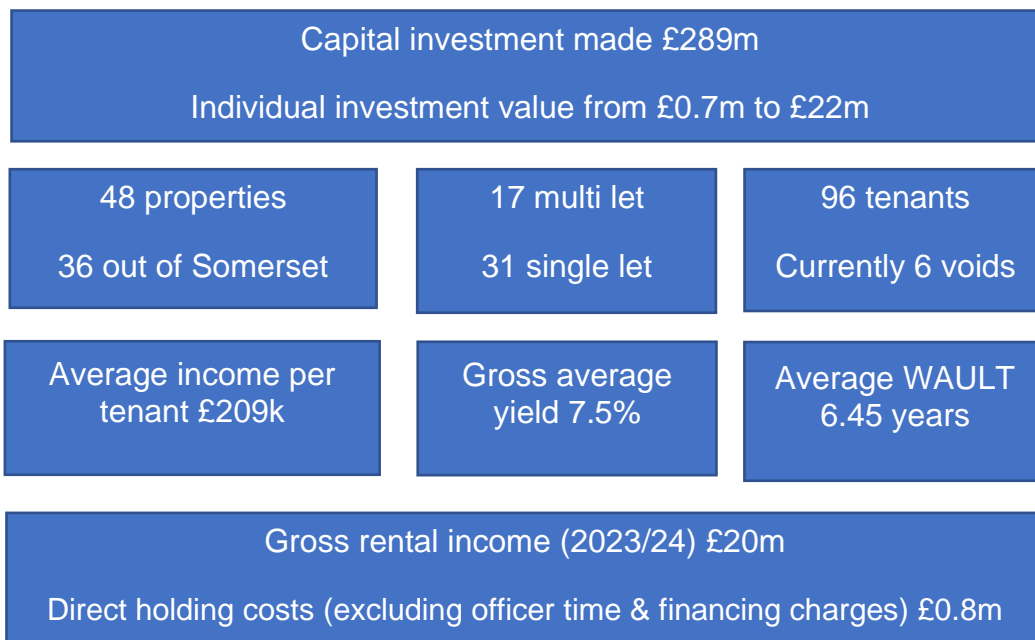
<b>Figures are in £000s</b>	<b>Mendip</b>	<b>Sedgemoor</b>	<b>Somerset West &amp; Taunton</b>	<b>South Somerset</b>	<b>Total</b>
Investment made	50,401	46,500	98,965	93,224	289,091
Funded by:					
Capital Receipts				4,000	4,000
Revenue resources			3,520		3,520
Long term borrowing	50,401				50,401
Short/internal borrowing		46,500	95,445	89,224	231,170

**2.10.** The councils financed their investment acquisitions through a variety of ways. Most of the funding however was by means of borrowing. Mendip District Council financed their investments through taking out several long-term loans whilst the other three predecessor district councils financed their investments through a mixture of revenue funds, capital receipts, internal borrowing, and shorter-term external loans.

## Overview of the commercial property portfolio

- 2.11.** The new Somerset Council inherits a diversified property portfolio, with a balanced spread between asset classes and geographical locations which will help mitigate the potential risk of holding assets all in one sector and/or location.
- 2.12.** The following paragraphs and charts aim to illustrate key aspects of the investments held.

### Chart One: Commercial property investments key metrics

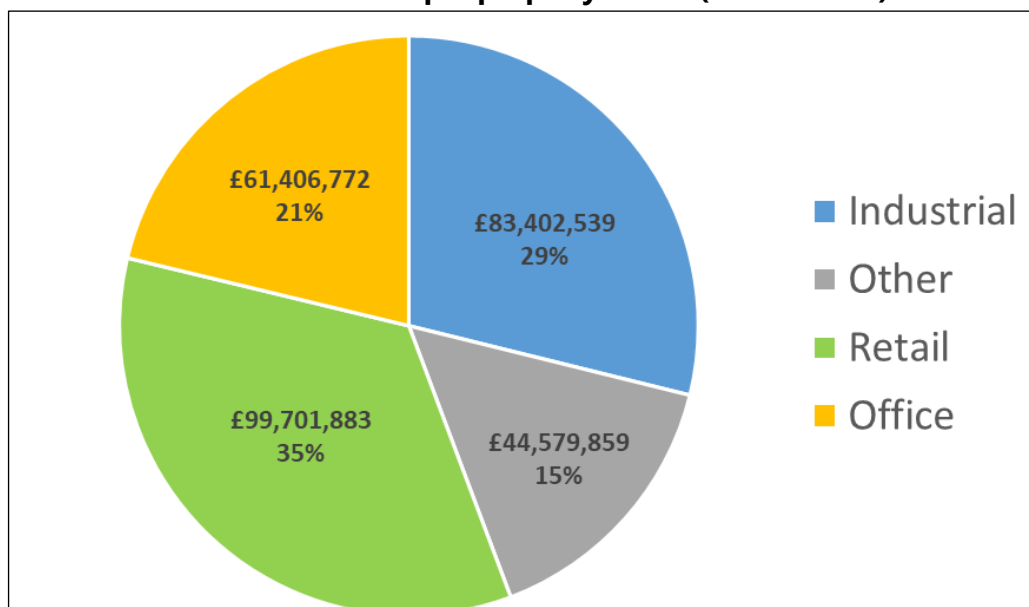


*WAULT = weighted average unexpired lease term*

*Gross Yield = Contracted income return percentage on purchase price*

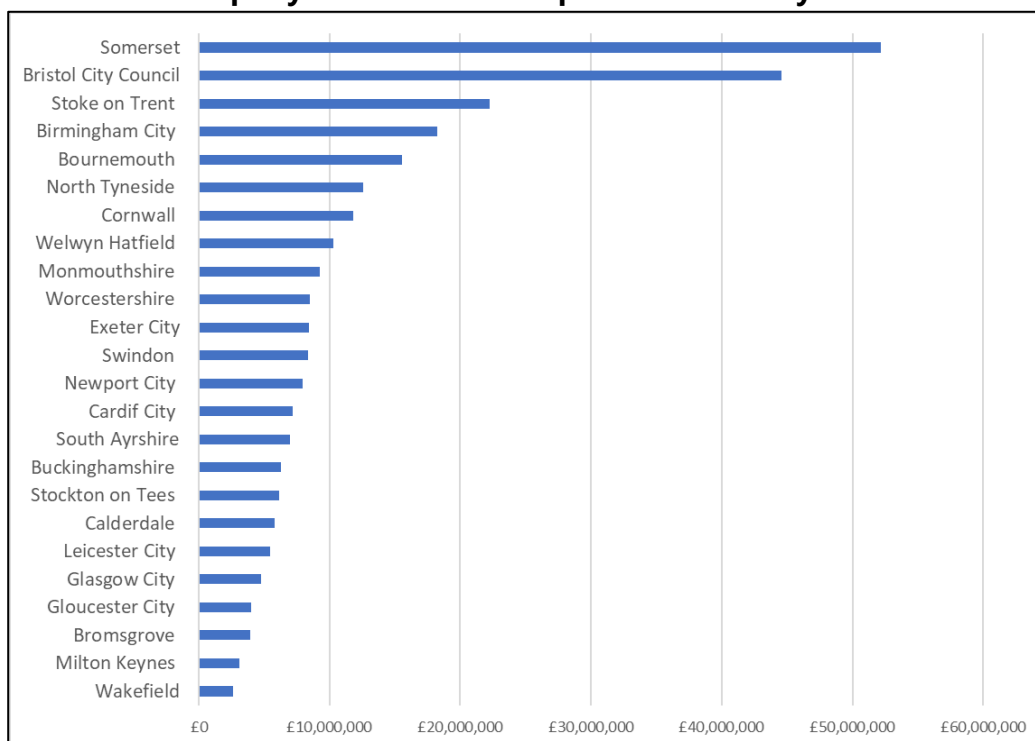
- 2.13. Property sectors:** The portfolio is weighted towards retail and industrial asset classes. 35% of the investment has been made in the retail property sector followed by industrial (29%), office (21%), and the other property sector (21%). investments made in the latter include: a healthcare centre, a gym, and an NCP car park. Of the retail property, 25% can be regarded as high street / town centre retail.

**Chart Two: Investments made per property sector (asset classes)**



**2.14. Location of the investments:** 75% of the properties held are located out of Somerset Council's area. By value, £237m (or 82%) of the total investment that has been made is outside of the new council boundary. Chart Three shows the value of investment made across the United Kingdom.

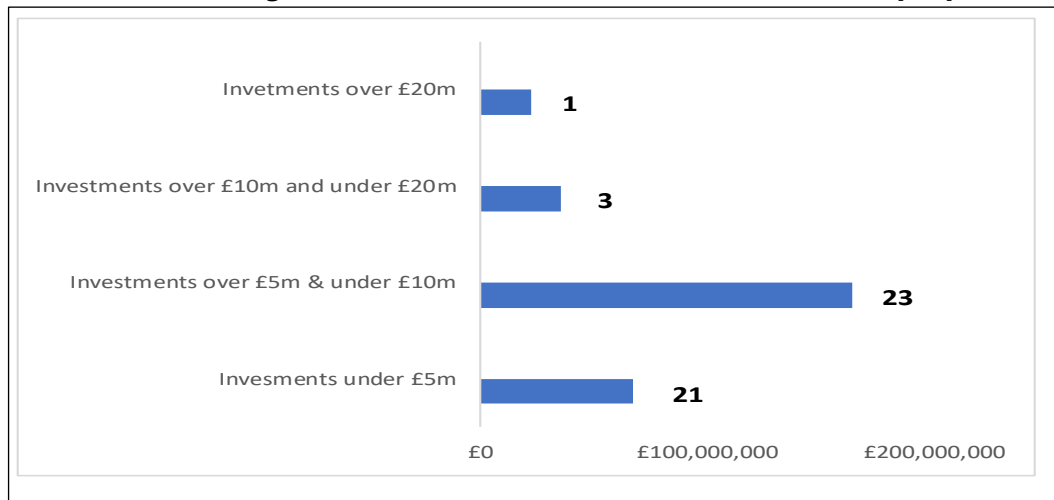
**Chart Three: Property investment made per local authority area**



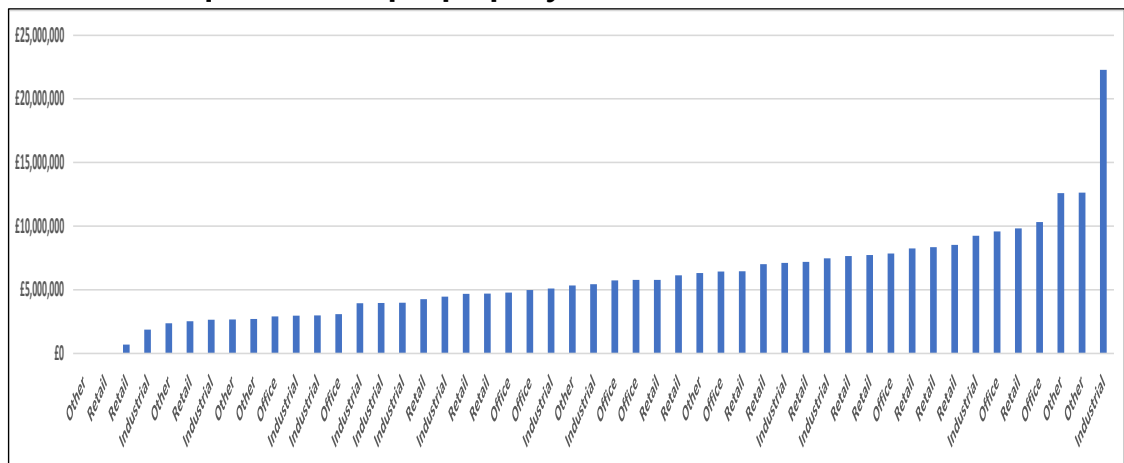
**2.15. Average size of investments:** The average acquisition price was £6.023m with 48% of the £289m invested being on properties acquired within the £5m to £10m range. The largest acquisition of £22m was made for an industrial property in Stoke-on-Trent.



**Chart Four: showing size of investments made (numbers = no of properties)**

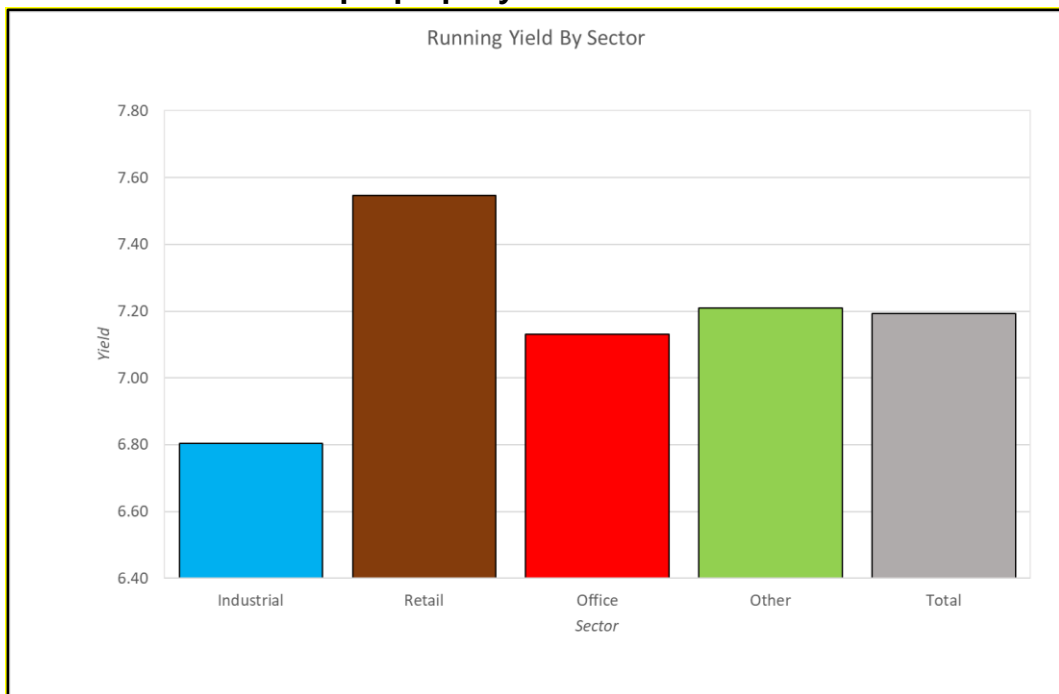


**Chart Five: Acquisition cost per property**



**2.16. Gross yield:** (which is the gross current income divided by the investment purchase price) by property sector shows the initial return the contracted rents provide split by district council and by investment sector.

**Chart Six: Gross Yield % per property sector**



**2.17. Investment value:** The unaudited value of the commercial property investments as at the end of March 2022 is £264m. As compared to the total investment made (£289m) this is a decrease in value of £25m (9%) but one-off costs of purchase (fees and SDLT) account for most of this difference. A new valuation will be undertaken to produce the 2022/23 Statement of Accounts. It should be noted that £15m of the indebtedness arising from purchasing these assets has already been paid by the predecessor councils through Minimum Revenue Provision (MRP) payments from their revenue budgets.

**2.18. Security, liquidity, and yield:** The principles of security, liquidity, and yield must be considered when making any investment. When considering treasury management investments, security is the highest priority, followed by liquidity, and yield is a low priority. However, the objectives for investing primarily for yield (i.e. to make a return to support the funding of core council services) has meant that such investments have not always prioritised security and liquidity as highly as treasury investments do.

**2.19.** Commercial property is not a liquid investment, such as a bank account where one can withdraw needed cash immediately. They can take significant time, and cost, to sell and are only divisible by the individual ownership components. A reasonable rule of thumb is to allow up to 6 months to dispose of an investment property.

**2.20. SSDC Opium Power Ltd (SSDC OPL):** As part of its commercial strategy, the predecessor South Somerset District Council, invested £42m through a joint venture company, SSDC OPL, in a design, build, finance and operation of battery energy storage systems (BESS) at Taunton, Somerset (SSDC OPL) and at Fareham, Hampshire (FERL 1 and 2).

**2.21.** The current structure of the JV comprises a parent company, SSDC Opium Power Ltd (SSDC OPL) and two subsidiary companies, Fareham Energy Reserve Ltd (FERL 1) and Fareham Energy Reserve 2 Ltd (FERL 2). There are 100 shares in SSDC OPL: the Council holds 50 and OPL holds 50. All the shares in FERL 1 and FERL 2 are held by SSDC OPL.

**2.22.** The returns from these investments come by way of interest on the capital lent by SSDC to the joint venture company, and dividends from the profits of the company. In addition, the loan repayments are used to fund the capital budget thus reducing the Council's overall borrowing needs.

**Table Two: loans made to SSDC Opium Power Ltd and subsidiaries**

Amount Lent	Loan Date	Interest rate	Loan Period	Maturity date
9,840,000	17/05/2018	5.00%	8.25 yrs	31/07/2026
1,284,000	29/03/2019	5.00%	7.35 yrs	31/07/2026
2,033,055	15/08/2019	7.50%	7 yrs	31/07/2026
13,157,055	Total Loan to SSDC Opium Power Ltd			
18,690,560	20/10/2020	4.00%	25 yrs	01/01/2047
18,690,000	Total loan to FERL 1			
10,318,980	26/05/2021	4.00%	25 yrs	01/04/2048
10,630,877	Total loan to FERL 2			
<b>42,477,932</b>	<b>Total loan to SSDC OPL and subsidiaries</b>			

- 2.23.** The loan balance at the end of March 2023 is forecast to be £39m. £3m of the £3.7m scheduled loan repayment for 2022/23 has already been paid (as at the time of writing this report).
- 2.24.** As these projects needed to be constructed prior to any trading, there was an initial period of investment without immediate return. Taunton was completed in 2020, FERL 1 was completed in February 2022, and FERL 2 reached completion in June 2022. The project on this last facility is completing all its technical tests and will shortly start trading.
- 2.25.** SSDC Opium Power Ltd started to generate a profitable trading position during 2020/21. Under the provisions of the Shareholders' Agreement for SSDC OPL any dividend payment requires express consent from the Council. For Taunton, there can be no dividend until the loans are repaid in full. Profits made to date have been used to accelerate the repayment of the loans provided by the Council. The dividend share is 50:50 between the Council and the other shareholder (OPL).
- 2.26.** FERL 1 began to trade during 2022. Loan repayments are being made in accordance with the minimum amounts set out in the loan agreement, leaving a surplus in the company. Any profits are shared 65:35 in favour of the Council. As at the time of writing this report, the predecessor council is considering its position on whether to take a dividend or require the profit to service the earlier repayment of the loan debt outstanding.
- 2.27.** FERL 2 has similar arrangements to FERL 1 other than the profit shares being 70:30 in favour of the Council.
- 2.28.** **Security, Liquidity, and Yield:** The arrangements involve substantially more complexity than the property investments with the company structure, separate accounting and governance, and the need for the Council to appoint Directors to the Board. This investment sector is very specialised requiring niche advisory providers and is focussed on an emerging market which should be viewed as riskier.
- 2.29.** However, the loan principal and interest are being paid in line with the agreed loan schedule. The current income returns to the company are well above the forecasts made when the lending was approved, but this trading information cannot be disclosed in a public report. The investment, like the commercial property portfolio, is not particularly liquid.

### **3. Investments made for service purposes**

- 3.1.** The predecessor councils have lent money to businesses, charities, housing associations, and other public bodies to support their service objectives. The table below shows the service investments (which are in the form of loans) the new Council will inherit on 1 April 2023 (unless any are redeemed early).

**Table Three: Service Investments held by Somerset Council**

Sector	Total Loan amount £	Financial Year(s) given	Total Balance as at 1/04/23 £	Length of loan period(s) remaining	Interest rate(s)
Registered Housing Association	117,810	1971/72	44,500	10 years	2.84%
Registered Society	1,684,900	2014/15 2015/16 2021/22	1,020,124	7 years	Various 3.49% - 4.89%
Charities	3,566,646	2017/18 2019/20	3,341,363	2- 26 years	Various 2.57% - 4.5%
Local Business	500,000	2018/19	400,223	14 years	3.75%
Council subsidiary	1,480,000	2015/16 2018/19 2019/20 2020/21	1,320,661	22 -27 years	Various 1.11% - 5.04%
College	4,500,000	2019/20	4,176,577	17 years	4.50%
Local Business	190,000	2015/16	88,890	13 years	2.76%
Schools	271,424	various	TBC	various	0%
	<b>12,310,780</b>		<b>10,392,338</b>		

- 3.2.** Members may also wish to note that the Councils currently hold inter-authority service loans, for example in respect of loans provided by the district councils to SCC towards funding capital investment in the Somerset Waste Partnership. When the councils merge to form the new unitary authority on 1 April these loans will be cancelled, leaving the ongoing capital financing requirement to be financed through future treasury management.
- 3.3. Security:** The main risk when making service loans is that the borrower will be unable to repay the principal lent and/or the interest due. However, the total risk exposure to service investments is currently £10.4m, which is not considered to be disproportionate to the overall size of Somerset Council.
- 3.4.** Accounting standards require the Council to set aside loss allowance for loans, reflecting the likelihood of non-payment. The figure for any loans in the statement of accounts at the end of 2023-24 will be shown net of this loss allowance. However, up to this point in time no loss or impairment of these loans has had to be made.
- 3.5. Liquidity:** These investments are not liquid as the repayments are made in line with agreed loan agreements. Table Three shows that most of the outstanding current debt will not be fully repaid before fifteen years.
- 3.6. Yield:** In view of the public service objective, the yield obtained from the service investment has not always been the primary consideration.

#### **Policy for granting service loans**

- 3.7.** Whilst given the public service objective, the Council is willing to take more risk than with conventional treasury investments; any decisions on granting such loans will be made on the basis that repayment to the Council remains a firm, secure, and realistic commitment from the applicant.
- 3.8.** The yield obtained will not always be a primary consideration, but the Council will normally seek to at least cover its own financing costs in funding the loan and will pay due regard to market rates.

- 3.9. The Council may also from time to time make Soft Loans (loans charged at interest rates at less than market value). Before such loans are undertaken, the implied subsidy will be clearly identified and quantified as part of the decision-making process.
- 3.10. All loan requests must be set out in a Business Case from the sponsoring service demonstrating how the loan will deliver service outcomes.
- 3.11. Due diligence will be undertaken by carrying out a proportionate review of the credit risk of the applicant, a review of its published financial statements, and the Business Case detailing how the loan will be used.
- 3.12. Where deemed necessary (for example where a large loan request has been made) the Council will seek a legal charge on the underlying assets of the applicant to mitigate against the risk of the applicant defaulting on the loan.
- 3.13. All service investment requests will be considered in the context of the impact on the cumulative total of all such loans made by the Council and any implications for the its shorter and longer-term cash flow requirements.
- 3.14. Total exposure for service loans will be contained within the prudent limit set within the Treasury Management Strategy.

#### **4. Governance and reporting arrangements**

- 4.1. In line with legislative requirements this Investment Strategy will be prepared annually and will be approved by full Council as part of the wider budget setting process.
- 4.2. The Audit Committee is responsible for reviewing this Investment Strategy, recommending the strategy to Council for approval. It will receive a Mid-year Review Report and an Outturn report which are also reported to Council.
- 4.3. Monitoring of the budgets associated with these investments (for example, the rental income received compared to budget) will be included in the quarterly corporate budget monitoring report to Executive.
- 4.4. A review of the financial performance in terms of the net return being achieved will be undertaken and reported quarterly in a separate report to Executive.
- 4.5. Significant information about the investments is required to be disclosed annually in the Statement of Accounts. This is subject to external audit.
- 4.6. Further appropriate governance arrangements will be put in place as part of the work on the constitution and democratic arrangements.

##### **Officer delegation:**

- 4.7. The Executive Director of Resources & Corporate Services (s151 Officer) has the overall responsibility for delivering the agreed Non-Treasury Management Investment Strategy and the 2023/24 Strategic Objectives.
- 4.8. Appropriate delegations will be made to the Service Director - Strategic Asset Management and the Service Director – Finance & Procurement to support delivery.

## **5. Management of the investments, capacity, and skills**

- 5.1. Property Portfolio Management:** In terms of day-to-day resource requirements and officer focus, the commercial property portfolio and SSDC OPL will need more proactive management than the other non-treasury management investments.
- 5.2.** The four predecessor districts approached portfolio management in a broadly similar way and managed single-let properties in-house with multi-lets managed via external agents with service charge administration costs recovered from tenants. Managing multi-tenanted property is more complex and time consuming than managing single let property.
- 5.3.** Investment property asset management is an area of experience not held by some local authority property specialists. Currently, there are only two investment specialists employed within the predecessor councils.
- 5.4.** At the time of publication of this report, Somerset Council is very much in a transitional phase, with appointments to the tier 3 structure unlikely to be in place in January 2023 and with a clear position from the Chief Executive that the development of detailed structures beneath tier 3 will not be taken forward until service directors are in position.
- 5.5.** It is not possible therefore to give details of the arrangements that will be available to manage the commercial property portfolio apart from the fact that it will fall within the service area for the Service Director - Strategic Asset Management. Sufficient budget for the staffing establishment, advisers and the range of consultancy costs must be retained so that good practice management delivery can be achieved as that is critical to income performance and protecting value.
- 5.6.** The objectives for the management of the commercial property investments will be to:
- a) Ensure that the Council has a fully resourced, proactive, and professional management in the handling of its commercial property to optimise the value of the investments and rental income over time. The evaluation of the mix of in house and external resources is in hand but not yet completed.
  - b) Modernise asset records and systems to ensure the efficient management and recording of property/tenant data and lease renewal dates to aid the timely collection of rents and service charges.
  - c) Ensure Property Finance management is a focussed activity with sufficient resources to deliver ongoing financial due diligence, monitoring and reporting, and to support decision making. This is a critical resource requirement due to

volume and value of financial transactions involved with the portfolio, and the specialised requirements.

- d) Develop a unified policy on the approval and giving of discounts and incentives, deposit management, debt collection, and write-offs.
- e) Ensure effective budgetary control of the Council's financial position through completion of realistic prudent budget estimates and ongoing review of income, debt levels and void rates.
- f) Undertake yearly valuation of investment assets.
- g) Undertake effective rent reviews, re-gearing of leases where appropriate, or remarketing of lease opportunities in a timely and market-focused manner.
- h) Undertake tenant vetting prior to a new lease being granted to minimise credit and default risk.
- i) Ensure tenants fulfil their repair and maintenance obligations of their lease including dilapidation on termination.

**5.7. Skills and knowledge available:** The Executive Directorate of Resources & Corporate Services will include officers who are qualified chartered accountants and chartered surveyors.

**5.8.** Ongoing treasury management advice and taxation advice will be provided by specialist advisers to the Council.

**5.9.** The Council will use valuation experts to value Property, Plant and Equipment and Investment Properties. Expert advice will also be procured to value SSDC Opium Power Ltd battery storage assets which require very specialised advisers.

**5.10.** The portfolio management approach is being reviewed. Options will be presented with recommendations. Any internal appointments and external advisers can then be appointed and transition from existing arrangements and contracts completed.

**5.11.** Other specific advice will be procured as and when needed. There will be significant property legal resource requirements. The resourcing approach will need to be agreed and put in place.

**5.12.** The Council will ensure that appropriate training and learning is given to all officers involved in this area of work.

**5.13.** It is important that elected members understand the decisions they will be asked to make relating to these investments and indeed this is a regulatory requirement in CIPFA Prudential and Treasury Management Codes.

**5.14.** To ensure that members have the knowledge and skills required to support them in their decision-making role, a series of training events will be developed during 2023/24 which will cover the relevant knowledge areas.

## **6. Financial Performance of the investments made primarily for yield**

**6.1.** Financial modelling has been undertaken to determine the net impact on the Council's General Fund revenue budget of holding these investments after

considering the financing costs that can be reasonably associated with the borrowing undertaken to fund their acquisition.

**6.2.** Borrowing is of three types:

- Internal borrowing – using available cash to purchase the investment instead of putting the cash into the bank or other savings accounts. The use of this cash is temporary as it needs ultimately to be used for its intended budgeted purpose.
- Short term borrowing, generally a year or less, from external institutions.
- Longer term borrowing from external institutions, for example the Public Works Loan Board (PWLB) with lending available for up to 50 years.

**6.3.** Other longer term financing options may be available such as leases.

**6.4.** Local government does not borrow specifically for a particular capital purchase of an investment unlike, say, a homeowner who obtains a mortgage to fund a particular property.

**6.5.** This makes it difficult to be precise about what sort of borrowing has been undertaken in respect of financing these investments as compared to the rest of the capital programme. Mendip District Council obtained longer-term loan finance whilst the other three councils used internal borrowing and short-term loans in different proportions which changed over time.

**6.6.** A pragmatic view has been taken by calculating the proportion of the Capital Financing Requirement (CFR) (the amount of indebtedness held by the predecessor councils) arising from these investments as a percentage of the overall indebtedness incurred by funding their capital budgets. This amount has then been reduced to take into account the MRP (Minimum Revenue Provision) payments made by the councils since the investments were acquired (by £15m) which has reduced the indebtedness held.

**6.7.** This CFR position is used as the starting point to analyse whether the gross rental income is sufficient to cover the 2023/24 and future years' financing charges arising from this inherited indebtedness position. Current and forecast interest rates are used as well as the new Council' s proposed MRP Policy.

**Other key assumptions made:**

**6.8.** The worst-case position for borrowing: that is the Council takes out loan finance from the PWLB rather than uses its own cash or short-term borrowing - both of which would have lower interest rate implications than PWLB borrowing. In practice the Council may not be able to use PWLB for a significant proportion of refinancing and will instead prioritise other options such as loans from other local authorities which tend to be cheaper than PWLB.

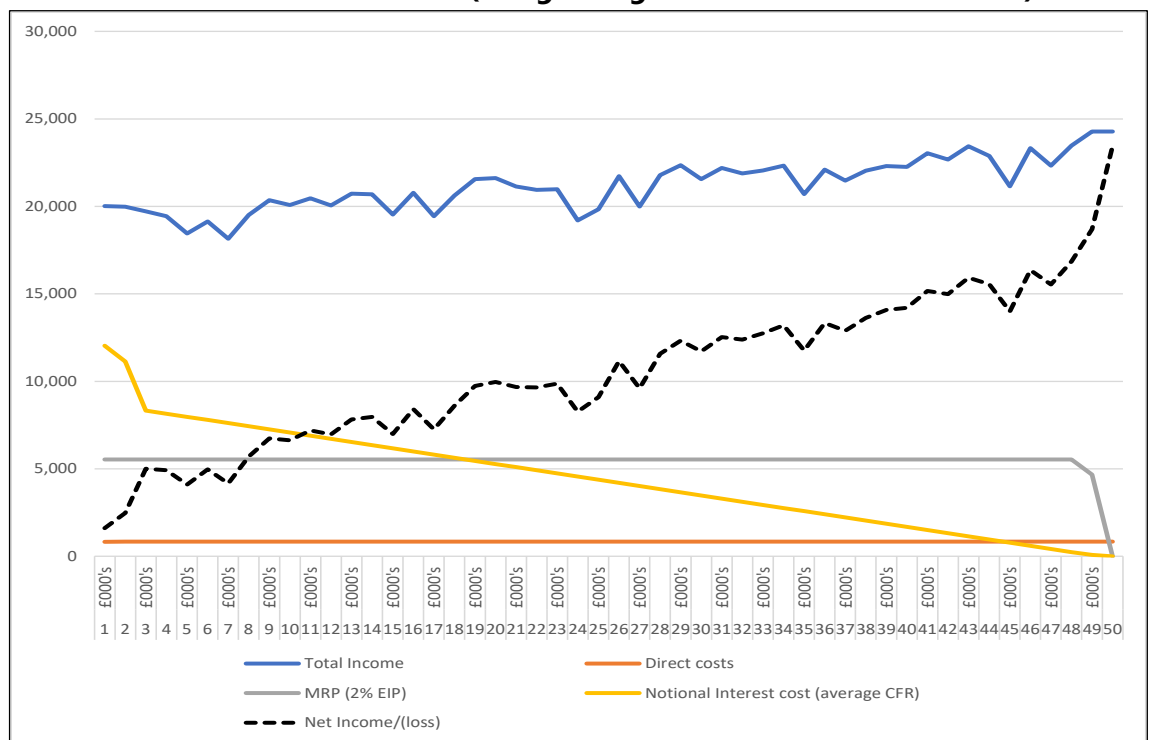
**6.9.** An average interest rate of 4.5% is currently being used for budget estimates, derived from assuming PWLB borrowing over a 50-year period. Further work is required to quantify a blended notional interest rate that reflects the Council' s overall approach to treasury management.

**6.10.** The interest rate forecasts for 2024/25 use advice received from Arlingclose, the Council' s Treasury Management advisers, and is based on their assumption of declining interest rates from 2024/25 and onwards. More detailed advice from the advisers on interest rates is given in the 2023/24 Treasury Management Strategy.



- 6.11.** MRP costs of 2% on an Equal Instalments Basis. Further work is needed to finalise the MRP Policy and select a calculation method that reflects a prudent approach for this type of activity and is acceptable both to the S151 Officer and the Council’s external auditor.
- 6.12.** Financing costs are expected to reduce as the overall balance of CFR reduces each year. Costs will vary depending on the CFR balance and the interest rates than can be obtained each year.
- 6.13.** Rental income is assumed to increase by 2% in a five yearly cycle. This is considered a prudent estimate for forecasting the average direction in the property market erring on the side of caution.
- 6.14.** A cautious allowance has also been included in the model for void periods and the potential need for incentives such as a rent-free period for new tenants.
- 6.15.** An assumption that the six properties that are currently void remain so over the modelling period, although all appropriate steps are being taken to improve on this assumption.

**Chart Seven: Base mode in £000s (using Arlingclose interest rate forecasts)**



**6.16.** Chart Seven above shows a fifty-year net income forecast (the dotted line) given the assumptions listed in the paragraphs above. (Year 1 is 2023/24). Rising interest rates are currently putting pressure on the investments achieving the net returns originally experienced when they were acquired.

**6.17.** The analysis shows that an estimated net return of 0.8% is forecast to be made in 2023/24 from the commercial property investments. This is at the overall portfolio level and is the estimated surplus after covering direct management costs, interest costs, and debt repayment. The net return however is very sensitive to interest rate changes and

forecast rates going forwards. A 0.5% increase in interest rate assumption decreases the net return to 0.3%.

- 6.18.** Net returns have also been calculated for each individual investment (not shown in this report), although the nature of the spread of investments means the return will vary from asset to asset based on many factors. The range is a negative 0.8% to a positive 4.5%, with 12 out of the 48 investments currently showing a negative return.
- 6.19.** Chart Seven shows that the longer these investments are held, and as the outstanding debt is repaid off, the net return should increase. However, this analysis does not factor in potential risks relating to the individual investments (apart from potential void and rent-free periods) such as landlord capital costs and property obsolescence, nor the risks at portfolio level such as further legislative changes limiting local government holding these investments. A discussion of the potential risks associated with these investments is given in Annex 12B of this report.
- 6.20.** Whilst the overall conclusion from this financial analysis is that Somerset Council retains these investments immediately post vesting day: both the financial and property officers involved in this work could propose individual investments that would be more obvious candidates for selling should the Council wish to consider this post vesting day. A key further element of work that would be needed however to take this forward would be to obtain a more recent valuation of the individual investments before taking a final decision. The latest valuations date from the end of March 2022.
- 6.21.** Regular review of the net return position for the portfolio as well as the individual investments will be needed post vesting day as proposed in strategic objective 2 (paragraph 1.5).

## ANNEX 12A: INVESTMENT PRUDENTIAL INDICATORS

### Investment cover ratio:

This ratio shows how many times the total net income from non-treasury management investments relating to the Investment Properties can cover the interest costs associated with the outstanding indebtedness that has arisen from funding these investments. This demonstrates the Council's ability to service this indebtedness.

Table: Four Investment Cover ratio: times interest cost covered by income					
Year ended	Gross Income	Direct costs	Net Income	Interest cost	Cover ratio
	£000's	£000's	£000's	£000's	Times
31/03/2024	20,015	840	19,175	12,033	1.6
31/03/2025	19,977	840	19,136	11,129	1.7
31/03/2026	19,712	840	18,872	8,331	2.3

### Loan to value ratio:

This is the amount of indebtedness currently held compared to the total asset value. In this instance, the asset value is the total value of the Council's property investments made primarily for yield. This illustrates whether the Council has assets of sufficient value to repay debt if required.

It should be noted that the Asset Valuation is the latest one undertaken, as at 31 March 2022. The next valuation will be undertaken for the 2022/23 Statement of Account (as at 31 March 2023) and is not yet available.

Table Five: Loan to Value ratio: % Closing CFR to Asset Valuation			
Year ended	Closing CFR	Asset Valuation	Cover ratio
	£000's	£000's	%
31/03/2024	264,628	264,167	100%
31/03/2025	259,097	264,167	98%
31/03/2026	253,566	264,167	96%

### Total investments made primarily for yield as a proportion of total capital financing requirement (CFR):

This shows how much of the Council's overall CFR (indebtedness) (excluding Housing Revenue Account CFR) pertains to property investments made primarily for yield.

Table Six: % Property Investments CFR to Total CFR			
Year ended	Closing CFR	Total CFR	Cover ratio
	£000's	£000's	%
31/03/2024	264,628	1,022,100	25.9%
31/03/2025	259,097	1,031,000	25.1%
31/03/2026	253,566	1,015,700	25.0%

### Income returns:

Net revenue income from commercial properties compared to the value of the property investment portfolio. This represents the yield of the portfolio as a whole – generally, the higher the percentage the better the performance of the portfolio. However, the better the quality of the asset and the tenant, the lower the yield is likely to be. Therefore, a balance needs to be struck between high yield and good quality assets.

<b>Table Seven: Income return: % net compared to Asset Valuation</b>			
<b>Year ended</b>	<b>Net income</b>	<b>Asset Valuation</b>	<b>Cover ratio</b>
	<b>£000's</b>	<b>£000's</b>	<b>%</b>
31/03/2024	1,611	264,167	0.61%
31/03/2025	2,476	264,167	0.94%
31/03/2026	5,010	264,167	1.90%

It should be noted that the Asset Valuation is the latest one undertaken, as at 31 March 2022. The next valuation will be undertaken for the 2022/23 Statement of Account (as at 31 March 2023) and is not yet available.

#### **Gross and net income:**

The income received from the Council's investment portfolio at a gross level and a net level (after the deduction of operating costs, interest & MRP). These figures have been incorporated into the 2023/24 and MTFP revenue budget estimates.

<b>Table Eight: Gross &amp; Net income</b>			
<b>Year ended</b>	<b>Gross income</b>	<b>Net income</b>	<b>Cover ratio</b>
	<b>£000's</b>	<b>£000's</b>	<b>%</b>
31/03/2024	20,015	1,611	8.1%
31/03/2025	19,977	2,476	12.4%
31/03/2026	19,712	5,010	25.4%

#### **Net Commercial Income to Net Service Expenditure:**

This indicator measures the Council's dependence on the income investments made primarily for yield to deliver core services. It indicates proportionality and whether the authority is taking too much risk in aggregate.

<b>Table Nine: Net Income to Council's Total Net Service cost</b>			
<b>Year ended</b>	<b>Net income</b>	<b>Net Service cost</b>	<b>Cover ratio</b>
	<b>£000's</b>	<b>£000's</b>	<b>%</b>
31/03/2024	1,611	494,820	0.33%
31/03/2025	2,476	542,070	0.46%
31/03/2026	5,010	588,000	0.85%

## ANNEX 12B: RISK ANALYSIS AND MITIGATION MEASURES

**Risk appetite:** can be defined as “the amount of risk that an organisation is prepared to accept, tolerate, or be exposed to at any point in time” . Risk always exists in some measure and can never be totally removed.

The new Somerset Council will need to develop its risk appetite regarding these investments. This will be facilitated by the establishment of an Investment for Yield Performance Review Board as proposed in a previous section of this report. This section on risks applies to all the non-treasury management investments.

At the time of writing this report, it has been assumed that Somerset Council will accept these potential risks at vesting day. The rest of this section describes the key risks involved, giving a monetary value for the total risk exposure, where possible, the likelihood of the risk happening (High, Medium, Low), and proposed mitigation measures.

The potential risks involved can be broadly categorised into two major areas:

- Potential risks at the individual investment and overall portfolio level.
- Potential risks arising from economic and legislative changes

Each predecessor district council built up earmarked reserves to help finance the cost of the potential risks should they arise. It is estimated that the four districts will transfer around £10m in reserves for this purpose on 1 April 2023. This represents some 50% of the 2023/24 gross annual rental income budget from the commercial property investments. A full review of the reserves position will be undertaken during 2023/24.

### **Potential risks at the individual investment and overall portfolio level:**

#### **Risk that loans made to 3<sup>rd</sup> party organisations are not repaid**

*Likelihood:* This is considered low risk for service investments given the nature of the organisations the predecessor councils have lent to. In terms of SSDC Opium Power Ltd (SSDC OPL) it is considered to be low to medium as the loan is secured against the assets, principal repayments are being made in line with the loan agreement, and two out of the three companies are now trading at a profit.

*Total risk exposure:* For service investments - £6.6m.  
For loans made to SSDC Opium Power Ltd and subsidiaries - £39m.

*Risk Mitigation:* For new service lending this will include undertaking proportionate:

- Credit rating checks
- Analysis of the financial health of the organisation
- Review of the Business Case on how the loan is to be used
- A consideration of a legal charge on the borrower’ s assets
- Risk Mitigation for SSDC Opium Power Ltd and subsidiaries:
- Lending secured against the assets of the companies.
- Active involvement and monitoring of the JV company is a fundamental mitigation to protect the lending and value of the shareholding.
- Suitable governance for selection of Council appointed directors.
- Monitoring that joint venture companies are correctly resourced in terms of management, advisers, and contractors.
- Appointment of appropriate expert advice when required.
- Full records and documentation for use of Council and compliance with Council accounting, standards, and procedures.

## Risk that there are void rental periods

*Description:* Voids arise from having the property vacant (end of lease and inability to attract a new tenant, or tenant bankruptcy) or from negotiated rent free periods. The former the situation would mean not only the loss of rental income but the requirement to cover property costs such as Business Rates, void service charges, insurance, and security.

Voids frequently require some landlord capital spend to protect the long-term performance of the asset and achieve the best outcome on re-letting. There are fees to be met for letting agents and lawyers. Most new leases include a rent-free period as part of the letting package. Attempts to depart the normal mix of rent levels, lease terms and incentives are likely to frustrate the ability to re-let.

*Likelihood:* Low/medium: Currently there are six void properties. Most of the properties acquired are below £10m which means less risk of a single large tenant failing.

*Total risk exposure:* The current gross rental income is £20m.

The table below shows when leases end over the next few years and the rental income that would be at risk if a new lease is not obtained.

**Table Ten: Lease end dates over the next few financial years**

Financial Year	No of Properties	Rental income at risk £000's	% of overall income at risk
2022/23	9	£966	5%
2023/24	8	£1,388	7%
2024/25	8	£1,012	5%
2025/26	11	£2,533	13%
2026/27	14	£3,072	15%
2027/28	8	£1,622	8%
2028/29	7	£1,358	7%
2029/30	7	£2,004	10%

A small proportion of the properties are judged to involve greater short-term risk:

- M&S retail property at Yeovil (lease ends 31/03/27 – rental £505k pa; market rental value below 60% of passing rent and difficult to re-let)
- Wilko retail property at Yeovil (lease ends 28/04/25 – rental income £435k pa; market rental value below 50% of passing rent and difficult to re-let)
- Lyndon Place office in Birmingham (lease ends 31/10/2026; costly and difficult capital works required; high risk of void – rental income £196k pa)
- NCP (car park) in Bournemouth (tenant defaulted on lease; 12 month rolling agreement, ongoing risk, £200k pa income)

### *Risk mitigation:*

For new tenancies undertake:

- Credit rating checks on tenant
- Analysis of a tenant's financial health, business operations, and future performance
- Consider asking for a deposit from the tenant

For overall portfolio tenancies:

- Establish and maintain robust lease events calendar system and regular monitoring with structured arrangements for action triggers.

- Undertake prudent and realistic annual budgeting for income and costs.
- Proactively manage tenant relationships and intended tenant activity with the objective to secure the highest proportion of lease renewals rather than lease ends and re-letting.
- Proactively market new lease opportunities in a timely manner to minimise letting void periods.
- Retain earmarked risk mitigation reserve for these investments.

### **Risk that the building condition requires Council expenditure**

*Risk explanation:* Properties may need expenditure to remain attractive to the market or to comply with current or future legislative standards, such as meeting the new Energy Performance Certificate (EPC) standards.

Review of the investment for yield portfolio has not yet identified any unit with an EPC rating worse than E although the review has a small proportion of properties yet to confirm. There will be future management needed for this as the EPC requirements will be increased to the point where a required rating of 'B' or above has been proposed to be needed by 2030.

*Total risk exposure:* short term risk is already addressed in capital budgets. Modelling should be undertaken to assess this component of risk reserve levels for the medium/long term.

#### *Risk mitigation:*

- Dilapidations at lease end are mostly at the expense of the tenant.
- Formal review of all existing let units should identify limitations on tenant repair obligations such as schedule of condition.
- Develop and maintain a robust capital budget for landlord expenditure at every potential lease expiry having regard to potential shortfalls in tenant dilapidations and reinstatement, key risks around building services, and aspects of building upgrades considered optimum for medium term income performance and lettable.
- Ensure management of the dilapidations processes are delivered in line with best practice to minimise cost impact to Council.

### **Risk that the portfolio is overexposed to certain property sectors and/or geographical locations**

*Risk explanation:* There is more risk in owning a property portfolio where there is limited diversification in terms of geographic location and / or tenancy/property sector invested in.

*Likelihood:* The commercial property portfolio is diversified in terms of property sector and geographic location. This diversification reduces the risks of exposure to a single asset, tenant, or sector failure.

The portfolio at first glance may appear overweight in retail, but this is mitigated by the mix of high street, out of town, and retail warehouse properties. These are distinct sub-sectors performing quite differently.

Most substantial commercial property investors aim to achieve some portfolio churn in the medium term, selling properties when they offer the peak opportunity to realise capital growth or evolve the balance of the portfolio to respond to future or past changes in sector performance.

However the potential to pro-actively manage the portfolio appears severely limited by the terms of Prudential Code. The meaning of clauses in the Code referring to rebalancing and improvements may be clarified when the policy has been in use for some years.

### Risk mitigation:

Whenever the highest-level strategy for commercial investments is set or revised, assessment should be made as to whether to seek recommendations for any properties for disposal due to issues of portfolio balance.

### **Risk that the Council may not receive the value invested if it sells**

Risk explanation: property values can go up and down and there is the risk that the council can make a loss on the sale. Values are prone to fluctuation, for a range of reasons. These include economic shifts, changes in strategic investor requirements, financial market shifts, sector relative pricing, changes in the locality, or asset specific risks, such as tenant failure.

Likelihood: There is an immediate post-acquisition loss of the costs of purchase – assumed to be typically 6.8% of purchase price for Stamp Duty Land Tax and advisory fees. Shorter lease properties, or those where the contracted rent is well above the market rent, tend to progressively reduce in capital value as the lease term reduces. The capital value should return to the best level following successful reletting. In the case of over-rented properties, the eventual value is expected to be below purchase price.

Total exposure: *The unaudited value of the investments as at the end of March 2022 are £264m. As compared* to the total investment made (£289m) this is a decrease in value of £25m (9%), which is in part expected as initial costs include sunk costs such as taxes and fees above the purchase price. A new valuation will be undertaken to produce the 2022/23 Statement of Accounts, and as at 31 March each year thereafter. Any gains and losses in valuation do not impact on the budget or useable reserves, instead being written off to the Revaluation Reserve and Capital Adjustment Account. Any future actual disposal net proceeds are treated as capital receipts, and it is proposed these will be prioritised to reduce the Capital Financing Requirement (borrowing). If the proceeds fall short of the CFR balance at the time the residual amount will remain to be funded through the annual revenue charge for debt repayment (MRP) or other capital receipts set aside for debt repayment.

Risk mitigation: The council will undertake proportionate due diligence including:

**Market Testing** – The general presumption should be that any sale of an investment property asset should be subject to an open market sale where reasonable steps have been taken to identify all interests in acquiring the asset subject to expert advice on how best to optimise the value of the sale. There may be situations of a possible “special purchaser” – such as the tenant or owner of neighbouring property – where the price cannot be tested by general marketing. In any such cases, prior approval to engage would be confirmed with the Investment for Yield Performance Review Board. Confirmation that the negotiated price is appropriate and in excess of normal market value will be confirmed by external valuation.

**Valuation** – When an assessment is being made of whether to sell, advice should be obtained from appropriate specialists on expected selling price as well as best approach to marketing. An external investment agency firm is most likely to be used for sales and they should provide appropriate formal advisory recommendations.

**Pre-sales due diligence** – prior to any marketing, good practice due diligence should be completed to include legal work on perfecting title; resolution of management matters and assembly of good records and completion of any appropriate data room. The aim is to enable the sales process to progress in the easiest way and be able to close out any intended transaction with the risk that is involved with delays or unknowns coming to light.

### **Risk that the Council may not receive cash quickly if it wants to sell**



Risk explanation: commercial investment property is relatively illiquid. Key reasons are that disposal must involve the whole property interest, and it involves a process of individual marketing, negotiation, due diligence, and then legal transaction. This is demanding and slow compared with assets such as equities, bonds, or investment units. Values are prone to fluctuation, particularly due to changes in the locality, the general economic outlook, or asset specific risks, such as tenant failure. The market is impacted by changes in confidence. Sharp economic downturn may lead to a period of severely restricted buyer demand.

Likelihood: The market fundamentals for this asset class are a fixture which cannot be avoided, and part of the context for direct investment in property. Extreme market cycles are occasional but difficult to predict.

Total exposure: This depends on the high-level strategy. If the intention is a long term "hold" then this risk is in the background. The current Prudential Code means the council could not operate as a "trader" in investment property. If there is an intention to partly or fully divest from the property investment portfolio, this can be planned to be delivered when market conditions are helpful and in an orderly programme.

Risk mitigation:

- Long term cash management planning so that shorter term capital requirements do not need to be linked to property investment sales.
- Any divestment options for investment property should be considered with strategic advice as to the expected market conditions and values, and if implemented then the approach should allow a reasonable time-period for sales to be concluded.
- A high-level strategy for the property investment objectives needs to be formulated and periodically reviewed. This will set and re-set the intentions as to the extent of divestment, if any.
- The property investment team should review the legal package for each asset, manage the physical assets, and tenant relationships and records so that there is a general situation of readiness should there be a decision to sell. Presale packs prepared before any property is put on the market.

**Potential risks arising from economic and legislative changes:**

**Unfavourable economic outlook**

Risk explanation: Property financial performance is closely related to factors in the general economy. Including prevailing interest rates.

Likelihood: A significant proportion of the capital financing requirement is currently financed through internal borrowing (which reduces treasury investment risk) and through short term loans. The Council will need to replace short term loans and may need to externalise internal borrowing and is therefore exposed to the interest rates available when refinancing decisions are made. If the cost of borrowing increases this adversely impacts on net income available to fund services.

It is considered highly likely that interest rates will continue to rise for the next 1-2 years but then begin to fall. It is considered unlikely the rates will return to the historic lows seen on the past decade.

Total Exposure: The estimated CFR on 1 April 2023 is £264m. 1% volatility in interest costs for a full year would be £2.64m.

Risk Mitigation:

- Prudent estimates of anticipated interest costs used for the budget.
- Taking advice from Arlingclose on a prudent treasury management approach to support the Council' s overall approach to investment and borrowing.
- Holding adequate reserves to withstand adverse budget variances.
- Applying MRP to reduce debt and therefore the amounts required to be refinanced.

### **Risk of further changes to legislation**

*Risk explanation:* Government and CIPFA have undertaken significant changes to legislation and guidance over recent years regarding investments made for yield with the impact of restricting activity by councils in this area. There could be further legislation in the future.

*Likelihood:* Government has already consulted in changes that would require councils to provide Minimum Revenue Provision (MRP) on lending to third party organisations (see Annex 12C).

There is also a possibility that enforcement will result in investment for yield investments having to be held via a company structure rather than directly by councils.

*Risk mitigation:* to keep aware of possible legislative changes and respond to any further consultations.

## **ANNEX 12C: RELEVANT REGULATORY FRAMEWORK**

### **Borrowing from the Public Works Loan Board (PWLB)**

On 26th November 2020 HM Treasury introduced new lending terms for the PWLB. Guidance issued at that time was further clarified and updated on 21st August 2021.

The changes mean that local authorities will be unable to borrow from the PWLB to finance any expenditure in their capital budgets if they are planning to acquire new investment assets bought primarily for yield in any of the following three financial years.

Local authorities cannot use the receipts from selling investments made for yield to acquire new investment for yield assets. Local authorities can only use the receipts from selling these investments to finance other capital expenditure in service delivery, regeneration, housing, and preventative action, or to repay capital debt.

HM Treasury advise that investment assets bought primarily for yield would usually have one or more of the following characteristics:

- buying land or existing buildings to let out at market rate,
- buying land or buildings which were previously operated on a commercial basis which is then continued by the local authority without any additional investment or modification,
- buying land or existing buildings other than housing which generate income and are intended to be held indefinitely, rather than until the achievement of some meaningful trigger such as the completion of land assembly, and
- buying a speculative investment asset (including both financial and non-financial assets) that generates yield without a direct policy purpose.

This does not prevent local authorities from borrowing for projects that are primarily for other purposes, but which also happen to generate a financial yield.

Local authorities are also able to borrow from the PWLB to finance capital expenditure to maintain existing commercial investments or to fund capital investment needed to increase their value prior to disposal.

Any investment bought primarily for yield which was acquired after 26th November 2020 results in the local authority not being able to use the PWLB to refinance this transaction at any point in the future. Such investments acquired, or contractually committed, prior to 26 November 2020 will not affect the local authority's access to the PWLB.

As a condition of accessing the PWLB, Local Authorities must submit a high-level description of their capital spending and financing plans for the following three years, including their expected use of the PWLB. The S151 Officer needs to confirm that there is no intention to buy investment assets primarily for yield at any point in the next three years. This assessment is based on their professional interpretation of guidance issued.

### **CIPFA Prudential Code**

The Local Government Act 2003 requires Local Authorities to "have regard to" the Chartered Institute of Public Finance and Accountancy (CIPFA) Codes of Practice and they must explain their rationale and get Council approval if they choose to disregard this guidance.

A revised Prudential Code was published in December 2021. Some of the requirements of the revised Code applied with immediate effect following publication; including the stipulation that an authority must no longer borrow to invest primarily for a financial return.

Other changes could be delayed until 2023/24 including the requirement to annually review investments held primarily for yield with a view to divesting where appropriate. Relevant extracts from the Code are given below.

Authorities with existing commercial investments (including property) are not required by this Code to sell these investments.

Such authorities may carry out prudent active management and rebalancing of their portfolios, including repair, renewal and updating of the properties.

However, authorities that have an expected need to borrow should review options for exiting their financial investments for commercial purposes and summarise the review in their annual treasury management or investment strategies.

The reviews should evaluate whether to meet expected borrowing needs by taking new borrowing or by repaying investments, based on a financial appraisal that takes account of financial implications and risk reduction benefits.

### **CIPFA revised Treasury Management Code (2021) and DLUHC Statutory Guidance on Local Authority Investment Activity (2018)**

These essentially contain the same statutory guidance with respect to non-treasury management investments. They contain requirements for councils to:

- Prepare an annual Investment Strategy which must be approved before the start of the forthcoming financial year by full Council.
- Ensure the strategy is publicly available on a local authority's website.
- Disclose the contribution that all non-treasury management investments make towards the service delivery objectives and/or place making role of that local authority.
- Include quantitative indicators within the strategy, that allow Councillors and the public to assess a local authority's total risk exposure because of its investment decisions. This should include how investments are funded and the rate of return.

The guidance requires that councils should consider the long-standing treasury management principles of security, liquidity, and yield (in that exact order) when considering non-treasury investments. These principles are briefly explained below:

- Security - Safeguard the value of, and expected returns from, the council's investment.
- Liquidity - Ensure the investment can be quickly divested to meet the council's cash flow requirements.
- Yield (the net return achieved from the investment) - Investment return is the final objective and should be considered after the security and liquidity requirements have been satisfied.

### **Minimum Revenue Provision (MRP)**

MRP is the minimum amount which a council must charge to its revenue budget each year, to set aside a provision for repaying external borrowing (loans) and/or internal borrowing. It is the statutory duty for each authority to determine each year an amount of MRP that it considers to be prudent in accordance with section 21(1A) of the Local Government Act 2003 (revised 2018).

Recent consultations by DLUHC (Department for Levelling Up, Housing and Communities) indicate they would like to reform the guidance around MRP and, specifically with reference to non-treasury management investments, legislate councils to provide MRP on a debt which

relates to investment for yield assets or capital loans made for yield or for service purposes. The legislation has been delayed and has not yet been introduced. However, the Council's MRP policy will include the approach recommended by the S151 Officer as a prudent provision notwithstanding future guidance.

### **Legislation regarding the sale of property investments**

Compliance with Section 123 of the Local Government Act 1972 will be required which states that "except with the consent of the Secretary of State, a council shall not dispose of land under this section, otherwise than by way of a short tenancy, for a consideration less than the best that can reasonably be obtained".

### **Energy Performance Certificates (EPC)**

Energy Performance Certificates (EPCs) set out how energy-efficient a property is from A (most efficient) to G (least efficient). They also show the potential level of emissions and associated costs of improving the rating for that property. Owners must obtain an EPC whenever a property is built, sold, or rented.

From April 2023, it will be a legal requirement for all commercially rented properties to have an EPC (Energy Performance Certificate) rating of at least E. This is currently a legal requirement for commercial properties before they can receive a new or renewal lease, but from next year this requirement will be extended to both new and existing commercial leases too.

The responsibility for obtaining an EPC is with the landlord of a property except where a lease is in place with an original term more than 99 years.

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### Minimum Revenue Provision (MRP) Policy Statement 2023/24

1. Where the Council 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), although there has been no statutory minimum since 2008. The Local Government Act 2003 requires the Council to have regard to the Department for Levelling Up, Housing and Communities's Guidance on Minimum Revenue Provision (the DLUHC Guidance) most recently issued in 2018.
2. The broad aim of the Guidance is to ensure that capital expenditure is financed over a period that is reasonably commensurate with that over which the capital expenditure provides benefits.
3. The DLUHC Guidance requires the Council to approve an Annual MRP Statement each year and recommends a number of options for calculating a prudent amount of MRP. The following statement incorporates options recommended in the Guidance as well as locally determined prudent methods.
4. Due to Local Government Re-organisation, 5 existing councils have merged to form the new Somerset Council from 1 April 2023. Past MRP charges made by each council will not be revisited but a consistent approach has been developed for the new Council from 1 April 2023.
5. For capital expenditure incurred before 1st April 2008, MRP will be determined in accordance with the former regulations that applied on 31st March 2008, incorporating an "Adjustment A" of £9.113m in relation to historic expenditure by South Somerset District Council and an "Adjustment A" of £0.785m in relation to historic expenditure by Sedgemoor District Council.
6. For capital expenditure on operational assets incurred between 31st March 2008 and 31<sup>st</sup> March 2023, MRP will be determined by charging the expenditure over the expected useful life of the relevant asset by any of the following methods:
  - a. In equal instalments, based upon asset life.
  - b. In equal instalments based upon weighted average life where individual assets funded by borrowing are not known (note – SW&T to 31.3.2021= 45 years, SCC to 31.3.2021= 44 years)
  - c. Using an annuity basis where appropriate (e.g. regeneration assets)
7. For capital expenditure on operational assets incurred post 31st March 2023, MRP will be determined by charging the expenditure over the expected useful life of the relevant asset by either of the following methods:
  - a. In equal instalments, based upon asset life
  - b. Using an annuity basis where appropriate (e.g. regeneration assets)

8. For freehold land, MRP will be applied over 50 years, except where there is a structure on the land which the Council considers to have a life of more than 50 years where in such cases the longer life may also be applied to the land.
9. For capital expenditure not related to council assets but which has been capitalised by regulation or direction (e.g. capital grants to third parties) will be charged in equal instalments over a period of up to 25 years.
10. No MRP will be charged in respect of assets held within the Housing Revenue Account.
11. For assets acquired by leases, MRP will be determined as being equal to the element of the rent or charge that goes to write down the balance sheet liability.
12. Where loans are made to other bodies for their capital expenditure, MRP will be charged in line with the repayment schedules. This would be reviewed and replaced by a prudent provision if it becomes apparent that the loan may not be repaid. This approach will be reviewed again for 2024-25 when the outcome of the consultation on MRP is confirmed.
13. For investment properties, MRP will be calculated over a period of no more than 50 years, and MRP may be calculated using an annuity basis. The basis used will be Option 3c. For existing investment properties, the 50 year term will be reduced by the period that the asset has already been held.
14. MRP will be charged from the start of the financial year after the expenditure is incurred, meaning capital expenditure incurred during 2023/24 will not be subject to a MRP charge until 2024/25.
15. Based on the Council's latest estimate of its capital financing requirement (CFR) on 31 March 2023, the budget estimate for MRP has been set as follows:

<b>Capital Financing Requirement and MRP</b>	31/03/2023	2023-24
	Estimated CFR £'000	Estimated MRP £'000
Capital Finance Requirement at the end of 2022/23 and MRP payable in 2023/24	945.17	21.41



16. It is planned that Somerset County Council will make an additional payment of £3.7m in 2022/23 and each S151 Officer may determine such an overpayment during the year and report this through the Outturn Report.

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### Extraordinary Meeting of Scrutiny for Policies and Place Committee

1<sup>st</sup> February 2023 - Canalside, Bridgwater



### SUMMARY OF KEY POINTS

#### **Medium Term Financial Plan (MTFP) – Cllr Liz Leyshon – Executive Member for Finance & Jason Vaughan – Director of Finance and S151 Officer provided an introduction:**

- Proposed balanced budget to protect frontline services delivered by existing Councils and voluntary sector partners.
- Complex process of combining five budgets for operation from 1 April.
- Unprecedented demand for services particularly in Social Care, as well as pressures of high inflation and LGR.
- Capital programme updated for new and existing schemes (some with government funding)
- LGR implementation budget £3.12m for 2022-23 with £900,000 additional funding requirements so approx. £4m which is to be funded from flexible use of capital receipts.
- New savings proposals £3.9m related to staffing, £2.9m from tier 2 & 3 appointments and £1m from other appointments equating to 300 posts over 3 years.
- Section 25 Statement to February Executive and Council confirms robust budget proposals with realistic assumptions and projections for service demand; adequacy in level of reserves proposed to stay at £47.4m which is in the approved range of between £30m-50m; therefore assurance can be given to members over the adequacy of the reserves for next year's budget.

#### Member comments/questions:

- Asked how 1% increase in inflation would affect the budget. Officer stated example of staff pay award that was budgeted at 5%, so if there was an additional 1% inflation this would require £1.5m, which would come from the £6m general contingency.
- Asked for clarification of the £6m contingency. Officer explained this is 1.25% of service spend and any increase to contingency is detracted from services and therefore necessitate balanced approach. Contingency funds to considered with alongside the level of general reserves to get the rounded picture.

- Risk for Somerset Council for 2023-24 higher than most authorities due to LGR and the impact of bringing 5 councils together.
- Stated Education SEND funds for 2023-24 included additional £3.2m from government.
- Asked for confirmation of inflation costs in proposed budget. Officer stated varying forms of inflation e.g. inflationary pay award, waste contract inflationary increases were fully allowed for. General inflationary increases are not included.
- Asked what effect savings from inflationary charge increases (e.g. bulky waste collection) or proposed change to charged services (e.g. grit bins) on those with no alternative. Officer stated that most savings from alternatives to services rather than removal, such as move to charged service for grit bins.
- Request for overview of district capital projects and greater opportunity for scrutiny of larger projects including high profile cases. Officer stated the need for post-vesting review of capital programme when the 2022/23 accounts have been finalised and that the Appendix for February Executive would be reviewed to help provide greater clarity.
- Asked if fall in business rate income would be temporary. Officer outlined complex picture of business rate income and difficult task of predicting income due to government relief schemes. Total income projection for 2023-24 £122.173m, 50% of which goes to central government.
- Stated that CCTV removal saving should be reviewed to make savings only where quality of service is low. Call for review of service.
- Stated that proposed £1m saving in Children's Services from move away from costly unregulated placements, should be viewed as medium risk and was attracting national attention.

In summary:

- Members welcomed the balanced budget proposal and acknowledged the risks around the 2023/24 budget proposals and the use of £10m of reserves to support the budget. Members requested urgent review of CCTV provision. All present were broadly content with the proposals.

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## Executive Report

Forward Plan Reference: FP/23/01/15

Decision Date - 13/02/23

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## Adoption of the Council Plan for Somerset Council

Executive Member(s): Cllr Bill Revans - Leader of the Council

Local Member(s) and Division: All

Lead Officer: Duncan Sharkey – Chief Executive

Authors: Tony Johnson – Strategic Manager Business Intelligence, Sunita Mills – Strategic Manager Commissioning Development

Contact Details: [tony.johnson@somerset.gov.uk](mailto:tony.johnson@somerset.gov.uk), [Sunita.mills@somerset.gov.uk](mailto:Sunita.mills@somerset.gov.uk)

### 1. Summary / Background

- 1.1 This report summarises the proposed Council Plan for Somerset Council (See appendix B) which details the strategic ambitions and direction of the authority for the term of the administration. This plan aims to give residents, businesses, and communities a transparent view of the strategic direction of the organisation and provides a focal point from which all further strategic planning and decision making can grow.
- 1.2 The plan has been developed at a time of great change in Somerset and given the context of the ongoing work to form the Somerset Council it is designed to allow flexibility for the future development of the business plan.
- 1.3 The plan sets out the vision and details four overarching priorities. The plan also details a number of principles which will guide how the plan is to be delivered.
- 1.4 Stakeholder engagement has taken place, a summary of the feedback can be found in appendix A.

### 2. Recommendations

- 2.1 **The Executive notes the report from the stakeholder engagement that is included as appendix A and agrees to adopt the Council Plan as set out in appendix B.**

### 3. Reasons for recommendations

- 3.1 This plan will provide a key focal point for strategic direction of the new authority and provide a transparent document for residents, businesses and communities to see the key priorities of the Council.

### 4. Other options considered

- 4.1 A number of alternative themes were considered during the early development of this plan. However, these were all based on the priorities set

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out in the manifesto of the administration and adapted to take account of the current environment in which the council will need to operate.

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

- 5.1** This plan provides the new vision and strategic direction for the Council. Whilst this plan does not include detailed costings it does set out that the delivery of this plan will need to be funded within the Medium-Term Financial Plan.
- 5.2** The Business Plan for Somerset Council will be developed following adoption of the Council Plan, and this will set out in detail how the priorities within the Council plan will be delivered.

## 6. Consultations and co-production

- 6.1** Consultation on developing the draft plan has been undertaken with:
- Executive [collectively and individually]
  - Directors and strategic leads of existing Somerset Councils
  - Senior Management Teams
  - LGR Corporate Planning Sub-workstream
  - LGR Programme Board and LGR Programme Steering Group
  - LGR Implementation Board (in place of the LGR Joint Scrutiny Panel which was cancelled)
  - Extraordinary Place Scrutiny
- 6.2** Stakeholder engagement took place in January 2023. The responses have been analysed, fed into the final plan, and captured in the stakeholder engagement report which can be found in appendix A.

## 7. Financial and Risk Implications

- 7.1** There are no direct financial implications to this document, as the plan itself does not deliver projects, programmes or activities. However, the ambitions within are subject to any changes to budget and funding which might affect the level of impact that can be achieved.
- 7.2** There are no specific risks to be linked to the Plan however failure to deliver the plan could cause reputational harm. This will be managed through consistent performance reporting and corrective management actions as set out in the Council's Performance Management Framework.

Likelihood	1	Impact	3	Risk Score	3
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## 8. Legal and HR Implications

- 8.1** There are no legal implications to this recommendation being accepted, as this plan provides strategic direction only, however there may be future decisions in the delivery of this plan that themselves have legal implications and will need to follow the relevant processes.
- 8.2** The plan itself does not create any staff implications, however a key role in the delivery of this plan is that staff should be able to see how their service plans link through the Business plan to the Council plan.

## 9. Other Implications

### 9.1 Equalities Implications

Equalities implications have been considered throughout the development of the plan and a priority of “A Fairer Somerset” has been included with the aspiration of reducing inequalities and recognising that some people can be disproportionately impacted because of protected characteristics.

The forthcoming Somerset Council Business Plan will provide more detail about how the priorities of the Council Plan will be delivered, including the approach to reducing inequalities and increasing fairness and inclusion. The projects, programmes and activities undertaken to deliver the plan will be subject to appropriate due regard of equality and where necessary equality impact assessments on an individual basis.

As part of the engagement, we will be clear about what the priorities mean to us and the impact we think they will have. We will do this in Plain English.

The engagement on the plan will take place with existing partners and we are already clear on the accessibility needs.

We will ensure that engagement with partners captures the impact of the plan on protected groups and these are, in turn, reflected within the final version of the plan.

We will also ensure that the forthcoming Somerset Council Business Plan captures the need to deliver against the priority to improve fairness and inclusion and reduce inequalities.

### 9.2 Community Safety Implications

Whilst this plan provides strategic direction to services within the authority, it does not have any direct implications on community safety.

### 9.3 Sustainability Implications

This plan details A Greener, More Sustainable Somerset as one of the key themes for the organisation and provides strategic direction for services within the authority.

### 9.4 Health and Safety Implications

There are no implications to Health and Safety

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## 9.5 Health and Wellbeing Implications

This plan gives strategic direction for the authority around improved health and wellbeing, a focus on prevention and the reduction of inequalities.

## 9.6 Social Value

The Council Plan continues to promote building social value into the strategic direction of the authority.

Once the associated Business Plan is adopted there will be a review of the Council's Social Value priorities to ensure alignment.

## 10. Scrutiny comments / recommendations:

**10.1** The plan was presented to LGR Implementation Board in lieu of the LGR Joint Scrutiny Panel because the later was cancelled. The recommendations from the LGR Implementation Board were-

- adding the importance of education to all the priorities not just in the Fairer Somerset section
- adding the word honesty to the principles
- referring to the West Somerset coastline.

The plan was presented to the Extraordinary Place Scrutiny on 1 Feb, who welcomed it as a good starting point for the corporate planning for the new council. The committee recommended –

- more emphasis on carbon neutrality
- including something on how we listen to and work with children and young people
- referring to regeneration activities
- refining the vision so that it' s less clunky.
- ensure there is ownership of the plan at all levels of the organisation.

Work has taken place to ensure these recommendations are captured within the final version of the text or, where more appropriate, taken forward to inform the development of the Business Plan over the coming months.

## 11. Background

**11.1** The Council Plan sets out the overarching aims of the Council for the coming years. The plan will sit at the top of the Strategic Planning Framework for the council and its themes and priorities will flow through the Business Plan. The Business Plan will set out in more detail how priorities will be delivered, and down in to Service Plans and Individual Plans, hence enabling staff to identify how their work contributes to the Council's overall objectives.



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- 11.2** The plan will provide a clear view on the priorities of the Council to residents, businesses, and partners.  
How the organisation will work towards delivering the outcomes of the plan will be described in the Council's Business Plan and Service Plans. The performance reporting arrangements will be detailed in the Business Plan, this will provide the mechanism to track progress and manage delivery of the Plan Priorities.

### 12. Background Papers

- 12.1** Appendix A – Stakeholder Feedback Summary Report  
Appendix B - Council Plan for Somerset Council

### Report Sign-Off

		Date completed
Legal Implications	Honor Clarke	02/02/23
Governance	Scott Wooldridge	02/02/23
Corporate Finance	Jason Vaughan	30/01/23
Customers, Digital and Workforce	Chris Squire	02/02/23
Property	Paula Hewitt / Oliver Woodhams	01/02/23
Procurement	Jason Vaughan	30/01/23
Senior Manager	Duncan Sharkey	01/02/23
Commissioning Development	Sunita Mills / Ryszard Rusinek	31/01/23
Executive Member	Cllr Bill Revans - Leader of the Council	30/01/23
<b><u>Sign-off Key Decision / Consulted on Non-Key Decision</u></b>		
Opposition Spokesperson Informed	Opposition Spokesperson - Leader - Cllr David Fothergill	02/02/23
Scrutiny Chair Informed	Scrutiny For Policies - Adults and Health Committee - Cllr Rosemary Woods	02/02/23
Scrutiny Chair Informed	Scrutiny for Policies - Childrens and Families - Cllr Leigh Redman	02/02/23
Scrutiny Chair Informed	Scrutiny for Policies and Place Committee - Cllr Gwil Wren	02/02/23
Scrutiny Chair Informed	Scrutiny For Policies and Environment - Cllr Martin Dimery	02/02/23

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Scrutiny Chair Informed	Scrutiny Committee – Joint Scrutiny for Local Government Reorganisation Committee- Cllr Bob Filmer	02/02/23
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## Council Plan - Stakeholder Feedback Summary Report

To gather feedback, a simple online questionnaire was created for key stakeholders. A copy of the latest draft Council Plan was made available as a key document within the questionnaire.

This engagement opened on Wednesday 4<sup>th</sup> January 2023 and closed on Wednesday 18<sup>th</sup> January 2023. A gentle reminder was also sent on Thursday, 12<sup>th</sup> January 2023.

The feedback received, as summarised below, is to be considered by the Leader and Deputy Leader before taking a finalised version of this Plan to Councillors in February 2023.

### Engagement Summary

We sent the engagement questionnaire to **85** key stakeholders, in addition to senior leadership teams at each District and County Council. Out of those **11%** responded to the online questionnaire, and **2%** provided feedback in the form of an email response. The percentages are based on the online questionnaire returns. However, the emailed feedback is captured in this summarised report.

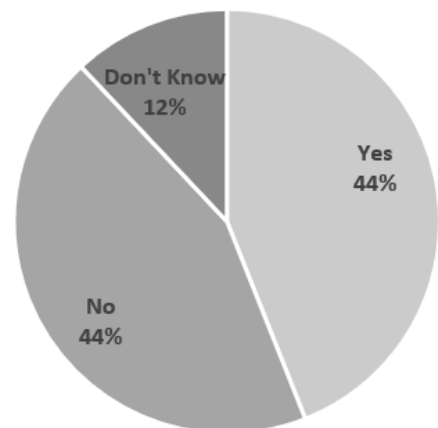
All online responders advised they had read the draft Council Plan and feel that both the vision and priorities will improve the lives of people living in Somerset.

One feedback stated, **'The Council Plan seems to be co-creative, balanced, and a breath of fresh air.'**

### Summary of the Vision

44% of online responders agreed the vision – **"The new Somerset Council will build a fairer, greener, more flourishing, Somerset that cares for the most vulnerable and listens to you."** was correct for Somerset Council to work towards. However, this was equal to the percentage of online responders saying it wasn't quite the right vision.

Of those who didn't feel the vision was quite right, or selected don't know, the reasons for this were.



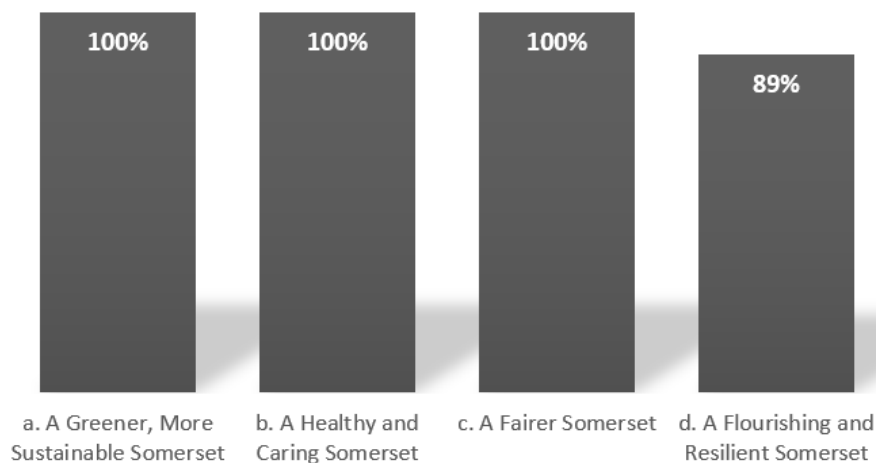
- No mention of safeguarding and crime
- I think by omitting the word resilience from the Vision statement, we miss an opportunity to make the case for that holistic approach to resilience. Also, it ties nicely into the CE Strategy title "Towards a Climate **Resilient** Somerset."

- The word 'resilient' is an important addition, in terms of climate but also for communities and prosperity
- I would like that promotes the health and wellbeing of residents and cares for the most vulnerable.
- The priority for the council must be the most effective delivery of essential public services.

### **Summary of the Priority Themes**

For each priority theme, we asked whether this should be a priority area for Somerset Council to focus on. Bar Graph 1.0, below, indicates most of the online responders agree these are the correct priorities for Somerset Council to focus on.

*Bar Graph 1.0*



In regard to the 11% (1 responder) advising priority d. A Flouring and Resilient Somerset isn't quite right the reason was;

- prosperity, economic development, and jobs are important. I don't disagree as a priority but shouldn't protecting residents from abuse and crime feature more highly

And, a further comment was made in regard to all the priorities.

- All are worthy themes. Effective delivery of the public service should take priority. Do these themes all have equal merit and are they really interdependent.

## **Enhancements or omissions to the Council Plan**

The main themes that the responders feel is omitted from the Council Plan, or feel could be enhanced, are listed in Table 1.0 below.

*Table 1.0*

<b>Enhancements or omissions</b>	<b>Themes</b>
crime, disorder, homelessness, drug addiction, abuse, safeguarding, safety	Community Services
Somerset outstanding and nationally designated landscapes (AONBs and Exmoor National Park) underpinned by all the elements that make up a rich and resilient landscape, including nature recovery, appropriate land management that stores carbon, resilient catchments, and vibrant communities.	Climate and Ecological Emergency
When talking about the climate and ecological emergency it is important to add the word <b>adaptation</b> in at some point. Adaptation will become increasingly important as the emergency worsens.	Climate and Ecological Emergency
We suggest that the Plan adds a link back to greener Somerset in relation to the health & well-being benefits that the Protected Landscapes & natural environment provide.	Health and Wellbeing
The reference to improving connectivity needs to recognise Protected Landscapes and the need for sensitive solutions in or within the setting of National Parks and AONBs.	Climate and Ecological Emergency
Farming & land management seem absent – maybe needs a reference in relation to tackling many of the issues facing a rural county in terms of future of farming / forestry?	Climate and Ecological Emergency
We welcome the intent to improve sustainable transport; would it be possible to reference the needs of visitors as well as residents – visitor travel to & around the National Park is one of the big issues identified in our ENP carbon footprint work.	Travel
To enhance the wording around business development.	Business
The Corporate Plan does not say the council will work as quickly as possible towards carbon neutrality	Climate and Ecological Emergency

Renewable energy is missing, it is a key requirement for carbon neutrality that significantly contributes to outcomes in other areas, such as transport and the built environment.	Climate and Ecological Emergency
We should be seeking green and sustainable development that accepts and takes accounts of environmental limits. Rather than a trade-off between the economy and the environment.	Climate and Ecological Emergency
We will be a council that is there <b>whenever</b> our residents need us.” That’s a bold commitment to deliver. I applaud the aspiration/ ambition but doubt the deliverability in each and every circumstance.	Commitment
I can’t see an explicit reference for the need to unlock the key strategic economic sites, to help drive the economy, provide new higher paid employment opportunity, and set Somerset on the map as a leader in Clean and Green Growth, either in the Greener and more Sustainable Priority or the Flourishing and Resilient Priority. This would seem to me to be an omission.	Economy - Growth
Should we not refer to working with/ supporting developers and the need to introduce local policies which support responsible sustainable development?	Planning

### **Positive Feedback**

There was also a lot of positive feedback, such as;

- It is concise and clear and is written in readily understandable layman’s language
- I like the overall “tone” of the document
- I was very encouraged that the Council Plan seems to put climate and the environment at the heart of decision making and recognises its importance in supporting vibrant and flourishing communities and economy.
- Fairer Somerset – we are pleased to see the reference to the particular issues faced by remote rural areas.
- Flourishing Somerset – good to recognise the importance of high-quality jobs in retaining young people. The low wage economy and the need for affordable housing both need to be tackled.

- It is a challenging (given fiscal constraints) plan but one likely to be worthwhile and reap public health and wellbeing benefits enabling residents to feel more empowered to cope with the challenges they face.

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## **Council Plan for Somerset Council**

### **Introduction from the Leader of the Council**

We launch our plan for the new Somerset Council with huge ambition - love for our beautiful county, faith in its amazing people and excitement that as one council we can achieve so much more for our residents, working closely with our partners and communities.

However, we know that this plan has been prepared in challenging times – tougher than anyone currently working in local government can recall. Fourteen years of austerity has reduced the flexibility of councils to respond to residents' needs. The current economic and political trends suggest that central Government may not have the capacity to tackle our crucial long term strategic challenges, such as effective financial support for our care services or reform of our planning system.

But these circumstances make this plan even more important. It would be far too easy to let this national context define our local outcomes and descend into the blame game. This plan sets a foundation for our council and our ambition for our future.

It sets out clear priorities against which we will measure all our policies and actions over the coming years. Woven through all our plans are four threads: a determination to tackle the climate and ecological emergencies; a commitment to developing a fairer Somerset; the compassion to make Somerset a healthier and more caring place to live; and the ambition to create a flourishing and resilient county.

Our beautiful county is at the front line of climate change and the ecological emergency. Our coastline is vulnerable, and the Somerset levels and moors are at imminent risk. We must play our role in the global solutions to our local challenges.

Developing a fairer Somerset will mean reducing inequality. Too many of our families will struggle to put food on the table and heat their homes over the coming years. We need to increase aspiration and opportunity in our schools and ensure good local jobs when young people move into adulthood.

The wellbeing of our residents is key to our ambition of a healthier Somerset. This is why our leisure and cultural services are so important to us. We also need to provide effective care for Somerset residents when they need it, helping them to maintain their independence for as long as possible, and provide effective support to the family carers who play such a part in providing care.

A properly flourishing Somerset requires an enterprising and resilient economy. We understand that the only real long-term growth will be sustainable growth and we plan to become a leader in low carbon technology and energy.

We are councillors because we love Somerset. I can think of no better place to live and work but we want to make it better still, and better for all the people of Somerset.

SUMORSAETE EALLE!

## **The Opportunities of a new Council**

Bringing together the experience, expertise, assets, and networks from the five predecessor councils into the new Somerset Council has created an organisation that is in a stronger position to advocate for Somerset on regional, national and international platforms, as well as meeting the needs of our local communities.

We will work closely with partners to get Somerset's voice heard. We will demonstrate that this is a county that is aspirational, dynamic and will deliver on our promises.

Our single decision-making system creates a more streamlined council and will make it easier and more efficient for us to deliver services. It will be easier for members, officers and public alike to understand the full range of work that is going on across the council, avoiding duplication and gaps.

We will be more joined up in the way we work with partners. Having a single council to work with will make it easier for partners to understand our priorities and issues, they will have fewer points of contact and will hear one voice.

By bringing together our collective assets and developing our plans to make best use of them, we will be better placed to deliver the things that will make a real difference to our residents and communities, from social housing to active travel.

All of this will take time. It won't happen on day one but over the course of this Plan the new Council will focus closely on developing more unified ways of providing services to residents.

## **Our Vision**

Our vision for the new Somerset Council will be our guiding beacon through the next four years.

**Somerset Council will build a fairer, greener, resilient, more flourishing Somerset that cares for the most vulnerable and listens to you.**

This dynamic vision puts all the people of Somerset at the heart of everything we do; we will be a council that will do our best to be there whenever our residents need us. The way in which we deliver our services may change, but we are committed to making all your interactions with the council easier and build trust over the coming years.

## **Priorities**

We have developed four priorities to make our vision clearer and more meaningful. These priorities are our way of explaining what is important for us to focus on while we are transforming our new Council, while we are delivering our services and while we are planning how to improve those services. In the next section we have also set out the cross-cutting themes which are the threads that will run through everything we do.

*priorities diagram*

## **A Greener, More Sustainable Somerset**

**We recognise the need to take action urgently to tackle the climate emergency. We will integrate environment and sustainability into all our services and at the heart of our decision making. A low carbon future will be hugely beneficial for Somerset, providing a more resilient and equitable society, experiencing better health and wellbeing, a thriving green economy and nature restored.**

The Somerset Climate Emergency strategy was developed in partnership and adopted by all councils in 2020. Somerset Council will build on the work carried out by District and County councils and will now address ecological issues alongside the climate emergency. Our target is to decarbonise the activities of the Council and to support Somerset to become a carbon neutral county by 2030.

The new council presents us with a fantastic opportunity to reset and enhance our journey to carbon zero. We will ensure that addressing both climate and ecological emergencies are integrated into all areas of our work, including housing, flooding, land and planning policies, transport, economic development and access. We will support Somerset to become a leader in green technologies and renewable energy by unlocking opportunities for clean economic growth.

Somerset is a largely rural county with invaluable diverse landscapes which include Exmoor National Park, Areas of Outstanding Natural Beauty, woodlands, the Somerset levels and moors and the West Somerset coast. These should be celebrated and accessible to everyone. We are fortunate to have food production as part of our local economy and we will continue to aspire to an environment which promotes healthy and sustainable food and drink. As well as recognising these for the economic benefits they bring, we also appreciate the significant opportunities by creating and protecting ambitious regenerative and nature-friendly farming systems which also produce food and sustainable livelihoods. Agriculture in Somerset is uniquely placed to be part of the solution to tackling climate change by both reducing emissions and acting as a carbon sink, we will support this sector to realise the opportunities. Where we have control, we will manage landscapes to protect habitats and restore biodiversity, and we will use our policies and voice to support and encourage others to do the same.

Working with partners and residents, the Council is one of a number of custodians of the environment. However, it is also our duty to enable provision of homes, economic development, and services for current and future residents. There is frequently tension around what is appropriate development and there is no one-size-fits-all answer to this. As we develop our Local Plan, we will consider introducing local policies and will work with developers to support responsible, sustainable development to deliver the best environmental standards possible. Ultimately, each

proposal will be considered on the evidence provided. Our commitment to restoring biodiversity will be reflected in affordable carbon neutral homes and green jobs and services.

Transport is one of the key drivers of our carbon footprint. Active and sustainable travel options, including walking and cycling and encouraging modes of transport that use renewable energy will help reduce air pollution and green-house gas emissions and give a wider choice of options for local journeys. Alongside this an effective public transport system that meets the needs of more of our residents will be an integral part of our climate change strategy.

Somerset is also home to a range of nationally and regionally significant historic buildings and artefacts. These will be treated sensitively to preserve and celebrate our cultural heritage for present and future generations, with an integrated approach to achieving our climate change goals.

## **A Healthy and Caring Somerset**

**We want all our residents to stay as healthy as possible, for as long as possible. Promoting health and wellbeing is a crucial part of our strategy to help people live full and healthy lives for as long as they are able. Those that need help will look to Somerset Council and its partners to support them.**

We are committed to improving the health and wellbeing of Somerset residents. We know that when people have the right information and support about their health, and what they can do to prevent poor health themselves, many will take the opportunities to build a healthier lifestyle. We will do what we can to make sure we have an environment that supports healthier lifestyles including access to active travel, leisure facilities, open spaces, good housing, meaningful employment, cultural experiences and social opportunities, our residents' mental and physical health will thrive.

Whenever Somerset residents need support, we will make sure that they can access what they need. That might be directly from the council or in partnership with local communities or the private sector. Often the help that is provided by people from the local community is most effective, so in many cases the role of the Council is to influence the type of services that are available in each community so that they best match local needs.

We are committed to work in partnership with our partners in local health services to help improve and maintain the health of people who already have some diagnosed long term conditions.

We recognise and value our unpaid carers and are committed to supporting them to maintain their health and wellbeing so that they can continue to care for those who need them.

Somerset is a county of amazingly caring and committed communities. Through the covid pandemic we saw hundreds of volunteers eager to help people in their local community. Our role is to assist those people who want to help their community and to encourage those who struggle with time or commitments to do what they can.

The development of Local Community Networks is key to making sure that we understand local needs and truly represent communities to give them the ability to influence the work of the council and make sure the right services are in the right places.

## **A Fairer, Ambitious Somerset**

**Somerset is a county of diversity. Somerset Council wants to make this a county of opportunity for all. There are significant differences in the quality of our residents' lives depending on their backgrounds. Those on the lowest incomes are more likely to struggle to pay their energy and food bills, more likely to have housing that is harder to heat, more likely to be victims of crime, and have less access to essential services. Life in these circumstances is harder and more challenging.**

A priority for this Council is to do whatever we can to reduce the inequalities that cause these disparities, so that everyone in Somerset can live their lives as they choose.

To change this, we will have to make a greater effort in the parts of Somerset and with particular groups of the population who are struggling the most. We'll work with communities, and through the Somerset Integrated Care Partnership, to get a detailed understanding of what the issues that cause such disparities are and how we will work together to make a difference.

We need our children to get an excellent education and to aspire to achieve their goals in life. Education outcomes in Somerset are not good enough, especially for children from lower income homes or those with additional needs. All children need access to good schools, colleges, further education, and higher education. We want our young people to stay in, or return to, Somerset because they have the option of a well-paid, rewarding job.

It's vital that we listen to those who are the future of Somerset, our Children and Young People's Plan has been co-produced with children and young people and strategic partners. It sets out a shared vision to keep them safe and ensure they can grow up in a child friendly county that supports them to be happy, healthy and prepared for adulthood.

The current cost of living crisis means that more of Somerset's children will grow up in homes that struggle to feed, clothe, and keep them warm. The differences between the lowest and average income homes are stark. We know that those who don't have a good start are more likely to continue to face difficulties throughout their lives and we are committed to working to help significantly reduce number of children who experience poverty.

The lack of affordable housing contributes to the challenges of keeping younger people within Somerset. We will continue to demonstrate leadership around the whole range of housing issues and use the skills and knowledge from a wide range of partners to be innovative in our approach to housing and supporting people who



are struggling. The provision of decent quality, low-carbon social housing will be integral to us in delivering a fairer county.

The rural nature of our county exacerbates the difficulties of getting access to services and jobs. Where access is possible it can take a lot longer, particularly if travelling on foot, by bike or by bus. Our aim is to find ways which improve access to local jobs and services, and to the beautiful Somerset countryside. This will require us to think differently and work with partners to consider the access implications of our plans.

We know that many people want to access the council using their smartphone or computer but for others this is not an option. We will increasingly provide 24-hour digital access to interact with us, but we will still be here if you need to have a conversation with someone. We will work hard to make sure that all contacts with the council are user friendly, promoting a culture of trust and reliability.

Somerset residents who are LGBTQ+, live with disabilities, or come from ethnic minority backgrounds often feel they are not included in our society. Somerset Council will strive to develop an inclusive culture for all our residents.

## **A Flourishing and Resilient Somerset**

**Now, more than ever, we need to promote Somerset at a regional, national and international level, promoting the wealth of opportunities to bring investment and highly skilled, well-paid jobs for Somerset people. We will need to be strategic and dynamic to ensure the skilled workforce is available to support the innovative industries that call Somerset their home.**

For Somerset to be flourishing and resilient we need to have well balanced communities. Somerset has an older and aging population, we know we need to work hard to attract and keep young people, young families and working age adults in the County.

The need for a thriving education sector will be paramount to making sure that Somerset flourishes economically. Somerset Council will be a strategic leader in improving the education, skills, and vocational training offer at all levels, working closely with partners to raise aspiration and boost local opportunities. We are acutely aware that, without a university, the higher education offer in Somerset holds us back economically. We will work with the sector and industry to bring innovation and investment into Somerset.

A stable and flourishing economy in Somerset will have a unique range of opportunities. We are already home to world leading business at iAero, Hinkley Point, and the Gravity Smart Campus, we will continue to work with these, other business and as part of the Great South West Partnership to unlock opportunities for clean and green growth that will play a prominent role alongside tourism and culture. We already offer so much - from Glastonbury Festival, the largest greenfield music and performing arts festival in the world, Bridgwater Carnival's spectacular procession to the tranquillity of the Exmoor Dark Skies festival. Promoting Somerset as a destination on the national and global stage will support the existing economy, enable regeneration and encourage development of new, creative attractions. This will help us to deal with any future challenges and be resilient to sudden changes.

Businesses need excellent transport and digital connections to access markets, distribute their goods and services and have access to their workforce. We will influence and drive support for improving connectivity to those parts of our county that need it the most.

Remote working and learning are providing more opportunities for people to live in different parts of the country to where they work or attend education, but this doesn't remove the need to strive for better physical connections. We will work to improve the equity of access to opportunities, both physically and digitally, across the county.

## **Principles**

The priorities are underpinned by a set of core principles that guide all our work and daily interactions. We will be:

- A responsible council that acts with integrity
- A listening, empowering council
- A council with evidence based and open decision making
- A collaborative council; and
- An enterprising council.

## **Somerset Today - In Numbers**

*Page of graphical representations of Somerset in numbers and statistics*

## **Current Context**

The new council comes into existence at the most challenging time for local government in a generation. Fourteen years of austerity and growing demand has reduced the spending power and financial flexibility of all councils. The national cost-of-living crisis is impacting the council and partner organisations just as it is residents. The cost of delivering our services has dramatically increased due to rising energy costs, rising interest rates and increasing numbers of people who need our support.

The council is legally required to balance its budget: there is no overdraft facility that we can use. In recent years Somerset's councils have built up financial reserves but we cannot spend these monies all at once and risk leaving the savings account empty when there will undoubtedly be new challenges ahead.

This means that we are going to have to be incredibly careful with taxpayers' money. The council will have less to spend on a growing range of challenges, while at the same time the challenges our residents face grow too. This means we face a period of difficult decisions to ensure we can keep supporting the Somerset people in greatest need.

This will require us to be more creative about the way we support people. We will need to work with partners in a wide range of organisations with similar goals to look broadly at the ways we currently use our expertise and money to see if, in collaboration with our communities, we can do things better. We will challenge the

way that we have historically delivered services and will listen carefully to understand what works, and what doesn't.

## **Cross Cutting Themes**

Bringing together potentially disparate services, such as public health and housing, into a single organisation will let the new council better co-ordinate the services residents receive. Several of our priorities, such as responding to the climate and ecological crises or reducing health inequalities, will require action from a range of services. There are other cross-cutting themes which will be less visible, but equally important to the way we will work.

In July 2022 the new Health and Care Bill brought Integrated Care Systems (ICSs) into law. This formalised the arrangements for NHS organisations, local councils and other partners in a geographical area to work together to deliver better joined up services, to tackle inequalities and to improve the health of the population.

Somerset Council is a partner organisation within this system because we have a key role to play in Public Health, Adults' and Children's Social Care and Housing. We can also influence the broader factors which contribute to an individual's health and well-being, such as parks or transport or planning. The more we work together with other public services to tackle the complex problems that are facing our communities, the better the services our residents receive will be.

No one wants to be ill and most people don't want to have to rely on the NHS, the Council or community organisation for support. But often they are in this position because of something that could have been prevented if they'd had the knowledge and the help to do something differently. We believe that prevention is the key to a healthier, happier life. That is why this theme will run through everything that we do.

The development of Local Community Networks (LCNs) is fundamental to the commitment to give local residents a voice and more influence over decisions that impact them and their communities. We have already invested significant amounts of energy to understand how LCNs might work and will continue their development through the life of this plan because we see them as fundamental to the future of the county. Their reach will continue to expand as we understand more about the possibilities that they present, and we see them as key to shaping communities.

A key aim for this council is to reconcile into one place the needs for society to thrive and the needs for the planet to continue to sustain us, so that we might understand and manage our impacts on all aspects at the same time. This means that we are able to make decisions with holistic understanding of the implications and adjust our approach, where needed, to ensure we have minimised the impact on the environment and maximised the benefits to society. To make this meaningful for the Council the approach needs to be embedded in all the work that we do. This will

take time as the New Council evolves, but we will start to lay the foundation for this work from day one.

## **The Role of the Council Plan**

The Council Plan is part of our Corporate Planning Framework, which is a suite of documents which guide the way Somerset Council functions. Together, these documents are a resource to help everyone - customers, officers, councillors, partner organisations - understand our ambitions for the new council, how we will fulfil those ambitions, as well as how we can be held accountable.

Somerset Council will continually change, whether it be in response to the changing needs of our residents, such as our work on the Cost-of-Living Emergency, or because of developments in Government policy, the Levelling Up agenda for example, or prevailing social, economic and environmental conditions, like the climate and ecological emergency.

The **Council Plan** sets out the clear vision of how we want our services to develop over the next four years, and the priorities that will underpin the actions of the Council over this time. The priorities are high level to support flexibility; as we have seen, like with the COVID-19 pandemic, there may be events and factors beyond our control which will require us to be flexible. Emerging technology may also enable us to be more creative in the way we deliver services, with greater flexibility allowing us to adopt innovative new models of service, but always with the vision and priorities in mind.

**The Business Plan** will provide the detail of how the Council Plan will be delivered and monitored. It will set out the priorities for service change and improvement; what is achievable and how we will ensure that we understand whether we are achieving our planned outcomes. The Business Plan will also set out the Council's performance monitoring approach. Annual service plans will flow from the Business Plan. These are working documents where services set out their planned activity and are used as a reference to guide service development and delivery. They are flexible and agile to enable services to react to changing situations.

The **Operating Model** will provide the aspiration for our methods of working to ensure we deliver good value, high quality services. This will include our approach to commissioning – how we address the needs of residents and develop the services to support the best possible outcome for them. The Operating Model will evolve over time as we transform the Council.

**The Corporate Governance Framework** sets out how the decision-making process works and who is empowered to make which decisions.

## **The Strategy Framework**

A number of strategies for Somerset exist and will continue to guide the work of services until they are replaced. These strategies have been developed in partnership with partner organisations with whom we will continue to work alongside.

The Council is required to have a new Local Plan in place by 2028. This Local Plan is one of a suite of strategic documents we will need to produce that support and complement each other. Using the vision and priorities set out in this plan provides a starting point for developing agreed goals and ambitions in partnership with the community, businesses and the environment at the centre.



# PAPER C



## Decision Report - Executive Decision

Forward Plan Reference: FP/22/12/14

Decision Date – 13/02/23

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## Treasury Management Strategy Statement 2023-24

Executive Member(s): Cllr Liz Leyshon – Executive 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.** This document sets out proposed Treasury Management strategy for the new Somerset Council (SC) for 2023-24. It brings together the legacy investment and debt portfolios of the 5 councils (as they are known at present) and puts forward proposals for how best to use and adapt current portfolios, to achieve the capital and revenue needs of the new Council going forward. Only Treasury Management investments are dealt with in this strategy. Investments held for service purposes or for commercial activity primarily for yield, collectively referred to as non-treasury investments, are considered in a separate report, the Non-Treasury Investment Strategy.

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 2021 Edition (CIPFA TM Code), and the CIPFA Prudential Code for Capital Finance in Local Authorities: Revised 2021 Edition (CIPFA Prudential Code).

The revised CIPFA Prudential Code, does not require that existing commercial investments, including property, be sold, but authorities that have an expected need to borrow should review options for exiting their financial investments for commercial purposes and summarise the review in their annual Treasury Management or Investment Strategies. For obvious reasons a full review of the amalgamated commercial investment portfolio has yet to take place. This has a knock-on effect to Treasury borrowing decisions for 2023-24

# PAPER C

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

As at 31<sup>st</sup> December 2022, the 5 Councils combined held nearly £783m of debt as part of their strategy for funding previous years' capital programmes. Of this, £209m is short-term borrowing, mostly due to mature within one year, and primarily borrowed from other Local Authorities. £380.4m is Public Works Loan Board (PWLB) debt, £108m is Lender Option Borrower Option (LOBO) debt, and a further £60.5m of fixed rate bank loans.

The 5 Councils' joint investment balances as at 31<sup>st</sup> December 2022 stood at just over £413m. This includes approximately £120m of cash held for either external bodies, or entities where the Council is the accountable/administering body. Within this figure £116.5m is invested in Strategic Funds. The largest holding within this figure is a £31m holding in the Churches, Charities, Local Authorities (CCLA) Property Fund.

## 2. Recommendations

**2.1.** The Executive is asked to endorse the following and recommend approval by Full Council on 22<sup>nd</sup> February 2023:

1. To adopt the Treasury Borrowing Strategy (as shown in Section 12 of the report).
2. To approve the Treasury Investment Strategy (as shown in Section 13 of the report) and proposed Lending Counterparty Criteria (attached at **Appendix B** to the report).
3. To adopt the Prudential Treasury Indicators in section 14.
4. To note **Appendix A**, that is adopted as part of the Councils Financial regulations.

## 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.

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## 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.

## 7. Financial and Risk Implications

- 7.1. The budget for investment income in 2023-24 is £13.0m, based on an average investment portfolio of £350m at an average return of 3.75% (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 2023-24 is £32.2m, based on an average debt portfolio of £835m at an average interest rate of 3.84% (note 4.7% for new debt). 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.

## 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.

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## 9.5. Health and Wellbeing Implications

There are no health and wellbeing implications.

## 9.6. Social Value

Not applicable

## 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 2021 Edition (the CIPFA TM 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 TM Code.

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.
- 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.

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The CIPFA 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 CIPFA 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.

Under Section 3 of the Local Government Act 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 Council (SC) adopts the Treasury Management Framework and Policy recommended by CIPFA. These can be found in **Appendix A**.

### **External Context**

**Economic background:** The ongoing impact on the UK from the war in Ukraine, together with higher inflation, higher interest rates, uncertain government policy, and a deteriorating economic outlook, will be major influences on the Authority's treasury management strategy for 2023-24.

The Bank of England (BoE) increased Bank Rate by 0.5% to 3.5% in December 2022. This followed a 0.75% rise in November which was the largest single rate hike since 1989 and the ninth successive rise since December 2021. The December decision was voted for by a 6-3 majority of the Monetary Policy Committee (MPC), with two dissenters voting for a no-change at 3% and one for a larger rise of 0.75%.

The November quarterly Monetary Policy Report (MPR) forecast a prolonged but shallow recession in the UK with CPI inflation remaining elevated at over 10% in the near-term. While the projected peak of inflation is lower than in the August report, due in part to the government's support package for household energy costs, inflation is expected remain higher for longer over the forecast horizon and the economic outlook remains weak, with unemployment projected to start rising.

The UK economy contracted by 0.3% between July and September 2022 according to the Office for National Statistics, and the BoE forecasts Gross Domestic Product (GDP)

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will decline 0.75% in the second half of the calendar year due to the squeeze on household income from higher energy costs and goods prices. Growth is then expected to continue to fall throughout 2023 and the first half of 2024.

CPI inflation is expected to have peaked at around 11% in the last calendar quarter of 2022 and then fall sharply to 1.4%, below the 2% target, in two years' time and to 0% in three years' time if Bank Rate follows the path implied by financial markets at the time of the November MPR (a peak of 5.25%). However, the BoE stated it considered this path to be too high, suggesting that the peak in interest rates will be lower, reducing the risk of inflation falling too far below target. Market rates have fallen since the time of the November MPR.

The labour market remains tight for now, with the most recent statistics showing the unemployment rate was 3.7%. Earnings were up strongly in nominal terms by 6.1% for both total pay and for regular pay but factoring in inflation means real pay for both measures was -2.7%. Looking forward, the November MPR shows the labour market weakening in response to the deteriorating outlook for growth, leading to the unemployment rate rising to around 6.5% in 2025.

Interest rates have also been rising sharply in the US, with the Federal Reserve increasing the range on its key interest rate by 0.5% in December 2022 to 4.25%-4.5%. This rise follows four successive 0.75% rises in a pace of tightening that has seen rates increase from 0.25%-0.50% in March 2022. Annual inflation has been slowing in the US but remains above 7%. GDP grew at an annualised rate of 3.2% (revised up from 2.9%) between July and September 2022, but with official interest rates expected to rise even further in the coming months, a recession in the region is widely expected at some point during 2023.

Inflation rose consistently in the Euro Zone since the start of the year, hitting a peak annual rate of 10.6% in October 2022, before declining to 10.1% in November. Economic growth has been weakening with an upwardly revised expansion of 0.3% (from 0.2%) in the three months to September 2022. As with the UK and US, the European Central Bank has been on an interest rate tightening cycle, pushing up its three key interest rates by 0.50% in December, following two consecutive 0.75% rises, taking its main refinancing rate to 2.5% and deposit facility rate to 2.0%.

An economic and interest rate forecast provided by Arlingclose is attached at **Appendix C**.

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## Internal Context

As at 31<sup>st</sup> December 2022 the external long-term debt portfolio of SC stood at just under £783m as in **table 1** below.

**Table 1 – Debt Portfolio**

	<b>Mendip £m</b>	<b>Sedgemoor £m</b>	<b>SCC £m</b>	<b>SSDC £m</b>	<b>SWT £m</b>	<b>Total £m</b>
Short Term Borrowing	0.00	10.00	0.00	126.00	73.00	209.00
Intra-Authority	0.00	25.00	0.00	0.00	0.00	25.00
PWLB	62.79	66.06	159.05	0.00	92.50	380.40
LOBOs	0.00	0.00	108.00	0.00	0.00	108.00
Fixed Rate Loans	0.00	0.00	57.50	0.00	3.00	60.50
<b>Total Borrowing</b>	<b>62.79</b>	<b>101.06</b>	<b>324.55</b>	<b>126.00</b>	<b>168.50</b>	<b>782.90</b>

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 **Table 2** below, at the same time stood at just over £454m, although as at 31<sup>st</sup> December 2022 just over £130m was cash held on behalf of other entities, primarily where Somerset County Council is the accountable / administering body.

**Table 2 – Investments as at 30<sup>th</sup> September 2022**

	<b>Mendip £m</b>	<b>Sedgemoor £m</b>	<b>SCC £m</b>	<b>SWT £m</b>	<b>SSDC £m</b>	<b>Total £m</b>
Call / Notice A/cs	0.00	5.00	0.00	2.10	0.00	7.102
Money Market Funds	9.50	7.40	15.40	15.60	2.70	50.60
Time Deposits / CDs - Banks	33.00	0.00	110.00	0.00	0.00	143.00
Time Deposits - LAs	0.00	0.00	65.00	0.00	0.00	65.00
DMO	0.00	0.00	0.00	5.90	0.00	5.90
Intra-Authority Loans	0.00	0.00	25.00	0.00	0.00	25.00
Strategic Funds	0.00	31.00	45.00	17.00	23.50	116.50
<b>Total Investments</b>	<b>42.50</b>	<b>43.40</b>	<b>260.40</b>	<b>40.60</b>	<b>26.20</b>	<b>413.10</b>



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In **table 3** below, as shown in the Capital Strategy, the 'Assumed debt not yet taken' row indicates a requirement to borrow to finance the capital programme We are currently in discussion with District colleagues regarding borrowing requirements up to vesting day. Timings of actual capital expenditure linked to the capital plan are not totally predictable.

**Table 3 - External Debt and the Capital Financing Requirement**

	<b>31.3.2023 forecast £m</b>	<b>31.3.2024 budget £m</b>	<b>31.3.2025 budget £m</b>	<b>31.3.2026 budget £m</b>
Short term debt	N/A	210.0	210.0	210.0
Long term debt *	N/A	522.8	511.5	499.6
Assumed debt not yet taken	N/A	261.0	260.0	274.5
PFI & leases	N/A	77.3	76.0	74.7
<b>Total external borrowing</b>	<b>N/A</b>	<b>1,071.1</b>	<b>1,057.5</b>	<b>1,058.8</b>
Housing Revenue Account	189.3	210.3	210.3	214.8
General Fund	945.2	1,022.1	1,031.0	1,015.7
<b>Total CFR</b>	<b>1,134.5</b>	<b>1,232.4</b>	<b>1,241.3</b>	<b>1,230.5</b>

\*Reduces for Minimum Revenue Provision (MRP) & debt repayment

CIPFA's Prudential Code for Capital Finance in Local Authorities recommends that the Authority's total debt should be lower than its highest forecast CFR over the next three years. Table 3 shows that the Authority expects to comply with this recommendation during 2023-24.

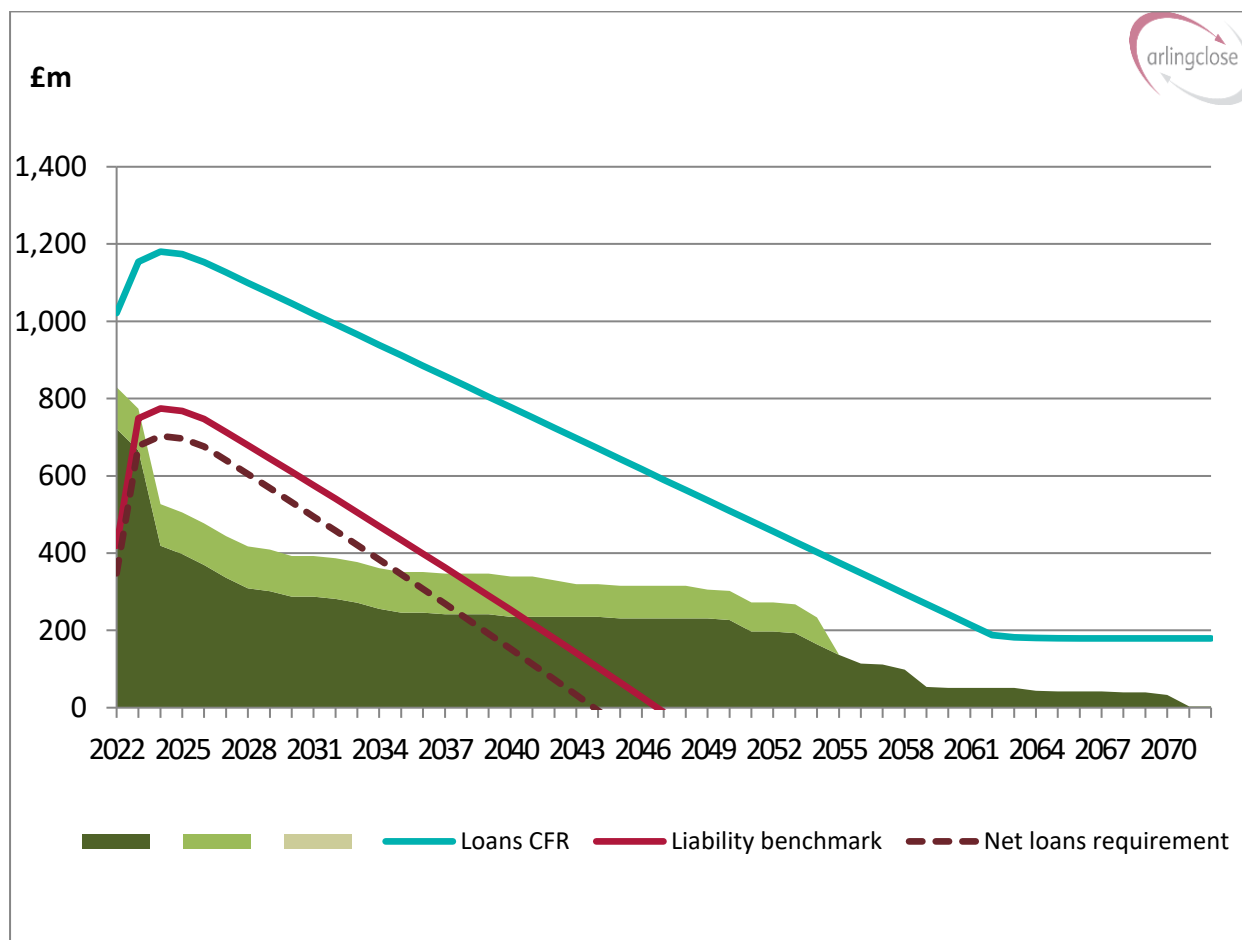
**Liability Benchmark:** To compare the Council's actual borrowing against an alternative strategy, a liability benchmark has been calculated showing the lowest risk level of borrowing. This assumes the same forecasts as table 3 above, but that cash and investment balances are kept to a minimum level of £75m at each year-end to maintain sufficient liquidity but minimise credit risk.

The liability benchmark is an important tool to help establish whether the Council is likely to be a long-term borrower or long-term investor in the future, and so shape its strategic focus and decision making. The liability benchmark itself represents an estimate of the cumulative amount of external borrowing the Council must hold to fund its current capital and revenue plans while keeping treasury investments at the minimum level required to manage day-to-day cash flow.

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Following on from the medium-term forecasts in table 3 above, the long-term liability benchmark assumes capital expenditure funded by borrowing of £260m next year, minimum revenue provision on new capital expenditure based on a blend of previous District and County approaches and income, expenditure and reserves all increasing by inflation. This is shown in the chart below together with the maturity profile of the Authority's existing borrowing:

## Liability Benchmark Graph



The concept is that the chart allows a comparison of current borrowing against the need to borrow, looking at both the amount (on the y axis) and the term (on the x axis). Where actual loans exceed the Liability Benchmark, the authority can make long-term investments for cash flow management or repay loans early; where the Liability Benchmark exceeds loans, the authority can take long-term borrowing or sell investments.

There is no requirement to borrow exactly to the Liability Benchmark, but a decision to borrow more or less, or longer or shorter, than the Liability Benchmark implies a

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deliberate decision to accept additional risk. This may be entirely appropriate if it is accompanied by a reduction in cost, for example through short-term borrowing at

lower margins. The Liability Benchmark provides the tool for local authorities to measure this risk and make such risk/reward decisions openly and explicitly.

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.

### **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 £782.9m 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 will have a need to borrow in future years.

**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.

**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.

A key determinant of borrowing strategy will be the full review of the amalgamated non-treasury investment portfolio. The revised CIPFA Prudential Code, whilst not requiring that existing commercial investments, including property, be sold, does state that authorities that have an expected need to borrow should review options for exiting their financial investments for commercial purposes as part of the borrowing decision-making process. Whilst the review of non-treasury investments is taking place during 2023-24 it may be necessary to borrow before the full position is analysed and understood.

There is a sizeable proportion of the current debt portfolio that is short-term and will need to be refinanced during 2023-24. The strategy would therefore be to refinance or take any required new debt whilst balancing the needs of budgets and introducing the

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least possible risk into the long-term debt portfolio as the fully amalgamated picture emerges.

With borrowing rates expected to rise and then plateau in the coming months, before reducing from late 2024 (see forecasts in appendix C) it is likely to be more cost effective in the short-term to either use internal resources, or to borrow short (1-3 years) via the local authority market. As medium-term PWLB loans (10-20 years) are currently lower than short and long-term rates, a proportion of loans from the PWLB in this period would provide a suitable balance to the risk of holding too much short-term borrowing. This would be in line with the debt profile indicated by the liability benchmark and would dovetail with existing portfolios.

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. 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 TM 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 20 years), as this is most compatible with the liability benchmark and current maturity profile. 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. Interest rates having risen recently and there is now a reasonable chance that lenders will exercise their options. SC 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

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exercise an option. This would reduce refinancing risk in later years. SC 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. SC 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.

**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. The recent rise in interest rates means that more favourable debt rescheduling opportunities should arise than in previous years.

### 13 Treasury Investment Strategy

The revised 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 somewhere between the treasury and non-Treasury investment categories. SC and our advisors Arlingclose would argue that they are very much used as a Treasury investment by SC, matching the reserve requirements and debt liabilities.

There will be a review of all Pooled Funds, to ascertain whether the amalgamated portfolio remains appropriate in substance, size, and diversification.

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 investment balances as at December 2022 were £413.1m. These balances include just over £120m of cash held on behalf of other entities by Somerset County Council.

As is likely, that a passive borrowing strategy is adopted, i.e. internal borrowing to fund capital expenditure, investment levels will likely decrease. If non-treasury or pooled fund positions are exited, investment balances could possibly be higher.

**Objectives:** The CIPFA TM 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

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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. The Council aims to be a responsible investor and will consider environmental, social, and governance (ESG) issues when investing.

**Strategy:** As demonstrated by the liability benchmark above, the Council expects to be a long-term borrower and new treasury investments will therefore be made primarily to manage day-to-day cash flows using short-term low risk instruments. Subject to review, the existing portfolio of strategic pooled funds will be maintained to diversify risk into different sectors and to boost investment income.

**ESG policy:** ESG (Environmental, Social, and Governance) considerations are increasingly a factor in global investors' decision making, but the framework for evaluating investment opportunities is still developing and therefore the Council's ESG policy does not currently include ESG scoring or other real-time ESG criteria at an individual investment level. The Council will look to develop a more effective ESG policy as this area develops.

**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.

**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

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- 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.

**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

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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 SC 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.

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 31<sup>st</sup> 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 remain 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.



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### **Credit outlook:**

Credit default swap (CDS) prices have followed an upward trend throughout the year, indicating higher credit risk. They have been boosted by the war in Ukraine, increasing economic and political uncertainty and a weaker global and UK outlook, but remain well below the levels seen at the beginning of the Covid-19 pandemic. CDS price volatility has been higher in 2022 compared to 2021 and this year has seen a divergence in prices between ringfenced (retail) and non-ringfenced (investment) banking entities once again.

The weakening economic picture during 2022 led the credit rating agencies to reflect this in their assessment of the outlook for the UK sovereign as well as several local authorities and financial institutions, revising them to negative from stable.

There are competing tensions in the banking sector which could impact bank balance sheet strength going forward. The weakening economic outlook and likely recessions in many regions increase the possibility of a deterioration in the quality of banks' assets, while higher interest rates provide a boost to net income and profitability. However, the institutions on our adviser Arlingclose's counterparty list remain well-capitalised and their counterparty advice on both recommended institutions and maximum duration remain under constant review and will continue to reflect economic conditions and the credit outlook.

**Approved counterparties – Credit Rated:** SC 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:** SC 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.

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 (DLUHC 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.

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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.

**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

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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.

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## 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.

**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 the nearest million).

	<b>2022/23 limit £m</b>	<b>2023/24 limit £m</b>	<b>2024/25 limit £m</b>	<b>2025/26 limit £m</b>
Operational boundary – borrowing	N/A	1,004.4	1,013.1	1,015.7
Operational boundary – PFI and leases	N/A	79.3	78.0	76.7
<b>Operational boundary – total external debt</b>	<b>N/A</b>	<b>1,083.8</b>	<b>1,091.1</b>	<b>1,092.4</b>
Authorised limit – borrowing	<b>N/A</b>	1,039.4	1,048.1	1,050.7
Authorised limit – PFI and leases	<b>N/A</b>	84.3	83.0	81.7
<b>Authorised limit– total external debt</b>	<b>N/A</b>	<b>1,123.7</b>	<b>1,131.1</b>	<b>1,132.4</b>

Please note this includes General Fund and Housing Revenue Account

**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 TM Code guidance for the

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'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 refinancing the significant short-term debt that will mature, possible new borrowing, current interest rate expectations, and the possibility of rescheduling or prematurely repaying loans outlined in the borrowing strategy. The bands and limits give the required flexibility to be able to deliver the borrowing strategy in any of the challenging scenarios that may evolve. 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%	5%
>5 years and within 10 years	25%	0%
>10 years and within 20 years	25%	0%
>20 years and within 30 years	20%	0%
>30 years and within 40 years	30%	10%
>40 years and within 50 years	15%	0%
>50 years	5%	0%

**Long-term treasury management investments:** 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.

	2023-24	2024-25	2025-26
<b>No Fixed Date</b>			
Prudential Limit for principal sums invested for periods longer than 1 year	<b>£m</b> 160	<b>£m</b> 160	<b>£m</b> 160

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Long-term investments with no fixed maturity date include strategic pooled funds but exclude Money Market Funds and bank accounts with no fixed maturity as these are considered short-term. As the combined Council will already hold a portfolio of £144m of pooled funds, a prudential indicator of slightly more than this amount is deemed necessary for all years, to allow for deposits slightly over 1 year's duration. This may change after a review of the amalgamated portfolio. The sums indicated in this indicator do not include any investment in non-Treasury Investments covered by a separate Investment Strategy.

**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)

**Liability Benchmark:** A new Prudential Indicator, the Liability Benchmark has been introduced for 2023-24. Whilst it gives no specific numbers as benchmarks, it is an important tool to help establish whether the Council is likely to be a long-term borrower or long-term investor in the future, and so shape its strategic focus and decision making. The liability benchmark itself represents an estimate of the cumulative amount of external borrowing the Council must hold to fund its current capital and revenue plans while keeping treasury investments at the minimum level required to manage day-to-day cash flow.

The liability benchmark informs both borrowing and investment decisions and is outlined in section 13 under internal context.

## 15 Other Matters

The CIPFA TM 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.

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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.

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, SC 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

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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 Revised Edition 2021.

The CIPFA Prudential Code for Capital Finance in Local Authorities: Revised Edition 2021.

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

### **Report Sign-Off**

		Signed-off
Legal Implications	Tom Woodhams	30/1/23
Governance	Scott Wooldridge	26/1/23
Corporate Finance	Jason Vaughan	30/1/23
Human Resources	Chris Squire	N/A
Property	Paula Hewitt / Oliver Woodhams	30/1/23
Procurement / ICT		N/A
Senior Manager	Stephen Morton / Donna Parham	23/1/23
Commissioning Development	Sunita Mills / Ryszard Rusinek	23/1/23
Renewal Board		N/A
Local Member		N/A
Executive Member	Cllr Liz Leyshon - Executive Member for Resources	23/1/23
Opposition Spokesperson	Cllr Mandy Chilcott	2/2/23
Scrutiny Chair	Cllr Gwil Wren	Sent 31/1/23
Audit Committee	Cllr Dean Ruddle / Andy Sully	2/2/23



## **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 Executive 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

## **Somerset Council Lending Counterparty Criteria 2023-24**

The following criteria will be used to manage counterparty risks to Somerset Council investments for new deposits / investments from 1st April 2023.

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 4.4% of investment balances held at 30<sup>th</sup> September, or 6.5% of investment balances minus strategic funds held at 30<sup>th</sup> September. 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 5.5% of investment balances held at 30<sup>th</sup> September, or 8.1% of investment balances minus strategic funds held at 30<sup>th</sup> September. 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.

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	<b>F1+</b>	Exceptionally strong	<b>P-1</b>	Superior	<b>A-1+</b>	Extremely strong
	<b>F1</b>	Highest quality			<b>A-1</b>	Strong
	<b>F2</b>	Good quality	<b>P-2</b>	Strong	<b>A-2</b>	Satisfactory
	<b>F3</b>	Fair quality	<b>P-3</b>	Acceptable	<b>A-3</b>	Adequate
	<b>B</b>	Speculative	<b>NP</b>	Questionable	<b>B and below</b>	Significant speculative characteristics
	<b>C</b>	High default risk				
	<b>(+) or (-)</b>		<b>(1,2, or 3)</b>		<b>(+) or (-)</b>	
Long-Term	<b>AAA</b>	Highest quality	<b>Aaa</b>	Exceptional	<b>AAA</b>	Extremely strong
	<b>AA</b>	V High quality	<b>Aa</b>	Excellent	<b>AA</b>	Very strong
	<b>A</b>	High quality	<b>A</b>	Good	<b>A</b>	Strong
	<b>BBB</b>	Good quality	<b>Baa</b>	Adequate	<b>BBB</b>	Adequate capacity
	<b>BB</b>	Speculative	<b>Ba</b>	Questionable	<b>BB and below</b>	Significant speculative characteristics
	<b>B</b>	Highly Speculative	<b>B</b>	Poor		
	<b>CCC</b>	High default risk	<b>Caa</b>	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 6.6% of investment balances held at 30<sup>th</sup> September, or 9.7% of investment balances minus strategic funds held at 30<sup>th</sup> September. The % may be significantly less if borrowing up to the CFR is taken early in the year.

## Money Market Funds

Any LVNAV Mpney Market Fund used must be rated by at least two of the main three ratings agency, and must have the following 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.

A full review of Pooled Funds after the amalgamation of the five Council's portfolios will determine strategy and investment in these longer-term assets. It is the Council's intention to not invest further in Pooled Funds until the review is complete.

It is Somerset Council's ambition that any strategic investments within the treasury assets in pooled funds invested in bonds/equities or property would be held exclusively against general and earmarked reserves of the Council or cash and the Council will not borrow or use existing debt to support such investments. Depending on the position inherited from the 5 predecessor Councils a period of adjustment may be needed to realise this ambition and consideration must be given to waiting for the correct pricing point to obtain best value for the Council.

The decision to stay invested / invest further / disinvest / rebalance the Pooled Funds portfolio 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. 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.

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. Secondly, it will consider the evaluation of the risk/reward characteristics including volatility, expected income return and potential for capital growth of individual funds.

It may be decided that a percentage of core balances and reserves is deemed the most appropriate limit for Pooled Funds, but in any case, this will not exceed the £144.3m in total currently held, or £20m in any one fund. (with the exception of the amalgamated CCLA Property Fund holding which is £31m).

### **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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# Appendix C

## Arlingclose Economic Outlook & Interest Rate Forecast

### Interest rate forecast:

- The MPC remains concerned about inflation but sees the path for Bank Rate to be below that priced into markets.
- Following the exceptional 75bp rise in November, Arlingclose believes the MPC will slow the rate of increase at the next few meetings. Arlingclose now expects Bank Rate to peak at 4.25%, with a further 50bp rise in December and smaller rises in 2023.
- The UK economy likely entered into recession in Q3, which will continue for some time. Once inflation has fallen from the peak, the MPC will cut Bank Rate.
- Arlingclose expects gilt yields to remain broadly steady despite the MPC's attempt to push down on interest rate expectations. Without a weakening in the inflation outlook, investors will price in higher inflation expectations given signs of a softer monetary policy stance.
- Gilt yields face pressures to both sides from hawkish US/EZ central bank policy on one hand, to the weak global economic outlook on the other. BoE bond sales will maintain yields at a higher level than would otherwise be the case.

	Current	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25
<b>Official Bank Rate</b>													
Upside risk	0.00	0.25	0.50	0.75	1.00	1.00	1.00	1.25	1.50	1.75	1.50	1.25	1.25
<b>Arlingclose Central Case</b>	<b>3.00</b>	<b>3.50</b>	<b>4.00</b>	<b>4.25</b>	<b>4.25</b>	<b>4.25</b>	<b>4.25</b>	<b>4.00</b>	<b>3.75</b>	<b>3.50</b>	<b>3.50</b>	<b>3.50</b>	<b>3.50</b>
Downside risk	0.00	0.25	0.50	0.75	0.75	0.75	0.75	0.75	1.00	1.00	1.00	1.00	1.00
<b>3-month money market rate</b>													
Upside risk	0.00	0.25	0.50	0.75	1.00	1.00	1.00	1.25	1.50	1.75	1.50	1.25	1.25
<b>Arlingclose Central Case</b>	<b>3.00</b>	<b>3.90</b>	<b>4.40</b>	<b>4.40</b>	<b>4.40</b>	<b>4.35</b>	<b>4.30</b>	<b>4.25</b>	<b>4.00</b>	<b>3.75</b>	<b>3.75</b>	<b>3.75</b>	<b>3.75</b>
Downside risk	0.00	0.25	0.50	0.75	0.75	0.75	0.75	0.75	1.00	1.00	1.00	1.00	1.00
<b>5yr gilt yield</b>													
Upside risk	0.00	0.60	0.70	0.80	0.90	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
<b>Arlingclose Central Case</b>	<b>3.36</b>	<b>3.65</b>	<b>3.90</b>	<b>3.90</b>	<b>3.90</b>	<b>3.90</b>	<b>3.80</b>	<b>3.70</b>	<b>3.60</b>	<b>3.50</b>	<b>3.40</b>	<b>3.30</b>	<b>3.20</b>
Downside risk	0.00	0.70	0.90	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
<b>10yr gilt yield</b>													
Upside risk	0.00	0.60	0.70	0.80	0.90	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
<b>Arlingclose Central Case</b>	<b>3.46</b>	<b>3.70</b>	<b>3.75</b>	<b>3.75</b>	<b>3.75</b>	<b>3.70</b>	<b>3.70</b>	<b>3.70</b>	<b>3.70</b>	<b>3.70</b>	<b>3.70</b>	<b>3.70</b>	<b>3.70</b>
Downside risk	0.00	0.70	0.90	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
<b>20yr gilt yield</b>													
Upside risk	0.00	0.60	0.70	0.80	0.90	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
<b>Arlingclose Central Case</b>	<b>3.88</b>	<b>4.00</b>	<b>4.00</b>	<b>4.00</b>	<b>4.00</b>	<b>4.00</b>	<b>3.90</b>	<b>3.90</b>	<b>3.90</b>	<b>3.90</b>	<b>3.90</b>	<b>3.90</b>	<b>3.90</b>
Downside risk	0.00	0.70	0.90	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
<b>50yr gilt yield</b>													
Upside risk	0.00	0.60	0.70	0.80	0.90	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
<b>Arlingclose Central Case</b>	<b>3.24</b>	<b>3.40</b>	<b>3.40</b>	<b>3.40</b>	<b>3.40</b>	<b>3.40</b>	<b>3.30</b>	<b>3.30</b>	<b>3.30</b>	<b>3.30</b>	<b>3.30</b>	<b>3.30</b>	<b>3.30</b>
Downside risk	0.00	0.70	0.90	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00

PWLB Standard Rate (Maturity Loans) = Gilt yield + 1.00%  
PWLB Certainty Rate (Maturity Loans) = Gilt yield + 0.80%  
UKIB Rate (Maturity Loans) = Gilt yield + 0.60%

### **Underlying assumptions:**

- UK interest rate expectations have eased following the Autumn Statement, with a growing expectation that UK fiscal policy will now be tightened to restore investor confidence, adding to the pressure on household finances. The peak for UK interest rates will therefore be lower, although the path for interest rates and gilt yields remains highly uncertain.
- Globally, economic growth is slowing as inflation and tighter monetary policy depress activity. Inflation, however, continues to run hot, raising expectations that policymakers, particularly in the US, will err on the side of caution, continue to increase rates and tighten economies into recession.
- The new Chancellor dismantled the mini-budget, calming bond markets and broadly removing the premium evident since the first Tory leadership election. Support for retail energy bills will be less generous, causing a lower but more prolonged peak in inflation. This will have ramifications for both growth and inflation expectations.
- The UK economy is already experiencing recessionary conditions, with business activity and household spending falling. Tighter monetary and fiscal policy, alongside high inflation will bear down on household disposable income. The short- to medium-term outlook for the UK economy is bleak, with the BoE projecting a protracted recession.
- Demand for labour remains strong, although there are some signs of easing. The decline in the active workforce has fed through into higher wage growth, which could prolong higher inflation. The development of the UK labour market will be a key influence on MPC decisions. It is difficult to see labour market strength remaining given the current economic outlook.
- Global bond yields have steadied somewhat as attention turns towards a possible turning point in US monetary policy. Stubborn US inflation and strong labour markets mean that the Federal Reserve remains hawkish, creating inflationary risks for other central banks breaking ranks.
- However, in a departure from Fed and ECB policy, in November the BoE attempted to explicitly talk down interest rate expectations, underlining the damage current market expectations will do to the UK economy, and the probable resulting inflation undershoot in the medium term. This did not stop the Governor affirming that there will be further rises in Bank Rate.

## **Decision Report - Executive Decision**

Forward Plan Reference: FP/22/12/02

Decision Date – 13/02/23

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### **Housing Benefit War Pensions Disregard Policy**

Executive Member(s): Cllr Liz Leyshon - Deputy Leader of the Council and Lead Member on Finance and Human Resources

Local Member(s) and Division: N/A

Lead Officer: Jason Vaughan, Director of Finance & Governance

Author: Richard Sealy, Assistant Director Customer, Somerset West & Taunton

Contact Details: 01823 217558, [r.sealy@somersetwestandtaunton.gov.uk](mailto:r.sealy@somersetwestandtaunton.gov.uk)

#### **1. Summary / Background**

- 1.1** The Housing Benefit scheme is a national scheme which is administered locally by the Council on behalf of Government.
- 1.2** The national scheme provides local authorities with the discretion to increase the amount of income that is disregarded in respect of any War Disablement or War Widows Pension by up to 100%. The Council must make a resolution where it wishes to exercise this discretion.
- 1.3** Currently each of the four districts within Somerset applies the maximum 100% disregard for War Disablement and War Widows Pensions.
- 1.4** This report recommends that the Council resolve to maintain the current 100% disregard for War Disablement and War Widows Pensions, as operated by the existing district councils, in relation to the Housing Benefits scheme for Somerset Council from 1 April 2023 onwards. This is consistent with the approach already agreed by Council in relation to the Council Tax Reduction scheme on 23 November 2022.
- 1.5** Appendix A details the proposed policy in relation to War Disablement and War Widows Pensions disregards for Housing Benefits together with detailed definitions in respect of each of the qualifying pensions.

#### **2. Recommendations**

- 2.1.** The Executive are requested to recommend approval of the Housing Benefits War Pensions Disregard Policy to Council on 22 February 2023.

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## **3. Reasons for recommendations**

- 3.1.** The proposal provides for continuity of approach to the disregarding of War Disablement or War Widows Pensions for Housing Benefit purposes between the existing four districts and the new Somerset Council. This is also consistent with the approach taken in respect of the Council Tax Reduction scheme agreed by Council on 23 November 2022.
- 3.2.** The disregarding of these benefits for Housing Benefit purposes helps to support the Council's commitments under the Armed Forces Covenant.

## **4. Other options considered**

- 4.1.** The alternatives would be to either reduce or remove the disregard for Housing Benefit purposes. Whilst doing so may produce a small saving, this, arguably, would not be consistent with our commitments under the Armed Forces Covenant. It would also be inconsistent with the approach agreed in respect of the Council Tax Reduction scheme.

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

- 5.1.** The corporate priorities for the new council are emerging but not yet agreed. It is reasonable to assume however, that the new Council will wish to protect people who are on low incomes and potentially vulnerable. This proposal supports these aims.
- 5.2.** In addition, the Council has signed-up to the Armed Forces Covenant and this proposal supports the objectives of the Covenant.

## **6. Consultations and co-production**

- 6.1.** This recommendation is simply to continue to maintain the 100% disregard that is currently in force across the existing four district councils and which maximises the support available to those in receipt of War Disablement or War Widows Pensions. Consequently, no consultation exercise has been undertaken.

## **7. Financial and Risk Implications**

- 7.1.** The decision to disregard War Disablement or War Widows Pensions for Housing Benefit purposes is a local discretionary decision provided for within the national Housing Benefit legislation. The costs of the disregard are borne locally by the Council.
- 7.2.** The cost of this disregard is not significant and year-on-year the numbers of claimants qualifying for this disregard is reducing. Consequently, we do not

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anticipate anything more than an inflationary increase in cost for the 2023/24 financial year. Set out below are the costs for the last full financial year (2021/22) for the existing four districts.

Mendip	£19,196
Sedgemoor	£13,250
South Somerset	£21,566
SW&T	£46,777
<b>TOTAL</b>	<b>£100,789</b>

7.3. The key risks and proposed mitigating actions are detailed below.

Risk	Mitigation
<p><b>Cause:</b> Reducing or removing the 100% disregard for War Disablement or War Widows Pensions.</p> <p><b>Impact:</b> Potentially significant detrimental financial impact on potentially vulnerable claimants &amp; possible legal action in relation to our commitments under the Armed Forces Covenant.</p>	Continue to provide a full 100% disregard for War Disablement or War Widows Pensions.
<p><b>Cause:</b> Significant increase in the number of claimants qualifying for a disregard.</p> <p><b>Impact:</b> Significant detrimental impact on our budget / increased costs.</p>	In practice the number of claimants qualifying for this disregard is low and is steadily reducing. This is reflective of the increasingly small proportion of the population in receipt of War Disablement or War Widows Pensions.

## 8. Legal and HR Implications

8.1. This recommendation is made in accordance with Sections 134(8) of the Social Security Administration Act 1992.

8.2. In addition, on 22 November 2022 Government placed a new legal duty on local authorities to consider the Armed Forces Covenant as part of their decision making processes. Housing is one of the three key areas covered by the new requirements so clearly decisions that relate to Housing Benefit entitlement are likely to be included within this requirement.

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**8.3.** There are no HR implications resulting from this report.

## **9. Other Implications**

### **9.1. Equalities Implications**

Consideration has been given to our obligations under the Public Sector Equality Duty in proposing the extension of the existing approach currently taken in the existing four districts. An Equalities Impact Assessment has been undertaken and is attached at Appendix B.

This assessment has identified that the policy may impact on the following groups:

- Age
- Disability
- Race and ethnicity
- Veterans

Processes are already in place to provide for additional support, where required, to ensure that people within these groups can understand the benefits and disregards available and are able to claim them.

We have considered the other protected groups when developing the policy but did not identify any specific additional criteria in respect of those groups. The characteristics of the other protected groups are not relevant in regard to determining the applicability of this policy in relation to them.

### **9.2. Community Safety Implications**

There are no direct implications for community safety resulting from this proposal. However, disregarding War Disablement or War Widows Pensions will potentially allow us to pay a greater amount of Housing Benefit to qualifying claimants, which should have a beneficial impact on health and wellbeing.

### **9.3. Sustainability Implications**

There are no sustainability implications resulting from the recommendation in this report.

### **9.4. Health and Safety Implications**

There are no health and safety implications resulting from the recommendation in this report.

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## **9.5. Health and Wellbeing Implications**

Disregarding War Disablement or War Widows Pensions will potentially allow us to pay a greater amount of Housing Benefit to qualifying claimants, which should have a beneficial impact on their health and wellbeing.

## **9.6. Social Value**

There are no social value implications resulting from the recommendation in this report.

## **10. Scrutiny comments / recommendations:**

**10.1** The Scrutiny for Policies and Place Committee considered the report and the proposed scheme at their meeting on 10 January 2023 and are happy to support the proposed approach.

## **11. Background**

**11.1.** The background to this recommendation is covered in Section 1 above.

## **12. Background Papers**

**13.** There are no background papers relating to this report.

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## Report Sign-Off

		Date completed
Legal Implications	Honor Clarke	15/12/22
Governance	Scott Wooldridge	21/12/22
Corporate Finance	Jason Vaughan	13/12/22
Customers, Digital and Workforce	Chris Squire	16/12/22
Property	Paula Hewitt / Oliver Woodhams	08/12/22
Procurement	Claire Griffiths	08/12/22
Senior Manager	Jason Vaughan	13/12/22
Commissioning Development	Sunita Mills / Ryszard Rusinek	08/12/22
Executive Member	Cllr Liz Leyshon - Deputy Leader of the Council and Lead Member on Finance and Human Resources	13/12/22
<b><u>Sign-off Key Decision / Consulted on Non-Key Decision</u></b>		
Local Member		N/A
Opposition Spokesperson	Opposition Spokesperson - Finance and Human Resources - Cllr Mandy Chilcott	10/12/22
Scrutiny Chair	Scrutiny for Policies and Place Committee - Cllr Gwil Wren	10/01/23



## Housing Benefit War Pensions Disregard Policy

### Introduction

This policy sets out the circumstances in which War Pensions will be fully disregarded when working out a claimant's income in their Housing Benefit assessment.

### Background

The Housing Benefit scheme is a national scheme that is administered locally by the Council on behalf of Government. The majority of the scheme is mandatory but the Council has discretion to implement a local scheme which will allow certain incomes to be disregarded.

Under Section 134(8) of the Social Security Administration Act 1992 Local Authorities have the discretion to increase the amount of income that is disregarded in respect of any War Disablement or War Widows pension, up to 100%. (NB. The statutory scheme just disregards the first £10 per week from the payment).

### Purpose and principles of the policy

The purpose of this policy is to:

1. Ensure all Housing Benefit assessments are dealt with in a fair, consistent and equal manner;
2. Make clear the types of pensions to be disregarded under the Housing Benefit War Pensions Disregard Policy; and
3. Ensure consistency with the Local Council Tax Reduction scheme for 2023/24, which has equivalent provisions as approved by full Council on 23 November 2022.

### The policy resolution

In line with Section 134(8) of the Social Security Administration Act 1992, the Council has resolved to disregard 100% of the following prescribed incomes for both working age and pension age claimants, effective from 1 April 2023:

- (a) **War Disablement Pensions** - The war disablement pensions prescribed are:
- any retired pay or pension or allowance payable in respect of disablement under an instrument specified in section 639(2) of the Income Tax (Earnings and Pensions) Act 2003;
  - any retired pay or pension payable to a member of the armed forces of the Crown in respect of a disablement which is attributable to service, under:

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- (i) an Order in Council made under section 3 of the Naval and Marine Pay and Pensions Act 1865
- (ii) the Army Pensions Warrant 1977
- (iii) the Army Pensions (Armed Forces Pension Scheme 1975 and Attributable Benefits Scheme) Warrant 2010
- (iv) any order or regulations made under section 2 of the Air Force (Constitution) Act 1917
- (v) any order or regulations made under section 4 of the Reserve Forces Act 1996
- (vi) any instrument amending or replacing any of the instruments referred to above or any power of Her Majesty otherwise than under an enactment to make provision about pensions for or in respect of persons who have been disabled or have died in consequence of service as members of the armed forces of the Crown; and
- (vii) a payment made under article 14(1) (b) of the Armed Forces and Reserve Forces (Compensation Scheme) Order 2005.

(b) **War widow's pensions** - The war widow's pensions prescribed are:

- any pension or allowance payable to a widow, widower or surviving civil partner under an instrument specified in section 639(2) of the Income Tax (Earnings and Pensions) Act 2003 in respect of the death or disablement of any person;
- a pension payable, to a widow, widower or surviving civil partner of a member of the armed forces of the Crown in respect of death which is attributable to service, under:
  - (i) an Order in Council made under section 3 of the Naval and Marine Pay and Pensions Act 1865
  - (ii) the Army Pensions Warrant 1977
  - (iii) the Army Pensions (Armed Forces Pension Scheme 1975 and Attributable Benefits Scheme) Warrant 2010
  - (iv) any order or regulations made under section 2 of the Air Force (Constitution) Act 1917
  - (v) any order or regulations made under section 4 of the Reserve Forces Act 1996
  - (vi) any instrument amending or replacing any of the above or any power of Her Majesty otherwise than under an enactment to make provision about pensions for or in respect of persons who have been disabled or have died in consequence of service as members of the armed forces of the Crown; and
  - (vii) a payment made under article 21(1)(a) of the Armed Forces and Reserve Forces (Compensation Scheme) Order 2005.

(c) A payment made to compensate for the non-payment of such a pension or payment as is mentioned in any of the preceding sub-paragraphs.

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## APPENDIX B

### Somerset Equality Impact Assessment

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

<b>Version</b>	<b>1.0</b>	<b>Date</b>	<b>5 Dec 2022</b>
<b>Description of what is being impact assessed</b>			
<b>The proposed Housing Benefit War Pensions Disregard Policy</b>			
<b>Evidence</b>			
<b>What data/information have you used to assess how this policy/service might impact on protected groups?</b> Sources such as the <a href="#">Office of National Statistics</a> , <a href="#">Somerset Intelligence Partnership</a> , <a href="#">Somerset's Joint Strategic Needs Analysis (JSNA)</a> , Staff and/ or <a href="#">area profiles</a> ,, should be detailed here			
We have considered data from the existing caseload within the current four district schemes.			
<b>Who have you consulted with to assess possible impact on protected groups?</b> If you have not consulted other people, please explain why?			

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This recommendation is simply to continue to maintain the 100% disregard that is currently in force across the existing four district councils and which maximises the support available to those in receipt of War Disablement or War Widows Pensions. Consequently, no consultation exercise has been undertaken.

## Analysis of impact on protected groups

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

Protected group	Summary of impact	Negative outcome	Neutral outcome	Positive outcome
<b>Age</b>	Age is not a factor in determining whether the disregard should apply. However, it is likely that a high number of those qualifying for the disregard will be of pension age. Consequently, actions need to be taken to ensure that they are aware of the disregard and understand how to inform us that they may qualify.	☐	☐	☒
<b>Disability</b>	This policy is targeted at those who qualify for War Disablement Pension, which may be due to both a mental or physical disability. This group may find it more difficult to understand and notify us of the applicability of the disregard.	☐	☐	☒
<b>Gender reassignment</b>	This is not a factor when considering the applicability of the disregard.	☐	☒	☐

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<b>Marriage and civil partnership</b>	This is not a factor when considering the applicability of the disregard.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>Pregnancy and maternity</b>	This is not a factor when considering the applicability of the disregard.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>Race and ethnicity</b>	War Disablement or War Widows Pensions are potentially in payment to a range of people from different ethnic backgrounds and potentially different nationalities. Some may require additional support to ensure that they understand the disregard available to them and generally in claiming Housing Benefit. Processes to ensure we pay due regard to circumstances where language may be a barrier are built into our Housing Benefit application procedures already and will cover this aspect as well. Appropriate steps are taken to support people where language is an issue in understanding and applying for Housing Benefit.	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>Religion or belief</b>	This is not a factor when considering the applicability of the disregard.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>Sex</b>	This is not a factor when considering the applicability of the disregard.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

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<b>Sexual orientation</b>	This is not a factor when considering the applicability of the disregard.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>Other, e.g. carers, veterans, homeless, low income, rurality/isolation, etc.</b>	This disregard is directly aimed at claimants in receipt of War Disablement or War Widows Pensions and around ensuring they can maximise the support provided through Housing Benefits.	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

### Negative outcomes action plan

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

Action taken/to be taken	Date	Person responsible	How will it be monitored?	Action complete
	Select date			<input type="checkbox"/>
	Select date			<input type="checkbox"/>
	Select date			<input type="checkbox"/>
	Select date			<input type="checkbox"/>
	Select date			<input type="checkbox"/>
	Select date			<input type="checkbox"/>
	Select date			<input type="checkbox"/>
	Select date			<input type="checkbox"/>

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

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<b>Completed by:</b>	<b>Mark Antonelli</b>
<b>Date</b>	<b>5 Dec 2022</b>
<b>Signed off by:</b>	<b>Richard Sealy</b>
<b>Date</b>	<b>8 Dec 2022</b>
<b>Equality Lead/Manager sign off date:</b>	<b>Tom Rutland 9 Dec 2022</b>
<b>To be reviewed by: (officer name)</b>	<b>Mark Antonelli</b>
<b>Review date:</b>	<b>Nov 2023</b>

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## Decision Report - Key Decision

Forward Plan Reference: FP/22/11/08

Decision Date - 13/02/23

## Housing Revenue Account Rent Set Report 2023/24 and Updated 30 Year Business Plan

Executive Member(s): Cllr Federica Smith-Roberts - Lead Member for Communities

Local Member(s) and Division: All

Lead Officer: Jason Vaughan, Director of Finance & Governance

Authors: Alison Turner, Strategic Director & Section 151 Officer SDC, Paul Fitzgerald, Assistant Director & Section 151 Officer SWT

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[P.Fitzgerald@somersetwestandtaunton.gov.uk](mailto:P.Fitzgerald@somersetwestandtaunton.gov.uk) 01823 217557

### 1. Summary / Background

- 1.1.** This report presents The Somerset Unitary Housing Revenue Account (HRA) Rent Set for 2023/24 and the updated 30-year business plan for the New Unitary Council.

### 2. Recommendations to Council

That the Executive endorse and recommend the recommendations below for approval by the Council, which include changes for rents and service charges to be used to prepare the necessary notices to tenants ready for dispatch following the Council meeting on 22 February 2023 to ensure the 28 days, notice period is met.

That Members approve the following.

- 2.1.** The updated assumptions and figures in the HRA 30-Year Business Plan as summarised in Section 12 and detailed in Appendix A1 (Operating Account) and B1(Capital Programme).
- 2.2.** The single HRA Revenue budget for 2023/24 as detailed in Table 3, section 13, Appendix C.
- 2.3.** An increase of 7% to Dwelling Rents for 2023/24 in line with the Governments rent cap. To continue to increase rent for relets by Sept CPI plus 1% (11.1%).
- 2.4.** An increase of 7% for Sheltered/Extra Care housing Rents in line with the dwelling rents increase.

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- 2.5. An increase of 7% for Shared Ownership properties.
- 2.6. An increase of 7% on affordable rental tenures, with the rent being reviewed at relet based on 80% of market value capped at LHA rate.
- 2.7. An increase based on Sept CPI 10.1% on temporary accommodation charges
- 2.8. The continuation of rent flex at relet for properties in SWT as included in the Rent charging policy, with the rent flex policy being considered in the future for properties within Sedgemoor.
- 2.9. An increase in service charges for tenants in the Sedgemoor area based on actual costs in line with the service charging policy. The service charges are contained in Appendix D
- 2.10. An increase in service charges for tenants in SWT properties of 7% (with the exception of Piper Lifeline at 3%, communal areas at 37%, the introduction of a new management fee at 10%, a new charge for utility for internal areas charge and a new charge for door entry system) 7% is based on the governments rent cap with a commitment to review the option of 'depooling' service charges for 2024/25 to align service charge policies. The detailed service charges are contained in Appendix E alongside a supporting report.
- 2.11. An increase of 7% for garage rents in the Sedgemoor Area and an increase of 7% for garages rented by council tenants in SWT and 10.1% for private/owner occupier rented garages in this area.
- 2.12. An increase of 7% to other Fees & Charges for 2023/24 in the Sedgemoor area (Appendix D) and CPI in SWT area (Appendix E)
- 2.13. The HRA Major Works Capital Programme for 2023/24 totalling £20,910,180 and notes the previously approved Housing Development programme budget totalling £26,423,920 (Appendix F)
- 2.14. The growth bids requested in section 20 totalling £607,170 for two one-year bids and £688,170 per year for two years (totalling £1,376,340 over the two years)
- 2.15. That members note the challenges and next steps for the HRA and landlord services.

### 3. Reasons for recommendations

- 3.1. The Council is required to set a budget for the Housing Revenue Account each year as part of the Council's annual budget process, and to formally determine the annual

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rent to be charged to tenants in line with regulations and the locally approved rent policy.

## 4. Other options considered

- 4.1. The Council must set a budget and present a single HRA for the New Somerset Council. The annual rent level also must be approved in order for rent notices to be sent to tenants in advance of April 2023. To meet the requirement of 28 days' notice of a change to a tenants rent it is essential that the rent is set at Council 22<sup>nd</sup> February 2023. The report contains the proposed estimates for income and expenditure for the single Housing Revenue Account for Somerset Council.
- 4.2. Options for Rent increases on dwellings are limited to a maximum 7% by the cap set by central Government. The government did not apply the cap to sheltered/extra care or shared ownership properties, but the local decision has been to apply the cap. A lower rent level would present significant financial sustainability pressures for the HRA and landlord services which are subject to regulation and considerable cost increases. Costs must be funded by tenants with the HRA being a ring-fenced account that cannot be subsidised by the General Fund.

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

- 5.1. The Council is required to produce a 30-Year Business Plan under the self-financing arrangements for the Housing Revenue Account (HRA). This was considered and approved by the Executive in December 2022 for the first time for Somerset Council following local government restructuring in Somerset, taking into account the preparations undertaken by the two predecessor Councils that currently operate a HRA (Sedgemoor and Somerset West and Taunton district councils). The HRA is a component of the council's total revenue and capital budgets and is also reflected in the Capital and Treasury Management strategies.

## 6. Consultations and co-production

- 6.1. An Informal briefing was held with the Tenants Strategic Group at SWT on the budget proposals on the 16th of January. Discussions related to their support for the establishment of a hardship fund in light of cost-of-living pressures in particular.

## 7. Financial and Risk Implications

- 7.1 The risks are detailed in Section 22 of the report. The Corporate Risk Register includes a Strategic Risks ORG0057 – Sustainable MTFP with a current risk score of 5x5=25. This risk will be reviewed in February in the light of the updated MTFP and final budget.

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## 8. Legal and HR Implications

- 8.1. The legal implications will be assessed as part of the overall budget process that will conclude in February 2023.

## 9. Other Implications

### Equalities Implications

- 9.1 This report presents the updated HRA 30-year business plan the New Somerset Council. It also presents the Rent Set information for 2023/24 an equalities impact assessment an equality impact assessment has been completed see (Appendix G).

### Community Safety Implications

- 9.2 There are no community safety implications arising from this report.

### Sustainability Implications

- 9.3 There are no sustainability implications arising from this report.

### Health and Safety Implications

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

### Health and Wellbeing Implications

- 9.5 There are currently no implications.

### Social Value

- 9.6 There are currently no implications.

## 10. Scrutiny comments / recommendations:

- 10.1. The 2023/24 budget proposals will be considered by the Councils Joint Scrutiny Committee in February 2023.

## 11. Background

- 11.1. Somerset Council will operate a single Housing Revenue Account (HRA) from 1 April 2023, as both Somerset West & Taunton (SWT) and Sedgemoor (SDC) own housing stock and currently operate separate Housing Revenue Accounts as local authority social housing landlords. All income and expenditure regarding Council housing

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landlord functions is accounted for in the HRA which is a ringfenced account separate from the General Fund.

- 11.2.** In 2012 the Government abolished the subsidy system and self-financing was introduced for the Housing Revenue Account. The new system allowed all income from rents to be retained to fund expenditure on landlord functions such as decent homes and management of the stock. The requirement for self-financing was for each council to buy itself out of the system by taking on capital debt, in total this led to a combined debt transfer of approximately £133m and 30-year HRA business planning was introduced. The new system has financial benefits and more flexibility, particularly when the borrowing cap was removed in October 2018 which assisted with the ability to fund new build development. There are specific regulations which govern eligible income and expenditure, and this prevents any cross subsidy between the accounts. The Government have not given full control on issues such as rent rises and standards of delivery, for example decent homes but self-financing definitely gave financial benefits and greater flexibility.
- 11.3.** The combined number of properties as of 1st April 2022 was 9,668 which makes the Unitary a significant social housing landlord within Somerset and gives opportunities for the New Unitary in terms of joint working with Adult Social Care to deliver joint resolutions to issues which improves the service to customers in an efficient way. Sedgemoor owns just under 4,000 properties which are managed by Homes in Sedgemoor (HIS), an Arm's Length Management Organisation (ALMO), under a management agreement. A management fee is paid to cover the day-to-day management and repairs plus a capital fee to keep the homes at the Government's Decent Homes standard. Somerset West & Taunton owns and manages in house approximately 5,700 properties and the landlord function is within the Housing & Communities directorate.
- 11.4.** The draft 30-year business plans were presented to the Executive in December 2022 along with a single business plan for the New Council. This has been reviewed as part of the Rent Set preparations and the summary together with the operating Account Appendix A1 and Capital budget Appendix B1 are included within this report to support members with the recommendation to approve the business plan.
- 11.5.** The HRA revenue and capital budgets for 2023/24 have been prepared for the Somerset Unitary, the legal requirement is for a single Housing Revenue Account to be delivered for 1<sup>st</sup> April 2023. The rent increase is in line with the Government's cap of 7% which does have an impact on the financial viability of the business plan as inflation is significantly higher than 7%. The figures presented for 2023/24 show an in-year deficit of £1,650,000 with closing balances as at 31<sup>st</sup> March 2024 estimated at £11,329,000 which is significantly higher than minimum balances. It is important for members to consider the balance in the context of a 30-year business plan, currently the balances go below the minimum at year 8. Any funding decisions need to be

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made in consideration of the 30-year business plan, not looking at individual years in isolation.

### 12. Business Plan updates – Single Business Plan

**12.1.** In December the combined HRA 30-year business plan was presented with commentary explaining differences in delivery and operating models. Two business plans were produced because of the different operating models, and they were amalgamated to present a single business plan for the New Council. It is important to note that the authorities had different opening balances and there is a requirement to reduce the use of balances so that the HRA costs are contained within total income each year, and ensure ongoing financial resilience is maintained.

**12.2.** The business plan had two financial scenarios presented to show the material impact of the rent caps, the main source of revenue, being limited by a rent cap. The table below summarise the forecast general balances based on rents inflating by the Government’s rent cap at 7% (as per the Autumn Statement 17th November 2022). This provides a clear picture of the significant financial impact from the governments rent cap because balances are not sustainable from year 8.

**Table 1: December 2022 HRA business plan – HRA balances**

Year	Scenario A1 7% rent cap applied Balances £' 000
1 2022/23	13,340
2 2023/24	11,515
3 2024/25	12,414
4 2025/26	11,818
5 2026/27	10,519
6 2027/28	8,404
7 2028/29	5,620
8 2029/30	Below minimum balances: 2,070
9 2030/31	(1,098)
10 2031/32	(5,603)
30 2051/52	(240,302)

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- 12.3.** The HRA's income generating opportunities are restricted and heavily regulated by the Regulator of Social Housing's Rent Policy stipulating caps on increasing tenants' rents and reactive rent caps imposed as seen this November.
- 12.4.** The HRA faces further regulatory pressures, for example in terms of the substantial investment required in existing stock to deliver (a) quality as per the Decent Homes Standard, (b) building safety compliance (as per the requirements of the Building Safety Act 2022 and the new regulatory regime being introduced by the Building Safety Regulator), (c) decarbonisation commitments by 2050, though there is a local ambition for this to be achieved by 2030, as well as (d) continuing to invest in much needed new housing supply.
- 12.5.** In addition, the HRA is operating within a volatile and dynamic economic and political environment.
- 12.6.** The preparation of the HRA rent set budgets have been set following the main assumptions applied in the HRA business plan, for example no changes to rent increases or inflation rates. A summary of the changes between the HRA position for 2023/24 as per the HRA business plan and the HRA 2023/24 Rent Set budgets is shown in the table below. For 2023/24 the difference is £236k more than the HRA business plan which is not a material variance given the value of HRA balances and is mainly due to minor changes on interest on balances and opening balances.

**Table 2 Comparison of HRA business plan against HRA rent set budgets for 2023/24**

	HRA Bus. Plan	Rent Set	Over/ (Under)	Variance
	(£000)	(£000)	(£000)	%
Total Income	51,103	51,114	(11)	
Total Expenditure	29,731	29,578	153	
<b>Net Cost of HRA Services</b>	<b>(21,372)</b>	<b>(21,536)</b>	<b>164</b>	
Central Costs and Movement in Reserves	23,197	23,186	11	
<b>(Surplus) / Deficit</b>	<b>1,825</b>	<b>1,650</b>	<b>175</b>	
HRA balance brought forward	(13,340)	(13,401)	61	
<b>HRA balance carried forward</b>	<b>(11,515)</b>	<b>(11,751)</b>	<b>236</b>	-2%

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12.7. The HRA Business plan figures are detailed in Appendix A1 (operating account) and Appendix B1 (capital budgets.)

## 13. Revenue Budget for 2023/24 - Summary Figures – Single HRA

13.1. The recommendation for the revenue budget is as follows:

- the single HRA Revenue budget for 2023/24 as detailed in Table 3, section 13 and Appendix C.

13.2. The draft HRA Revenue Budget for 2023/24 is summarised in Table 3 below.

13.3. The table presents the Revenue Budget for 2023/24 being proposed for each predecessor Council area based on their current operating model to create a combined budget for the single HRA.

**Table 3 HRA Revenue Budget for 2023/24:**

	SDC (£000)	SWT (£000)	Combined (£000)
<b>Income</b>			
Dwelling Rents	18,038	27,146	<b>45,184</b>
Non Dwelling Rents	556	739	<b>1,295</b>
Charges for Services/Facilities	1,513	1,853	<b>3,366</b>
Other income/contributions	1,084	185	<b>1,269</b>
<b>Total Income</b>	<b>21,191</b>	<b>29,923</b>	<b>51,114</b>
<b>Expenditure</b>			
Repairs and Maintenance	4,380	8,740	<b>13,120</b>
Supervision and Management	5,187	4,054	<b>9,241</b>
Special Services	1,311	1,631	<b>2,942</b>
Rents, Rates, Taxes and Other Charges	681	160	<b>841</b>
Central Recharges (to / from General Fund)	206	3,228	<b>3,434</b>
<b>Total Expenditure</b>	<b>11,765</b>	<b>17,813</b>	<b>29,578</b>
<b>Net Cost of HRA Services</b>	<b>(9,426)</b>	<b>(12,110)</b>	<b>(21,536)</b>
<b>Central Costs and Movement in Reserves</b>			
Interest Payable	2,536	3,256	<b>5,792</b>
Interest Receivable	(254)	0	<b>(254)</b>
Change in Provision for Bad Debts	0	147	<b>147</b>
Depreciation	7,251	9,087	<b>16,338</b>
Capital Financing	1,163	0	<b>1,163</b>
<b>Total Central Costs and Movement in Reserves</b>	<b>10,696</b>	<b>12,490</b>	<b>23,186</b>
<b>(Surplus) / Deficit</b>	<b>1,270</b>	<b>380</b>	<b>1,650</b>
HRA balance brought forward	(10,267)	(3,134)	<b>(13,401)</b>
<b>HRA balance carried forward</b>	<b>(8,997)</b>	<b>(2,754)</b>	<b>(11,751)</b>



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**13.4.** The detailed HRA revenue account budgets are attached at appendix C.

**13.5.** The following two sections below provide an explanation of the main proposed changes to the annual revenue budget estimates from 2022/23 to 2023/24.

### SWT Summary of Changes

**13.6.** The draft HRA Revenue Budget for 2023/24 that will be used to fund the current operating model for housing landlord services in the Somerset West and Taunton (SWT) area during 2023/24 is presented in Table 3 above.

**13.7.** The main changes to the HRA Revenue Budget from 2022/23 to 2023/24, for SWT, is summarised in Table 2 below.

**13.8.** The main areas of budget growth relate to inflationary pressures with increasing costs on salaries, electricity, gas, fuel, insurance, materials, contracts and the cost of borrowing to fund the capital programme to build new housing supply. The impact on the HRA Budget has been compounded by regulatory restrictions capping rents and service charge increases to 7% reducing the amount of additional income the HRA can generate to meet these pressures.

**Table 4:** HRA Budget Setting 2022/23 to 2023/24 Changes

	£000	£000
<b>Original Budget 2022/23 (balanced)</b>		<b>0</b>
<b>Reversal of One-Off Budgets in 2022/23</b>		<b>865</b>
<b>Growth in 2023/24:</b>		
Depreciation	1,420	
Net Staffing Costs (including inflation)	1,266	
Net Interest Payable	456	
Cost of Materials Inflation	363	
Shared Staff & Cost Inflation	287	
Vehicle Fleet	178	
Electricity Inflation	96	
Gas Inflation	90	
Hardship Fund	50	
Contractual Inflation	34	
Shop Income	32	
Insurance Premiums Inflation	27	
Grounds Maintenance	23	
Fuel Inflation	21	

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	£000	£000
Meeting Hall Income	7	
Other	45	
<b>Total Growth</b>		<b>4,395</b>
<b>Savings / Increase in Income:</b>		
Dwelling Rents	1,565	
Service Charges	293	
Central Recharges	380	
Pension Deficit	375	
Compliance Activity	136	
One-off Funding	95	
SAP and EPCs	91	
Social Development Enabling Fund	60	
Quarterly Newsletters	12	
Tenants Action Group	10	
Other	42	
<b>Total Savings / Increase in Income</b>		<b>3,059</b>
<b>Budget Gap</b>		<b>2,201</b>
One-Off Adjustment to remove Debt Repayment in 2023/24		(1,821)
One-Off Funding from General Reserves		(380)
<b>Proposed Original Net Budget for 2023/24</b>		<b>0</b>

**13.9.**The main changes in growth include:

**13.10. Depreciation:** Depreciation is transferred to the Major Repairs Reserve (MRR) and must be used to fund the capital programme and/or repay capital debt. Depreciation is calculated at the end of the financial year and is based on each of the major components of each property e.g., kitchen, bathroom, roof, etc.

**13.11.**The significant growth of £1.420m for depreciation is the net impact of an increase in the Housing Price Index inflating the value of assets, the inflated increase in the cost of materials, the reduced useful life as recommended by the External Auditors, offset in part by a reduction in non-dwelling depreciation based on updated projections.

**13.12. Net Staffing Costs:** The majority of this growth relates to inflationary pressures including the 2022/23 pay award, an estimated 5% pay award for 2023/24, increase

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in employers pension contribution (from 17.5% to 20.1%) and reduced NI Rate – amounting to £731k.

**13.13.** Another significant element of growth in this area relates to the outcome of a job evaluation process that has increased the salaries of trade staff so that job grades are more consistent with the local and sector marketplace to ensure we can recruit and retain suitable staff to fulfil our repairs and maintenance obligations. This, in addition to other changes such as requested permanent reduction in working hours, has imposed a financial pressure on the service of £365k.

**13.14.** The budget estimates for 2023/24 contains some extra resource in areas of the business that are under significant pressure, for example in the Leasehold Team to provide sufficient capacity to deal with demand and compliance with relevant legislation, in the Tenancy Management team to meet the growing demand from tenants since Covid and the cost of living crisis to help address increasingly complex and challenging case work in terms of multiple vulnerabilities, and the Property Team to provide sufficient capacity meet increasing regulatory and legislative requirements e.g. Decent Homes, H&S compliance, and our retrofit strategic aims. The financial impact of this extra resource has been offset in part by a number of vacant posts being repurposed to place resource in areas of the business where it is needed most.

**13.15. Net Interest Payable:** The majority of our capital financing requirement is funded from existing long term external borrowing which continues into 2023/24 and is based on fixed interest rate loans. Therefore, we are able to predict the interest payments for these elements with a high degree of certainty and will cost £2.553m. An assumption has been made that the HRA will refinance £15m at 4.5% at the end of 2022/23 adding a further cost of £675k. The remainder of this budget is subject to the year-end capital financing requirement position and the rate of internal borrowing; this is estimating an internal borrowing cost of c£27k.

**13.16. Cost of Materials Inflation:** This reflects the rising cost of materials impacting the repairs and maintenance, and voids services.

**13.17. Shared Staff and Cost Inflation:** This relates to the shared staffing costs inflationary pressure for the 2022/23 pay award, an estimated 5% pay award for 2023/24, increase in employers pension contribution (from 17.5% to 20.1%) and reduced NI Rate. This also includes an inflationary increase in costs for shared (non-staff) costs with the GF.

**13.18. Fleet:** The 2022/23 revenue budget assumed that the lease element of the fleet contract would be capitalised under IFRS16 Leases. However, the adoption of IFRS16 has been delayed until 2024/25. Therefore, the main growth is for a one-off revenue budget in 2023/24 to cover the lease costs as revenue. These estimates also include updated projections for the cost of vehicles during the year.

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**13.19. Electricity Inflation:** This growth is a combination of adjusting for inflation in both 2022/23 and estimated inflation for 2023/24 at 57%.

**13.20. Gas Inflation:** This growth is a combination of adjusting for inflation in both 2022/23 and estimated inflation for 2023/24 at 283%.

**13.21. Hardship Fund:** A new hardship fund is being proposed to recognise the real challenges tenants will face to be able to afford to live over the coming year. It is a relatively small budget, and the criteria will therefore need to be set at a reasonable high threshold to ensure we reach those most in need, it is envisaged that this fund will be deployed by the SWT Housing Rent Recovery team. It should help minimise the necessity for tenant evictions through non-payment of rent and support those struggling to afford living costs. It is proposed that this is funded by a contribution from HRA General Reserves.

**13.22. Contractual Inflation:** Across the HRA various supplier contracts have inflated in price as a reaction to the economic climate and rising costs, for example waste disposal, contract cleaning, Deane helpline and water.

**13.23. Shop Income:** The income from shop rentals is estimated to decrease due to difficulties in reletting void units.

**13.24. Insurance Premiums:** This growth is a combination of adjusting for inflation in both 2022/23 and estimated inflation for 2023/24 at 10%.

**13.25. Grounds Maintenance:** The contracted price for the Service Level Agreement for the provision of grounds maintenance across the HRA housing stock open spaces has been reviewed and the price for 2023/24 updated, with an increase of £23k.

**13.26. Fuel Inflation:** This growth is a combination of adjusting for inflation in both 2022/23 and estimated inflation for 2023/24, as well as adjusting for levels of usage.

**13.27. Meeting Hall Income:** During COVID the meeting halls were restricted from use. Since the COVID restrictions have lifted the meeting halls have been under-utilised. The expected income from this groups of assets has been reduced by £7k (down to £3k).

**13.28.** The main changes in savings / increase in income include:

**13.29. Dwelling Rent Income:** As per section 14, we are proposing to increase rents by 7% (as capped by the government) which provides £1.785m of additional income. We have also adjusted for anticipated stock changes (e.g., RTB Sales of 35 units per year) and updated our void projections which reduces our income by £242k. We also have

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an estimated £22k of new income from the Housing First model which offers additional support to tenants housed (via the homelessness function) through this route. The cost of this additional support is recovered from higher service charges applied that are fully funded for the tenant through benefits.

**13.30.**For information, the SWT HRA has lost the opportunity of generating c£1m 4.1% (the difference between the cap at 7% and CPI+1% formula rent) of dwelling rent income in 2023/24 due to the rent cap imposed by the government.

**13.31.Service Charges:** As per section 14 we are proposing to increase service charges by 7% (as capped by the government), with exception to Piper Charges inflating at 3%, communal at 37% and sewerage charges, which gives us an extra £119k of income. We have also adjusted for anticipated stock changes (e.g., RTB Sales of 35 units per year) and updated our void projections which increases our income by £12k. We also have an estimated £162k of new income from the introduction of an administration fee, communal utility charge and door entry charge.

**13.32.**For information, the SWT HRA has lost the opportunity of generating c£56k (4.1%) of service charge income in 2023/24 due to the cap imposed by the government.

**13.33. Central Recharges:** The HRA is required to periodically review its share of corporate costs (with the General Fund). The last review undertaken during 2022/23 identified a saving of £380k shared costs. This ensures that the HRA is compliant with the Accounting Code of Practice and that there is no cross subsidy between funds.

**13.34.Pension Deficit:** The latest actuarial valuation of the pension fund deficit reports a reduced pension deficit payment for 2023/24. This saving has been shared by the GF and the HRA proportionately.

**13.35.Compliance Activity:** The HRA undertakes a number of compliance activities across its services including gas safety checks (LGSR's), water risk assessments and remedial works, electrical inspections (EICR's), asbestos surveys and re-inspections, fire risk assessment and remedial works, fire safety checks, and lift and stair-lift checks and remedial work. The estimated spend on delivering this activity is reviewed on a regular basis and feeds into the annual budget setting process. The updated estimates for compliance activity in 2023/24 is estimating a saving of £136k against the current years' budget.

**13.36.One-Off Funding:** The HRA has been able to secure one-off Hinkley Housing mitigation funding of £95k to support existing expenditure such as community and voluntary sector grant payments to third parties to provide enhanced support to tenants and transfer removal grants to help downsize tenants to free up bed spaces. These activities will again come under pressure in 24/25.

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- 13.37.SAP and EPCs:** The Standard Assessment Procedure (SAP) is the UK government's recommended method system for measuring the energy rating of residential dwellings. The EPC is Energy Performance Certificate are a rating scheme to summarise the energy efficiency of buildings. The EPCs are being carried out as part of the capital programme and therefore will be capitalised as they are part of creating the asset or bringing it in use. Once the asset is formed then traditionally the EPC would be treated as revenue. There is a saving of £91k against the current years' budget.
- 13.38.Social Development Enabling Fund:** This budget is to enable the exploration of future social development and regeneration schemes. The HRA is currently fully committed in this respect the next 8 years development activity pipeline and therefore this fund is not needed in 2023/24, as all costs are now contained in specific scheme project budgets.
- 13.39.Quarterly Newsletters:** The HRA currently produces, prints and posts a quarterly newsletter to tenants. The proposal is to continue producing a quarterly newsletter but to reduce print and post to two quarters only, providing the other two quarters online / electronically.
- 13.40.Tenants Action Group:** There has been a historical underspend of £10k in this area that is being proposed to be taken as a saving from 2023/24 onwards.
- 13.41.One-Off Adjustment to Voluntary Revenue Provision (VRP):** As part of the 2022/23 budget there was a one-off adjustment to fund £800k (of the £1.821m base budget) from existing non-RTB capital receipts. Due to the significant inflationary pressures impacting the finances of the HRA and the government imposed cap on rent and service charge increases, the full £1.821m will need to be released from the revenue voluntary repayment of provision (debt) to provide further revenue capacity for on-going in-year operational costs. This will be funded using £350k of new non-RTB capital receipts as per the 5-Year Asset Strategy from 2023/24 (agreed by SWT Full Council 8 Feb 2022 as part of the Budget Setting report). The remaining £1.471m will be funded using Right to Buy (RTB) 'unadjusted allowable debt' capital receipts. This ensures the continued contribution by the HRA to make a voluntary repayment of debt whilst temporarily releasing funds to meet revenue pressures.
- 13.42.One-Off Funding from General Reserves:** The one-off funding of £380k from general reserves has been included subject to 2022/23-year end balances remaining above at least £2.380m. If this is not feasible then we will need to manage this through the budget monitoring process in 2023/24. For example, if there is less spend on the capital programme than anticipated in the budget then this will reduce the Capital Financing Requirement (CFR) which will either reduce the cost of borrowing and / or increase investment income – if this is the case we would look to

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reduce the transfers from general reserves against any variance on net interest payable.

### SDC Summary of Changes

#### Revenue Budget 2023/24

**13.43** The draft HRA Revenue Budget for 2023/24 that will be used to fund the current operating model for housing landlord services in the Sedgemoor area during 2023/24 is presented in Table 3 above.

**13.44** The main changes to the HRA Revenue Budget from 2022/23 to 2023/24, for SDC is summarised in Table 3 below. The opening HRA balances at 1st April 2023 are at £10.267m and closes balances at 31st March are lower at £8.997m because of an in year net cost of the service at £1.27m. Noting the presentation of the table below is reflective of the different operating model at SDC because the main operating area of expenditure in the HRA is the management fee payable to Homes in Sedgemoor (HiS). The breakdown of the fee is explained in more detail further on in this section and is consistent with the information presented in the HRA business plan (Executive 14th December 2022).

**Table 5: HRA Budget Setting 2022/23 to 2023/24 Changes**

Changes in original budget 2022/23 to original budget in 2023/24		
	£'000	Main reason
<b>Expenditure</b>		
Repairs & maintenance	284	Mainly due to increase in management fee, see section in report for more about this contained in report item 15.5
Supervision & management	132	
Special services	195	
Rents, rates, taxes and other charges	240	
Depreciation	2,203	Need to increase see item for more detail 15.4
HRA interest payable	791	Per loan agreements
Capital expenditure funded by revenue reduction	(1,614)	Dependant on the capital programme requirements
<b>Net increase in expenditure</b>	<b>2,231</b>	
<b>Income</b>		
Rent income - additional income	1,057	See report section on rents
Service charge income and other income - additional income	104	See report section on service charges
<b>Net increase in income</b>	<b>1,161</b>	
<b>Net increase in expenditure to be funded from HRA</b>	<b>1,070</b>	
Original budget 2022/23 net cost of in year HRA service	200	
Original budget 2023/24 net cost of in year HRA service	1,270	
<b>Difference as explained above</b>	<b>1,070</b>	

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13.45 In the budgets presented in 2023/24 the charge for depreciation has been increased when compared to the original budget in 2022/23, similar to the situation at SWT because of the national pressures faced of increased construction industry prices and the need to review component lifetimes.

### **HiS Management Fee**

13.46 The housing stock in the Sedgemoor area is owned by SDC and managed by HiS under a management agreement with HiS being paid a fee. The annual management fee payable to HiS was included in the business plan and historically had always included annual inflationary increases. If HiS require additional funding this has been requested as growth in addition to the annual fee. The total Housing Management Fee payable to HiS in 2023/24 is at £9,710,320. This includes inflation and an ongoing sum of £224,000. The sum of £224,000 approx. has been in the budget since 2019/20 as an annually assessed one-off growth budget each year following the cessation of the supporting people grant. The grant helped fund the sheltered housing services. A review of the service was carried out for the 'Independent Living Service' (sheltered housing) with a revised scheme being rolled. The revised scheme is now in place and the funding requirement assessed. HiS advised that in 2023/24 a firm ongoing assessment of revenue funding for the Independent Living Service would be required, this assessment is at £224,000 and has to be accommodated in the new fee because the associated income from the new service has been included in the service charges income as an ongoing item.

13.47 HiS have reviewed in detail the management fee for 2023/24 with challenge regarding the increase. Of the increase a sum of £556,500 represents the increase for electricity and gas. Pay increase inflation costs an extra £164,780 and is based upon an estimated 5% pay award, in-line with Somerset Council assumptions because HiS are subject to the same NJC terms and conditions. Asset management inflation for repairs and maintenance is estimated at £287,410. This represents an 8.5% increase. The latest index published by BEIS (Department for Business, Energy and Industry Strategy) shows that the cost of repairs and maintenance materials rose by 22% during 2021/22. The table below shows how the management fee is allocated out across the HRA, noting the budget allocated to each line will be updated in year by advice from HiS.



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**Table 6: HiS Revenue Management Fee for 2023/24**

	<b>2023/24 Annual Charge £</b>
<b>Income</b>	
Other income	1,077,790
<b>Total Income</b>	<b>1,077,790</b>
<b>Expenditure</b>	
Repairs & maintenance	4,370,050
Supervision and management	4,642,490
Special services	1,237,280
Rents, rates, taxes and other charges	538,290
<b>Total Expenditure</b>	<b>10,788,110</b>
<b>Sub-total: Net management fee</b>	<b>9,710,320</b>

13.48 HiS has produced a MTFP and has a policy on the use of reserves which will present options for investing in initiatives to support the tenants and improve the stock. They have recently approved funding from reserves for a development officer for 3 years to boost development of new homes. HiS reserves need to be considered along with the plans Somerset Council has to invest in the stock and develop new build.

## **14. Dwelling Rent Income**

**14.1.** Recommendations for rent increases are as follows:

- an increase of 7% to Dwelling Rents for 2023/24 in line with the Governments rent cap. To continue to increase rent for relets by Sept CPI plus 1% (11.1%).
- an increase of 7% for Sheltered/Extra Care housing Rents in line with the dwelling rents increase.
- an increase of 7% for Shared Ownership properties.
- an increase of 7% on affordable rental tenures, with the rent being reviewed at relet based on 80% of market value capped at LHA rate.

**14.2.** The HRA is a landlord account. The main sources of revenue to finance the housing stock and housing services is from dwelling rents and service charges. Other sources of income are also included such as rent of garages and shops. Because the HRA is a statutory ring-fenced account from the rest of the General Fund the rents cannot be used to subsidise council tax (or vice versa).

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- 14.3.** The setting of social rents is governed by the Government's Rent Standard. In 2019 the Government set a rent policy for social housing that would permit rents to increase by up to CPI plus 1 percentage point per year until 2024/25. There was no commitment to rent increases thereafter. However, whilst rent policies are in place the Government has in the past made changes to the policy for example there was a four-year progressive rent cut period which only ended in 2019/20. The 2019 rent policy then applied for future rent increases. However, the country is facing extreme financial challenges with a cost-of-living crisis and increasing rates of inflation which would have meant social rents for 2023/24 would be increased by 11.1% (September CPI plus 1%). This is a large increase which would severely impact on both tenants that are self-funders/part self-funders and the Government in financing the benefits bill.
- 14.4.** On 31st August 2022 the Government published a consultation paper seeking views on a new Direction to the Regulator of Social Housing in relation to social housing rent policy from April 2023. The consultation closed on 12th October. The paper focussed on the introduction of a rent ceiling from 1st April 2023 to 31st March 2024 which would act as an upper limit on the amount by which social housing providers can increase actual rents in that year. Suggested actual rent ceilings in the consultation were 3%, 5% and 7%.
- 14.5.** On 16th November the Government confirmed in the autumn budget statement that the rent increase ceiling would be at the 7% level with an exception for supported housing and shared ownership properties. It should be remembered that we still have the Government's rent formula for social rents (this does not include affordable rents) which is based on bedroom numbers, property value and local earnings, the formula rent increase does remain at 11.1%. This means for any relet property after 31<sup>st</sup> March the rent would then be let the Government's formula rent, an increase of 11.1%. Usually both the 'actual rents' and 'formula rents' increase by the same amount.
- 14.6.** The application of formula rents at relet is detailed in the rent policy. This allows actual rents to converge with formula rents for social rent properties. This is in alignment with the Government's policy of rents at local authorities being at the formula rent level. This is because of the long-standing rent convergence process which started back in 2002/03, with subsequent changes meaning now that rent levels can only converge to the prescribed formula rent upon the relet of the property. It is important that rents move towards formula rent in line with both Government and local policy. The HRA is ring fenced and the rent income is the main source of funding. Given the HRA business plan presented in December shows that the plan is not balanced over the 30-year period it is crucial that the income be sensitively managed to cover the essential service costs. Any property being relet would be advertised with this rent level.

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- 14.7.** It should be noted that for affordable rent properties the rent is set at 80% of the market value, thereafter the rent increases according to Government rent increase advice. However upon relet the property then moves to an updated affordable rent following an annual review carried out the authority's valuer, this is so that rents keep track of the local market, albeit being charged at 80% of market value. Affordable rents are capped to LHA levels.
- 14.8.** The Government has, since the HRA business plan was completed requested that local authorities for shared ownership properties voluntarily opt to apply the 7% rent cap in 2023/24 rather than the allowed 11.1%. The actual rents therefore for this category are recommended to also increase in 2023/24 by the 7% increase.
- 14.9.** Locally it is felt that to allow sheltered/extra care properties to increase by the allowed 11.1% would be unfair and unjust when the other tenures have an actual rent cap of 7% applied. Therefore it is recommended that as a local decision for rent set that this tenure also sees an actual rent 7% rent increase applied.
- 14.10.** For all properties then the 'actual' rent increase is recommended at 7%. This is applicable for:
- General Needs tenures
  - Affordable rent tenures
  - Shared ownership tenures (complying to the voluntary request to apply a 7% cap)
  - Sheltered/extra care tenures (local decision)
- 14.11.** We should be mindful of the impact on the HRA business plan of setting rents below inflation. The plan assumed after 2023/24 the rents increasing by CPI plus 1% in 2024/25 which is back in line with the Government rent policy, so at an estimated increase of 6.5%. In the plan thereafter rents are increasing by just CPI, set at 2%. If the Government were to confirm that rents beyond 2024/25 could further increase by a rate more than CPI this will have a beneficial impact on the HRA future balances. The table below shows the impact of two rent sensitivity analyses at CPI plus 0.5% from 1st April 2025/26 and onwards and CPI plus 1% from 1st April and onwards which would improve balances. Noting that at year 30 only the CPI plus 1% per annum is the only sensitivity that brings balances back to positive levels.

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**Table 7 Rent Sensitivity Analysis and Impact on Balances**

Year	Year	Extra Rent Per Year From 2025/26		HRA Minimum Balance £'000	HRA Balances	
		CPI + 0.5% £'000	CPI + 1.0% £'000		CPI + 0.5% £'000	CPI + 1.0% £'000
30	2051/52	11,615	24,801	6,993	<b>(38,094)</b>	<b>181,036</b>

**14.12.** The impact on the HRA business plan in 2023/24 with rents set at below inflation means rental income is below the base case model by £1.744m in 2023/24. Over the full 30 years of the plan the total revenue lost is just over £70m. The guidance issued suggests rent increases in future years however we need to keep this situation under review, being mindful that the loss of rental income whilst inflation is higher in 2023/24 cascades through each year because of the cumulative loss.

**14.13.** The rent budgets presented must take into account voids and bad debts. Advice on the levels for these are taken from HiS for the stock that they manage and SWT for the stock in that geographical area. Stock lost through the Right to Buy is also taken into account in the rent budgets. These factors place a downward pressure on the income collected in year.

## Rent Flex

**14.14.** The recommendation for rent flex is as follows:

- the continuation of rent flex at relet for properties in SWT as included in the Rent charging policy, with the rent flex policy being considered in the future for properties within Sedgemoor.

**14.15.** The New Somerset rent policy allows rents to have 'rent flex' applied. This means: Flexibility to set rents at up to 5% above social formula rate on general needs housing and up to 10% for sheltered and supported housing. In applying the flexibility, a housing provider should ensure that there is a clear rationale for doing so which takes into account local circumstances and affordability.

**14.16.** Rent Flex has already been implemented at SWTC. However for tenants in SDC this would be a change in practice and policy and so in accordance with the Housing Act 1985 s105 3b HiS would need to consult with tenants on this policy. It is the intention in 2023/24 this policy will be consulted on with the view to consider applying this in 2024/25 given the current cost of living crisis and the rent increase situation explained earlier in this part of the report.

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## 14.17. Temporary Accommodation in SWTC area rents

14.18. The recommendation for temporary accommodation rents is as follows:

- an increase based on Sept CPI 10.1% on temporary accommodation charges

14.19. The Homeless Service has an obligation to provide interim accommodation for Customers whom they owe a statutory duty. Their use of our HRA stock, designated as temporary accommodation is preferable to commercial Bed and Breakfast which does not have cooking facilities and is more expensive. The demand for Temporary Accommodation is extremely high at present and the costs of regular turnover of occupants reflects the need for a higher daily rate to cover these related costs.

14.20. In 2022/23 a new daily charge was introduced. It is proposed to inflate this rate by the September 2022 CPI at 10.1% as Temporary Accommodation is exempt from the Rent Standard. The table below shows the daily rates that will be applied for 2023/24.

**Table 8: Daily Rates for Temporary Accommodation**

<b>No. of Bedrooms</b>	<b>Daily Rate 2022/23</b>	<b>Daily Rate 2023/24</b>	<b>Change</b>
Studio	16.53	18.20	1.67
1-bed	16.53	18.20	1.67
2-bed	20.82	22.92	2.10
3-bed	24.37	26.83	2.46
4-bed	29.84	32.85	3.01

## 15. Fees and Charges

### Service Charges

15.1. The recommendations for service charges are as follows:

- an increase in service charges for tenants in the Sedgemoor area based on actual costs in line with the service charging policy. The service charges are contained in Appendix D
- . increase in service charges for tenants in SWT properties of 7% (with the exception of Piper Lifeline at 3%, communal areas at 37%, the introduction of a new management fee at 10%, a new charge for utility for internal areas charge and a new charge for door entry system) 7% is based on the governments rent

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cap with a commitment to review the option of 'depooling' service charges for 2024/25 to align service charge policies. The service charges are contained in Appendix E alongside a supporting report

**15.2.**The other major source of revenue for the HRA associated with the tenancies are service charges. There are differences between the two district council's approaches to service charges for social rent properties. The charges for services/facilities budget for 2023/24 is at £3.366m, noting the 2022/23 pre unitary original budget was at £3.044m, a movement of £0.322m.

**15.3.**At SDC the service charges have been depooled meaning that for social rents the service charges are separate from the rents and are charged based on actual cost in agreement with the local service charging policy. This makes service charges transparent and easy to understand. HiS hold data on their systems for calculating and apportioning service charges except for careline and estate sewerage charges.

**15.4.**In the SWT area service charges have not yet been depooled and are largely within the rent and therefore increase by the same amount as the rents. This is something that will be looked at in the future to align these charges and potentially generate more revenue. A review of the service charging policies will also be required.

**15.5.**For more information on SWT fees and charges please see appendix E.

### **Garage Rents:**

**15.6.** The recommendation for garage rents are as follows:

- an increase of 7% for garage rents in the Sedgemoor Area and an increase of 7% for garages rented by council tenants in SWT and 10.1% for private/owner occupier rented garages in this area.

**15.7.**The Council owns a number of block garages which are rented out to both HRA housing tenants and private people/organisations.

**15.8.**In the SDC area there are around 1,200 garages over 95 sites. Many required investments and HiS had reviewed the garages and gave them RAG rating for future use. A number had been identified for demolition and redevelopment and some of the sites are being brought forward as part of the housing development plans (currently including the Sydenham site in the capital programme). A number of garages were also identified for investment and HiS committed to spend up to £1m from their own reserves to fund their refurbishment. HiS have made good progress on these garage sites refurbishing them and an increased rental charge has been approved on the relet of these garages. This investment has not only improved the neighbourhood look and feel but has also had a positive impact on the street scene

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with ASB in these areas seeing a large reduction. The garage charge levels are shown later in the report alongside the service charges.

**15.9.** The refurbishment programme has had positive feedback and HiS have been successful with the letting. However being mindful of the cost-of-living crisis and the fact that garages are not necessarily a top priority demand for them is fragile. With the market conditions in mind the SDC area garages are looked to increase by 7% in line with the housing rents in order to keep income at least at base line budget levels. Noting there are two levels of charges being non-refurbished and newly refurbished. Any income above the pre-agreed base line budget of £307,300 is paid back to HiS to cover the £1m investment, until the investment is repaid the gain on council balances is nil.

**Table 9: Garage rent levels in SDC area (based on a 50-week rent year)**

	Weekly Rent 2022/23	Weekly Rent 2023/24	Change
Non refurbished garage (excluding VAT)	9.31	9.96	0.65
Newly refurbished garage (excluding VAT)	11.20	11.98	0.76

**15.10.** In the SWT area there are around 1400 garages. For 2023/24, private tenants and owner occupiers the weekly rent will increase by September 2022 CPI at 10.1% whereas for council tenants the weekly rent increase will be capped at 7%. The table below shows the weekly rents that will be applied for 2023/24. The level of voids is c240 units. There are some sites earmarked for possible future demolition and redevelopment, however the social development capital programme is at full capacity for the next few years. In terms of asset maintenance there is a £20k capital budget for 2023/24 and a £20k revenue budget for repairs and maintenance.

**16. Table 10: Garage rent levels in SWT area**

	Weekly Rent 2022/23	Weekly Rent 2023/24	Change
Private Tenants and Owner Occupiers (excluding VAT)	10.57	11.64	1.07
Council Tenants	6.91	7.39	0.48

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## Other Income:

**16.1.** The HRA does have a number of shops/other rental properties and the income from these is laid out in specific rent/lease agreements and income from these will be charged and collected as stipulated.

**16.2.** The HRA also has a small number of communal / meeting halls can be hired out across both the SDC and SWT areas. The scale of charges for these is shown on the service charges page, income from this activity is minor however we are obliged to show this charge in this report.

## 17. Capital

**17.1.** The HRA Capital Programme which consists of three main elements: Major Works, Improvements, and Development and Regeneration. This significant investment will be funded from an appropriate combination of Major Repairs Reserves (from depreciation), revenue contributions, capital receipts, capital grants and borrowing.

**17.2.** In December the combined Business Plan was presented. There have been no material changes to the capital programmes put forward then. The plan assumed capital expenditure of £1.114billion over the next 30 years. Of this, £346m (including the current year) will be spent during the next 10 years (see table 5 below) and will deliver works as described below. There are some clear differences in the current delivery plans between the two existing Councils that will need to be reviewed and realigned during the next 12-18 months. The 2023/24 detailed capital budget is attached in Appendix F.

**Table 11: HRA Business Plan Combined Projected Capital Spend 2022/23 to 2032/33**

	2022.23	2023.24	2024.25	2025.26	2026.27	2027.28	2028.29	2029.3	2030.31	2031.32	2032.33
	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000
<b>Capital Expenditure:</b>											
Major Works & Improvements	22,801	20,910	19,657	18,179	22,152	22,076	22,697	22,268	22,388	23,947	18,330
Development & Regeneration	24,036	25,934	18,147	15,520	7,182	9,798	10,881	10,131	4,774	3,374	3,476
<b>Total Expenditure</b>	<b>46,837</b>	<b>46,844</b>	<b>37,803</b>	<b>33,699</b>	<b>29,334</b>	<b>31,874</b>	<b>33,578</b>	<b>32,399</b>	<b>27,162</b>	<b>27,321</b>	<b>21,805</b>
<b>Capital Financing:</b>											
MRR	20,895	18,066	17,833	18,454	18,968	19,397	19,911	20,484	21,082	20,042	17,030
Borrowing	16,432	20,979	-	4,541	4,104	6,023	7,015	5,060	-	-	-
RTB 141 Receipts	4,164	4,258	6,314	6,073	2,873	3,919	4,206	4,052	1,909	1,350	1,390
Grants	3,240	1,532	338	-	-	-	-	-	-	-	-
Other Capital Receipts	1,635	847	11,141	2,389	1,081	159	-	285	2,563	3,261	637
Other RTB Receipts	470	-	2,178	2,242	2,308	2,376	2,446	2,518	1,608	2,669	2,748
RCCO	-	1,163	-	-	-	-	-	-	-	-	-
<b>Total Financing</b>	<b>46,836</b>	<b>46,844</b>	<b>37,803</b>	<b>33,699</b>	<b>29,334</b>	<b>31,874</b>	<b>33,578</b>	<b>32,399</b>	<b>27,162</b>	<b>27,321</b>	<b>21,805</b>

**Table 12 Movement from HRA business plan to Rent Set on the Capital Programme**



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<b>Capital Expenditure</b>	<b>2023/24 Per HRA business plan £'000</b>	<b>2023/24 Per HRA rent set £'000</b>	<b>2023/24 Over/ (Under) £'000</b>	<b>Reason</b>
Major works & improvements	20,910	20,910	0	No change
Development & Regeneration	25,934	26,424	490	New scheme approved SDC 30.11.2022 Carrotts Farm, 3 homes
<b>Total expenditure</b>	<b>46,844</b>	<b>47,334</b>	<b>490</b>	

**17.3. Major Works:** These schemes will be focusing on ensuring that a decent homes standard is maintained and that the housing stock major components are replaced periodically as per the capital works programme. This will also include unplanned major works on voids where the property is returned in a poor condition and requires a full re-work ahead of the capital works programme.

### **Somerset West and Taunton**

**17.4.** The services are currently aligning low carbon retrofit expenditure and grants to the Major Works capital programme in order to efficiently deliver low energy targets for 2030 and zero carbon targets for 2050. The services are finding opportunities to increase the specification of decent homes components such as windows, doors, loft insulation and heating to achieve both decency and reduced heat demand. The services are proactive in seeking grant funding to support our low energy targets including Social Housing Decarbonisation Funds and ECO4. Decent homes components have different replacement timespans creating challenges identifying the optimum date at which to replace components to minimise the number of non-decent home and maximise low carbon benefits. The profile of decent homes components is established through stock condition surveys and updating property records following works. Over the next ten years the Council (or the HRA/both) plans to renew c40,000 (increase if for HiS stock) major components from kitchens to windows to roofs to bathrooms.

### **Sedgemoor District Council**

**17.5.** SDC is committed to keeping homes safe and well maintained, improving energy efficiency to lower bills, and building much needed new social homes. The cost-of-living crisis and a 7% rent cap in 2023/24 will have a significant impact in all areas of the business and has led to the need to achieve savings of more than £24 million in the 30-year Capital Investment Programme.

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- 17.6.** The savings that have been proposed will not have any impact on Landlords Safety or Decent Homes Compliance and our homes will remain safe, legal and to a good standard. The main changes in the Programme will be around the timings of component replacements, delivering services differently and a change in the methodology for certain types of works such as external works. Investment proposals are based upon comprehensive stock condition surveys conducted during 2020 to 2021. The surveys have identified the required component replacement requirements to maintain homes to a Decent Home Standard.
- 17.7.** The cost of achieving Net Zero across the stock in the Sedgemoor district has been previously identified as £70m. This level of possible investment is not included in the 30-year programme. Despite no long-term funding HiS have developed a Sustainability Strategy covering the period up until 2025. By the end of 2025 HiS will have gathered data informed intelligence on the most effective and efficient net zero solutions before embarking on an expensive retrofit programme. Identifying sufficient resource to deliver the required investment presents a significant challenge. Opportunities for securing funding through the Social Housing Decarbonisation Fund (SHDF) and ECO4 grant are being explored. Please see the report item 21 requesting growth to progress a matched funding bid to be able to progress net zero carbon investment works.
- 17.8. Improvements Programme:** This includes schemes such as: Fire Safety which focuses on ongoing fire safety works and ensuring all housing stock continues to adhere to the fire safety regulations; maintenance of Related Assets including garages, meeting / community halls and shops, mobility vehicle storage, package septic treatment plants (PSTP), door entry systems; Exceptional Extensive Works such as asbestos removal, installation of radon sensors and community alarms ; disabled Facilities and Aids and Adaptations for small and large scale home aids and adaptations in tenants homes where there are mobility issues. This is demand led by requests from tenants or through recommendations by occupational therapists or other healthcare professionals. Applications are currently made through the Somerset West Private Sector Housing Partnership; Vehicles, the lease costs can be capitalised whilst the maintenance remains a revenue cost.
- 17.9.** The SDC stock does require some other urgent works for general improvements at La Ciotat House to both the internal and external spaces. And also, recent surveys on Radon presence has identified a need for remediation, please see report item 20 requesting additional funding requirements for these items.
- 17.10. Development and Regeneration:** The predecessor Councils have been developing new Council homes for some years now after a period of not being able to fund new housing for many years. Two major changes enabled this to happen:

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- The ability to retain some of the RTB receipts to invest in new housing which is a complex agreement and requires participating authorities to sign a legal RTB receipts retention agreement with the Government. This change applied from April 2012. The detail of RTB is discussed in section 19.
- The removal of the HRA borrowing cap, in October 2018, allowing investment decisions to be made for housing capital including new housing development.

**17.11.** Despite the new build programmes the financial viability of the HRA as detailed in the sections above are currently having an impact on the New Build funding within the plans presented. SDC has only included the minimum to utilise right to buy receipts which does not match its aspirations.

### **Somerset West and Taunton**

**17.12.** The development and regeneration programme includes 341 new homes in its business plan to be delivered up to 2029 over seven schemes or phases. SWT has an ambition of a total of 1000 new homes by 2049. All new homes are built to low energy and low or zero carbon standards meaning they are either carbon neutral from the first day of letting or they will be carbon neutral once the national grid decarbonises. The HRA mainly develops on existing HRA residential land or underused HRA land.

**17.13.** SWT has a major regeneration project in progress at North Taunton which is a significant financial commitment and one with a significant impact on the community. The scheme involves demolishing a large number of defective non-traditional build Woolaway Homes and replacing them with a larger number of low carbon homes with a wide range of bed sizes and all to a lifetime homes standard. The homes are all built to accessibility standards and the development includes a good proportion of fully adapted properties. The cost of regeneration is high compared to development on a clean site as some properties have to be purchased from private owners before demolition and building and decanting is required and compensation paid.

**17.14.** Regeneration schemes also place emphasis on initiatives which strengthen the community such as jobs and apprenticeships, school outreach work and community environmental projects. Seaward Way, Minehead and Oxford Inn, Taunton schemes are less complex. Although they will be zero carbon when built they are able to attract more subsidy and the communities have significantly less disruption. The HRA has refined its specification for building new homes to support zero carbon ambitions although budgets have had to reflect the costs of a higher specification for air tightness, insulation and renewable heat and power costs.

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- 17.15.** As the housing stock ages and the service has to consider decency, compliance and energy efficiency some properties may not merit investment. Wordsworth Drive and Coleridge Crescent Flats is an example of a block of properties which has come to the end of its life. The Service is decanting and demolishing the blocks at a cost to the business plan and will come forward with options for the site in due course.
- 17.16.** The HRA Business plan takes into account investing in low carbon measures and has established pathways for its existing homes to Zero carbon. Some homes require a moderate amount of investment to achieve the 2030 target and all homes require a greater amount of investment to achieve the 2050 target. The costs of meeting the 2050 zero carbon target are not calculated within the business plan. The service has identified that alignment of decent homes investment and retrofit investment is essential to move towards zero carbon and that pursuing grant and subsidy is essential. Although the business plan has identified £13m (SWT) of major works capital investment to be aligned to retrofit over the next eight years the full cost of achieving zero carbon in our homes has not been included in the business plan.
- 17.17.** A few homes due to their construction type and structural challenges require a significant amount of investment and the two retrofit schemes at Oake and North Taunton phase E are such examples. These schemes are retaining defective council dwellings through comprehensive structural, and refurbishment works. These homes will be brought up to a zero-carbon standard but require significant investment. A small amount of grant funding has been awarded for these schemes.

### **SDC (HiS)**

- 17.18.** SDC's development and regeneration programme has to date focussed on additional supply of new-build council homes funded within the HRA. The programme includes 144 new rented homes, to be delivered by 2025 and a further phase of 178 new rented homes with potential to be delivered between 2024-2028.
- 17.19.** The SDC HRA new build council development and investment programme operates on a long-term cost neutral basis. Simply put every new build property and project will eventually pay for itself (from future rental income and externally sourced subsidy support) within an agreed payback time period, typically 30 years. It does increase borrowing and does have revenue impact in the early years, but the business case has to demonstrate payback.
- 17.20.** The SDC programme is delivered through a deliberately diverse model which includes the redevelopment of redundant or underused HRA land. SDC has redeveloped and regenerated existing HRA homes, this approach to new supply has been small scale to date due to the financial impact on the HRA. The acceleration and expansion of further large-scale redevelopment and regeneration of existing HRA homes is subject to option appraisal review. This review will be informed and

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influenced by the proactive asset management as the authority strives to modernise the ageing existing HRA stock to the standard demanded in the 21st century and where stock rationalisation will invariably see economically unsound homes sold to generate funds for new replacement homes. The current redevelopment of 6 existing HRA homes at Pen lea House in Bridgwater will see the delivery of 33 low carbon homes. Further exciting community inspired plans exist for HRA homes and land in Highbridge and form part of the wider SDC levelling up bid plans for the town.

**17.21.** The SDC new build HRA programme goes beyond simply using existing LA land and assets. The programme includes delivery through routes such as purchasing s106 grant free homes secured by the planning system, a unique bespoke homes initiative delivering homes for families with unusual housing need, working alongside parish council(s) to project management and build community sponsored new council homes and the re-purchase of former council homes previously sold under the RTB. The authority remains open to alternative options capable of supporting the delivery of a new generation of council homes.

**17.22.** The New Somerset Authority will want to in the future align the existing development strategies that currently exist.

**17.23.** To help finance the new build programmes local authorities can use the retained RTB receipts and homes England grants. For an authority to have access to grant funding from Homes England an extensive application has to be submitted to be on their register. Approved authorities can then place bids for funding from the national Affordable Homes Programme. A new build scheme can only have one source of Government funding so is not permitted to have both Homes England and retained RTB receipts as funding. It is possible that a scheme could not have either of these financing sources however it is good practice for any new build scheme to have a business case established to ensure the scheme is financially viable. Typically, this is usually over a 30-year period to be consistent with the HRA business plan, however there may be exceptions whereby the business case repays over a longer period before becoming self-financing.

**17.24.** It should be noted that the RTB receipts can only fund up to a maximum of 40% of the scheme costs (assuming enough receipts are available). The balance would have to come from other sources, usually borrowing. Grant funding from Homes England varies but a significant proportion of any approved scheme would be funded from borrowing.

### **Schemes Partially Funded by RTB Receipts**

Because the authorities have signed up to the RTB retention agreement it is crucial that development plans to utilise the receipts are in place. Because of the time limits and flow of receipts there are more detailed plans in place in the earlier part of the

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plan. The current approved new build and / or regeneration schemes in the capital programme part funded by RTB receipts are as shown in the table below.

**Table 13: Current Schemes in the Business Plan**

<b>New Build Financed in Part by Retained RTB Receipts from 2023/24</b>		
<b>Scheme</b>	<b>No of homes</b>	<b>Estimated Completion Year</b>
Cricketers Farm, Nether Stowey	16	2023/24
Tuckerton Lane, North Newton	6	2023/24
North Taunton Woolaway Project (NTWP) phase A	47	2023/24
SDC area purchase of existing properties	3	2023/24
Sydenham garage redevelopment site, Bridgwater	14	2023/24
Carrotts farm site, North Petherton	3	2023/24

### **Partially Funded by Homes England Grant**

**17.25.** In the capital programme we can see in next year, 2023/24, will see the completion of the first new build development, being the Bigwood & Staple site in Bridgwater, which has grant funding from Homes England at over £2m, being significant funding of the scheme. The site will have 29 new homes, and all let at social rent levels which was a condition of the grant. One smaller project delivering 2 homes in 2023/24 is underway (one in North Petherton and one at Brent Knoll) which has homes England grant contributing towards the build cost.

**17.26.** The application to Homes England has continued with a further scheme at the Penlea House site in Bridgwater which delivers 33 new homes, with a completion date in 2024/25. This scheme has been a long time in the planning stage, so it is good to be able to report the actual build of the new homes has just started.

**17.27.** Future housing development schemes that could potentially be put forward for Homes England grant funding is an area the Housing Development Team work on. Noting these schemes cannot also use retained RTB receipt monies for funding.

### **Other Schemes**

**17.28.** The HRA also acquires or builds new homes to support the General Funds Homelessness responsibilities. The HRA is purchasing a small number of properties (6) using a combination of Government Rough Sleeper Approved Programme (RSAP) and Better Care funding. The HRA is also considering a new build scheme in Partnership with Citizens Somerset using Modern Methods of Construction (MMC). Both models offer benefits to the HRA by increasing the stock and management and maintenance allowances. The HRA is exploring these models with homelessness, children services and adult social care as they could be cost effective ways to support some accommodation requirements.

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## 18. Impact of the Right to Buy Policy

- 18.1.** Similar to the HRA business plan the rent set process takes into account the impact of RTB sales. The process of RTB involves a tenant submitting an application for RTB; the authority's Valuer will provide a valuation of the property. However, the tenant is eligible for a discount, according to Government rules, of up to maximum of £87,200 (April 2022 prices) depending on how long they have been a tenant. The increase in the discount from £30,000 started in 2012. Since the discount changes sales have increased; the discount plus houses at Decent Homes standard makes the prospect of buying more attractive. It is estimated that in 2023/24 the average RTB property valuation will be discounted by around 42%.
- 18.2.** In the rent section of the report the income levels will have taken into account RTB sales because less income will be collected. Current estimates of RTB sales are around 55 sales per annum based on current figures. Clearly the sales are demand lead. Whilst this may not seem material given the size of the stock over time this does impact on rental income.
- 18.3.** From each council house sale, a receipt is derived. The receipt has to be 'pooled', so the Council does not get to keep all of the receipt, which has already been diminished by the discount. The receipt is split over the following areas:
- paid back to Government
  - sales costs and buy back allowances
  - towards historic debt (from self-financing)
  - replacement homes (40% maximum of the cost)
  - with a fraction for other capital use
- 18.4.** Both SDC and SWT had signed up to a retention of RTB receipts agreement with the Government so this means that the portion of the receipt for replacement homes can be used within the Council boundary instead of having to pay this back to the Government; there are timing restrictions: a retained RTB receipt has to be used within 5 years of being realised; the receipt can only be used to fund a maximum of 40% of the new housing capital spend with no other government funding. This places pressure on other HRA capital funding sources to meet this cost: the inflow of rental income will help the HRA; however, it is clear that the cost of developing new social housing far outweighs proportion of receipt from the sale (loss) of the RTB property. The capital programme shows the new council house development programme to ensure the Council uses the retained receipts and so none has to be paid back to the Government.

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## 19. Treasury Management

- 19.1.** Day to day cash flow, investment and borrowing related to housing activity will be undertaken within the overarching framework and operations for treasury management within Somerset Council. Whilst the HRA is a ring-fenced account for accounting and reporting purposes it is not separated within the Council in terms of cash flow, bank accounts etc. Treasury management implications are explained in the Business Plan as reported to the Executive on 14 December 2022.
- 19.2.** The HRA will be charged with the costs of borrowing – both for external loans attributed to HRA capital investment and internal borrowing from Council cash reserves as needed to fully cover the need to borrow (the Capital Financing Requirement – CFR). The estimated CFR on 1 April 2023 is £189m. It is currently projected this will be funded with £139m of external loans and £50m of internal borrowing. These figures will be updated as capital expenditure is incurred, and treasury management decisions are taken regarding use of internal and external borrowing throughout the year. The business plan model uses Major Repairs Reserve and other capital reserves and income first to finance capital spend, with borrowing used as 'last resort' for the residual balance of financing required.
- 19.3.** Current HRA external loans carry an annualised interest rate of 2.83%. It is assumed any new borrowing next year will incur interest costs at an average 4.5%. The 2023/24 Budget includes an estimate of £5.792m (SDC £2.536m and SWT £3.256m) for total interest costs taking into account the forecast financing requirements for the year ahead.
- 19.4.** The HRA will also receive an apportionment of investment interest earned by the Council in proportion to HRA reserve balances. The 2023/24 Budget includes an estimate of £254k (SDC £254k and SWT £0m) for interest income.

## 20. Growth 2023/24

- 20.1.** The HRA business plan presented in December included agreed housing development plans and also key capital programme works. In the plan for the SDC area reference was made to three additional areas for investment in the stock as advised by HiS however the figures were not included in the capital programme figures because of uncertainty about rent set values. The growth bids/additional funding requirements are now requested for approval and are shown in the tables below.



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**Table 14 HRA capital additional funding requirement – one off**

<b>HRA Capital One-off Additional Funding Requirements</b>		
<b>Proposed resource bid 2023/24</b>	<b>Amount £</b>	<b>Reason</b>
Radon Remediation	359,850	Recent surveys on Radon presence has identified a need for priority remediation works
La Ciotat House general improvements	247,320	General improvements at LaCiotat House to both internal and external spaces is required
<b>Total</b>	<b>607,170</b>	

**Table 15 HRA capital additional funding requirement – two years**

<b>HRA Capital Two Year Additional Funding Requirements</b>		
<b>Proposed resource bid 2023/24 &amp; 24/25</b>	<b>Amount £</b>	<b>Reason</b>
Social Housing Decarbonisation Fund Match Funding 23/24	688,170	This sum is required for two years: 2023/24 and 2024/25 so a total of £1.336m. This is to match against a grant bid to the Social Housing Decarbonisation Fund. If the grant is awarded the combined resource will be double the bid value and will enable 118 homes to be retrofitted to a net zero standard
Social Housing Decarbonisation Fund Match Funding 2024/25	688,170	As above text
<b>Total over two years</b>	<b>1,376,340</b>	

## 21. Challenges and Next Steps

**21.1.** The Housing Revenue Account has immediate financial challenges to meet the aspirations of the Council and tenants. These include:

- Rental income - Government introduced 7% Rent Cap in 2023/24 – Figures assume 6.5% increase in 2024/25 and CPI at 2% thereafter, future rental increases have not been finalised by government to date.
- Rising costs – regulatory and inflationary pressures plus increasing customer expectations are driving cost increases
- Capital financing and treasury management – significant and increasing need for external borrowing, with average interest costs for new loans estimated at 4.5%

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- Shortage of social housing – development projects being developed but costs increasing impacting on viability
- Right to Buy – tenant purchases continue reducing stock numbers
- Decarbonisation agenda
- Housing Standards – requirement to keep stock at decent home standard including health and safety regulations
- Limited growth in the plan
- Potential requirement to identify match funding for Local Area Housing Fund (LAHF) for refugees.

**21.2.** As illustrated in this report, the 30-year business plans for SWT and SDC have been consolidated into a single plan which is the legal requirement for the New Council. The plans show that the use of balances need to be reduced but also the plans are not financially sustainable in the medium term, and they do not include a lot of the projects such as decarbonisation, more New Build projects, therefore the next steps are to look into the detail and differences of each plan to maximise funding and delivery.

**21.3.** Next Steps include:

- Review differences in decent homes delivery plans and align where possible.
- Consider depooling service charges in current SWT area.
- Consider introducing rent flexibility in current Sedgemoor area.
- Setting a Treasury Management policy including the HRA
- considering whether a voluntary provision for repayment of debt is required and most cost-effective routes to raising capital finance
- Review of differences in modelling depreciation
- Comparison of operating costs to identify efficiencies
- Review and alignment where appropriate of New Build aspirations and plans
- Decarbonisation agenda funding and delivery
- Review of the operating delivery models
- Consider match funding options for LAHF initiative.

## 22. Risks

**22.1.** Since 2012 the HRA has operated on a 'self-financing' basis, where the income generated from rents and other charges funds the delivery of the social landlord function and maintaining stock. Although 'self-financing' has provided the Council with more flexibility, the HRA is still governed by regulations that restrict full control over income (e.g., increases in rent are capped) and costs (e.g. meeting decent homes standards), and this has brought additional risk. Those risks are primarily concerned with threats to income and expenditure that could compromise the viability of the HRA Business Plan.

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- 22.2.** The Housing Sector as a whole is currently experiencing the most challenging period in a generation as multiple risks crystalise and competing demands place pressure on the service. From a regulatory perspective the service is facing pressure to respond to changing building safety and energy efficiency standards and maintaining the quality of our existing housing stock.
- 22.3.** This has then been compounded by national and global factors (e.g., the impact of Brexit, the COVID Pandemic and the conflict in Ukraine) causing the economic operating environment to become significantly challenging and thus placing considerable financial pressure on the Council's HRA. This is causing significant ongoing disruption to supply chains and the labour market resulting in high-cost inflation and ongoing shortages to deliver remedial works, catch up repairs and energy efficiency improvements.
- 22.4.** It is evident that financial pressures within the Housing service present a significant risk to affordability of existing plans in the short to medium term. *Whilst a balanced budget is being presented to Members in the single HRA plan until year 8 balances are being used to fund ongoing expenditure and the plans may not fully meet the aspirations of the Council and tenants.* Therefore, the New Council will need to review the business plans and the housing Strategy for the whole of Somerset. A number of these issues are detailed in Section 21 of this report and is the next stage after bringing the HRA business plans together in a single format. The next step reviews how they can work together sharing best practice, resources and delivery.
- 22.5. Government Rent Policy Change:** Section 14 and 15 Rents and Service Charges detail the Government's decision to cap rents at 7% for 2023/24. It is not inconceivable that we could see a further change in rent policy from central Government as we have seen before, to perhaps reduce rents or limit increases below current policy. Whilst this will support tenants financially it has a significant impact on our business plan. It also has the effect of a significant saving on the benefit bill for government so speculatively this could be a current consideration for the treasury in light of impact of COVID.
- 22.6. Inflation:** The current economic operating environment is placing financial risk on the Council in terms of rising inflation increasing the cost of supplies such as utilities and materials, as well as staffing costs. Inflation is significantly higher currently than the rent cap at 7%.
- 22.7. Decent Homes Standard:** The changes to the Regulator of Social Housing's Decent Home Standard as well as higher thermal efficiency standard requirements, which are unsupported by additional external grant funding, will place an additional burden on HRA resources available for elemental investment in homes. Once the detail is known, we will need to adapt to ensure we continue to maintain stock at the Decent

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Homes Standard and prepare to meet all the evolving expectations, incorporating the financial impacts into the Business Plan.

**22.8. Building Regulation and Fire Safety:** The Grenfell Tower tragedy and subsequent Review of Building Regulation and Fire Safety bring a number of operational and financial risks. These risks have been mitigated with the increases in revenue and capital budgets proposed for 2022/23 for compliance related work. However, the exact costs are currently unclear. There are likely to be other impacts as a result, such as impacts on the repairs budget due to additional work to communal areas, more intensive management of flat blocks and further resilience within teams to respond to the volume and breath of enquiries. We will need ensure continued compliance with these statutory requirements.

**22.9. Housing White Paper:** In November 2020 the Government published the Housing White Paper which sets out the changes to how social landlords will operate. It will require a number of changes to home safety, tenant satisfaction measures, complaints handling, a new inspection regime for social landlords and a strengthened role for the Regulator of Social Housing. Many of the new changes in the white paper have already been mitigated in Housing by strengthening our compliance activities, setting up the new Housing Performance Team to be responsible for communications, performance data and engagement but this will need to be kept under review and self-assessment has begun.

**22.10. Retrofit by 2030:** There is a duty for social landlords to improve the energy efficiency of its homes. The national climate change requirements set by government under the Clean Growth Strategy 2017 requires all social landlords to achieve EPC C by 2035. However, the strategy also requires landlords to achieve EPC C by 2030 where tenants are in fuel poverty. Therefore, it is prudent to achieve EPC C by 2030. This will require significant financial investment through the capital programme that will add to the capital financing requirement. If this standard is not achieved, then those properties would not be available to let and would result in lost income.

**22.11. New Build Homes and Phosphates:** The provision of new affordable housing is a key objective for the HRA Business Plan and the HRA has a significant pipeline of new homes to be delivered over the next 8 years. This will require significant financial investment through the capital programme that will add to the capital financing requirement and cost to the revenue account to finance this debt if funded by borrowing.

**22.12.** These social development schemes inherently carry significant risks. In order to mitigate elements of risk, the Council generally uses design and build contracts which provides clarity of costs when the contract is signed and through this mechanism the Council can ensure it progresses with schemes within budget. In addition to this a bond equivalent of 10% of the contract price has been included

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within the contracts and each phase will require its own individual contract to cover this aspect of risk.

- 22.13.** Of these new build schemes, some of these homes will require phosphates mitigation strategies to gain planning approval. There remains uncertainty on the ability of the Council to mitigate for phosphates. This may result in less affordable housing development and less capital spend.
- 22.14. Right To Buy (RTB) Receipts:** This is a government scheme that enables tenants to purchase their homes at a discount, subject to meeting qualifying criteria. The HRA does not have any control over the number of RTB sales each year and the resulting impact on rental income lost. The capital receipts from the sales retained by the Council can now fund up to 40% of new social housing costs and must be used within five years of receipt, following an amendment to the scheme policy from the 1 April 2021.
- 22.15. Repairs & Maintenance:** Overall this is a very demand led and reactive service based on the needs of the tenants. There are also a number of uncontrollable variables associated with this service such as the weather (e.g., cold winters causing burst pipes, roof leaks, etc), condition of properties when returned (e.g., void refurbishments), consumer demand on minor internal / external repairs (e.g. broken door or fence) and the type of repair work required. As such the levels of demand do not always follow a recognisable trend. We therefore caveat the forecasts in these areas to account for fluctuations. The economic operating environment has also been compounded, creating contractor uncertainty and labour market shortages in some key trade areas, and inflating costs of materials and labour.
- 22.16. Trade Salaries:** We are experiencing a significant increase in construction related salary costs in the sector, with shortages of some key trades, for example electricians. This can mean that some of our salaries are no longer competitive in the market. We have conducted a review of some of our salaries and will be making some changes here, and the cost of this change is incorporated into our MTFP. However, as this review process progresses across all trade areas it may create further revenue pressures that need to be addressed that have not been incorporated into the 2022/23 budget.
- 22.17. Movement in Business Plan Assumptions:** The HRA Business Plan incorporates many assumptions that contribute to the financial assessment of strategic and operational aspirations over the 30-year period. These include rates in inflation on income and expenditure, rates for new borrowing, minimum reserves levels, projected revenue and capital spend, etc. The direct influence officers have on some of these that could have a big impact is minimal (e.g., rates of inflation and borrowing) and we are at risk of having to react to external political and economic market influences as they occur.

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## **Report Sign-Off**

		Date completed
Legal Implications	Tom Woodhams	30/01/23
Governance	Scott Wooldridge	01/02/23
Corporate Finance	Jason Vaughan	26/01/23
Human Resources	Chris Squire	01/02/23
Property	Paula Hewitt / Oliver Woodhams	26/01/23
Procurement	Claire Griffiths	01/02/23
Senior Manager	Jason Vaughan	26/01/23
Commissioning Development	Sunita Mills / Ryszard Rusinek	26/01/23
Executive Member	Cllr Federica Smith-Roberts - Lead Member for Communities	27/01/23

## **Sign-off Key Decision / Consulted on Non-Key Decision**

Local Member		N/A
Opposition Spokesperson	Opposition Spokesperson - Communities - Cllr Faye Purbrick	30/01/23
Scrutiny Chair	<a href="#">Click here to select the relevant Scrutiny Chair</a>	30/01/23

**APPENDIX A1 - BASE CASE**

**New Somerset Council**

**HRA Business Plan**

**Operating Account**

(expressed in money terms)

**Scenario 1 - Rent cap 7%**

Year	Year	Income	Expenditure	Balances						
		Total Income	Total expenses	Net Operating Income/ (Expenditure)	Provision for repayment of loans	Capital funded by revenue	Surplus (Deficit) for the Year	Surplus (Deficit) b/fwd	Interest	Surplus (Deficit) c/fwd
		£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000
1	2022.23	48,072	(47,507)	565	0	0	565	12,251	524	13,340
2	2023.24	51,103	(52,210)	(1,106)	0	(1,163)	(2,269)	13,340	444	11,515
3	2024.25	55,854	(55,795)	59	0	0	59	11,515	841	12,414
4	2025.26	56,240	(57,405)	(1,165)	0	0	(1,165)	12,414	568	11,818
5	2026.27	57,182	(58,971)	(1,790)	0	0	(1,790)	11,818	492	10,519
6	2027.28	58,078	(60,610)	(2,532)	0	0	(2,532)	10,519	416	8,404
7	2028.29	59,164	(62,257)	(3,092)	0	0	(3,092)	8,404	309	5,620
8	2029.30	60,375	(64,095)	(3,720)	0	0	(3,720)	5,620	169	2,070
9	2030.31	62,579	(65,768)	(3,189)	0	0	(3,189)	2,070	21	(1,098)
10	2031.32	62,493	(66,886)	(4,393)	0	0	(4,393)	(1,098)	(112)	(5,603)
11	2032.33	63,509	(68,303)	(4,793)	0	0	(4,793)	(5,603)	(173)	(10,570)
12	2033.34	64,541	(69,645)	(5,104)	0	0	(5,104)	(10,570)	(186)	(15,861)
13	2034.35	65,589	(71,078)	(5,489)	0	0	(5,489)	(15,861)	(231)	(21,581)
14	2035.36	67,829	(72,656)	(4,827)	0	0	(4,827)	(21,581)	(270)	(26,677)
15	2036.37	67,736	(74,081)	(6,345)	0	0	(6,345)	(26,677)	(323)	(33,346)
16	2037.38	68,888	(75,644)	(6,756)	0	0	(6,756)	(33,346)	(513)	(40,614)
17	2038.39	70,193	(77,239)	(7,045)	0	0	(7,045)	(40,614)	(813)	(48,472)
18	2039.40	71,603	(78,969)	(7,366)	0	0	(7,366)	(48,472)	(1,144)	(56,982)
19	2040.41	73,046	(80,737)	(7,691)	0	0	(7,691)	(56,982)	(1,498)	(66,171)
20	2041.42	75,843	(82,566)	(6,722)	0	0	(6,722)	(66,171)	(1,838)	(74,731)
21	2042.43	76,052	(84,490)	(8,438)	0	0	(8,438)	(74,731)	(2,379)	(85,548)
22	2043.44	77,617	(86,417)	(8,800)	0	0	(8,800)	(85,548)	(3,185)	(97,533)
23	2044.45	79,219	(88,385)	(9,166)	0	0	(9,166)	(97,533)	(4,063)	(110,762)
24	2045.46	80,861	(90,356)	(9,495)	0	0	(9,495)	(110,762)	(5,001)	(125,259)
25	2046.47	82,547	(92,636)	(10,089)	0	0	(10,089)	(125,259)	(5,850)	(141,197)
26	2047.48	85,768	(94,954)	(9,186)	0	0	(9,186)	(141,197)	(6,561)	(156,944)
27	2048.49	86,062	(97,298)	(11,236)	0	0	(11,236)	(156,944)	(7,315)	(175,495)
28	2049.50	87,892	(99,709)	(11,817)	0	0	(11,817)	(175,495)	(8,163)	(195,475)
29	2050.50	89,774	(102,265)	(12,491)	0	0	(12,491)	(195,475)	(9,077)	(217,044)
30	2051.52	91,708	(104,902)	(13,194)	0	0	(13,194)	(217,044)	(10,064)	(240,302)

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**APPENDIX B1****New Somerset Council****HRA Business Plan****Major Repairs and Improvements Financing**

(expressed in money terms)

**Scenario 1 - Rent cap 7%**

		Expenditure						Funding	Shortfall
Year	Year	Major works	New Build Development Costs	New Build Major Repairs	Disabled Adaptations	Other (IT & vehicles)	Total Expenditure	Total Financing	Shortfall
		£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000
1	2022.23	21,649	24,036	0	600	551	46,837	46,837	0
2	2023.24	19,929	26,424	0	771	210	47,334	47,334	0
3	2024.25	18,484	18,147	0	797	376	37,803	37,803	0
4	2025.26	17,082	15,520	0	820	276	33,699	33,699	0
5	2026.27	21,042	7,182	0	834	276	29,334	29,334	0
6	2027.28	20,941	9,798	11	848	276	31,874	31,874	0
7	2028.29	21,167	10,881	91	820	619	33,578	33,578	0
8	2029.30	20,900	10,131	259	833	276	32,399	32,399	0
9	2030.31	20,866	4,774	399	847	276	27,162	27,162	0
10	2031.32	22,338	3,374	471	862	276	27,321	27,321	0
11	2032.33	16,658	3,476	520	876	276	21,805	21,805	0
12	2033.34	17,216	3,580	575	892	276	22,538	22,538	0
13	2034.35	17,681	3,687	662	907	276	23,214	23,214	0
14	2035.36	18,159	3,798	721	923	276	23,877	23,877	0
15	2036.37	18,652	3,912	743	869	276	24,451	24,451	0
16	2037.38	21,285	7,604	765	884	276	30,813	30,813	0
17	2038.39	18,966	12,177	788	899	276	33,105	33,105	0
18	2039.40	19,462	12,502	811	915	789	34,479	34,479	0
19	2040.41	19,971	12,836	836	931	276	34,850	34,850	0
20	2041.42	20,493	13,178	861	948	276	35,757	35,757	0
21	2042.43	28,805	13,529	903	965	276	44,478	44,478	0
22	2043.44	30,342	13,888	988	983	276	46,477	46,477	0
23	2044.45	31,113	14,256	1,101	866	276	47,612	47,612	0
24	2045.46	31,900	14,633	1,222	881	276	48,912	48,912	0
25	2046.47	32,708	15,019	1,353	849	276	50,205	50,205	0
26	2047.48	27,446	15,415	1,493	863	276	45,492	45,492	0
27	2048.49	28,887	15,820	1,643	878	276	47,504	47,504	0
28	2049.50	29,640	16,236	1,803	893	965	49,537	49,537	0
29	2050.50	30,412	16,661	1,973	909	276	50,232	50,232	0
30	2051.52	31,205	17,098	2,155	925	276	51,659	51,659	0

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**INCOME & EXPENDITURE STATEMENT**

**EXPENDITURE**

Repairs & maintenance

Supervision & management

Special services

Rents, rates, taxes and other charges

Depreciation & impairment charges

    Depreciation - Council Houses

    Depreciation - Garages

    Depreciation - Other

**TOTAL EXPENDITURE**

**INCOME**

Dwelling rents

Non-dwelling rents

Heating and utility charges

Tenants' charges for services & facilities

Leaseholders' charges for services and facilities

Other income

Increase/(decrease) in impairment of debtors

**TOTAL INCOME**

**NET COST OF HRA SERVICES**

HRA services' share of corporate & democratic core

**NET COST OF HRA SERVICES INC CDC**

Gain/(loss) on sale of HRA non current assets

HRA share of interest payable & similar charges

Interest on revenue cash balances

**(SURPLUS)/DEFICIT ON HRA**

**MOVEMENT IN RESERVES**

**appropriations to/(from) useable reserves**

Transfers to/from the Capital Adjustment Account

    HRA Share of the Minimum Revenue Provision

    Capital expenditure funded by the HRA

Transfer to/from the Major Repairs Reserve (MRA)

    Reversal of the MRA credited to the HRA

**Reversal of Items in Net Cost of Services**

Transfers to/from the Capital Adjustment Account

    Depreciation - Council Houses

    Depreciation - Garages

    Depreciation - OLB

**(Increase)/decrease in the Housing Revenue Account**

Housing Revenue Account Balance Brought Forward

**Housing Revenue Account Balance Carried Forward**

	2022/23		2023/24
	budget	expected actual	budget
	£	£	£
Repairs & maintenance	12,111,240	12,398,663	<b>13,119,220</b>
Supervision & management	9,040,740	9,262,095	<b>9,241,050</b>
Special services	2,792,140	2,483,794	<b>2,942,120</b>
Rents, rates, taxes and other charges	580,240	594,357	<b>841,010</b>
Depreciation & impairment charges			
Depreciation - Council Houses	12,258,270	15,114,500	<b>15,987,730</b>
Depreciation - Garages	200,000	200,000	<b>200,000</b>
Depreciation - Other	256,400	150,571	<b>150,570</b>
<b>TOTAL EXPENDITURE</b>	<b>37,239,030</b>	<b>40,203,980</b>	<b>42,481,700</b>
<b>INCOME</b>			
Dwelling rents	42,561,880	42,613,851	<b>45,183,980</b>
Non-dwelling rents	1,323,660	1,255,924	<b>1,295,180</b>
Heating and utility charges	69,120	69,120	<b>65,450</b>
Tenants' charges for services & facilities	2,677,820	2,603,277	<b>3,003,970</b>
Leaseholders' charges for services and facilities	297,150	197,148	<b>297,150</b>
Other income	1,505,460	1,274,220	<b>1,269,290</b>
Increase/(decrease) in impairment of debtors	(180,000)	(180,000)	<b>(147,120)</b>
<b>TOTAL INCOME</b>	<b>48,255,090</b>	<b>47,833,540</b>	<b>50,967,900</b>
<b>NET COST OF HRA SERVICES</b>	<b>(11,016,060)</b>	<b>(7,629,560)</b>	<b>(8,486,200)</b>
HRA services' share of corporate & democratic core	3,325,950	3,173,000	<b>3,434,640</b>
<b>NET COST OF HRA SERVICES INC CDC</b>	<b>(7,690,110)</b>	<b>(4,456,560)</b>	<b>(5,051,560)</b>
Gain/(loss) on sale of HRA non current assets	0	1,708,320	<b>0</b>
HRA share of interest payable & similar charges	4,628,000	4,503,170	<b>5,791,820</b>
Interest on revenue cash balances	(336,830)	(685,000)	<b>(254,000)</b>
<b>(SURPLUS)/DEFICIT ON HRA</b>	<b>(3,398,940)</b>	<b>1,069,930</b>	<b>486,260</b>
<b><u>MOVEMENT IN RESERVES</u></b>			
<b>appropriations to/(from) useable reserves</b>			
Transfers to/from the Capital Adjustment Account			
HRA Share of the Minimum Revenue Provision	1,021,000	0	<b>0</b>
Capital expenditure funded by the HRA	2,778,000	0	<b>1,163,410</b>
Transfer to/from the Major Repairs Reserve (MRA)			
Reversal of the MRA credited to the HRA	12,714,670	15,465,071	<b>16,338,300</b>
<b>Reversal of Items in Net Cost of Services</b>			
Transfers to/from the Capital Adjustment Account			
Depreciation - Council Houses	(12,258,270)	(15,114,500)	<b>(15,987,730)</b>
Depreciation - Garages	(200,000)	(200,000)	<b>(200,000)</b>
Depreciation - OLB	(256,400)	(150,571)	<b>(150,570)</b>
<b>(Increase)/decrease in the Housing Revenue Account</b>	<b>400,060</b>	<b>1,069,930</b>	<b>1,649,670</b>
Housing Revenue Account Balance Brought Forward	(9,223,791)	(12,762,368)	<b>(13,400,758)</b>
<b>Housing Revenue Account Balance Carried Forward</b>	<b>(8,823,731)</b>	<b>(11,692,438)</b>	<b>(11,751,088)</b>

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## Sedgemoor Area Fees & Service Charges

## APPENDIX D

<b>Service charges for dwellings</b>	<b>HB</b>	<b>Rent £ per week based on 50 week rent year</b>
Cleaning	yes	1.16 - 9.95
Caretaking	yes	2.69 - 16.48
Communal areas, general needs	yes	0.07 - 23.52
Digital aerials	yes	0.63 - 1.53
Door entry	yes	0.19 - 9.79
Extra Care Charge, Inc. aerials; communal cleaning & communal area	yes	14.18 - 26.17
Heating	no	3.56 - 12.01
Independent Living Service - bronze level	yes	10.21
Independent Living Service - silver level (bronze + 6.90) First £10.21 of this charge is eligible for HB	see service description	17.11
Independent Living Service - gold level (bronze + 10.21) First £10.21 of this charge is eligible for HB	see service description	20.43
Laundry	yes	0.28 - 3.30
Lifeline (sheltered & extra care)	no	1.94
Sewerage	no	6.67 - 8.14
Supported housing	yes	0.49 - 38.22

<b>Garage Rents</b>	<b>HB</b>	<b>Rent £ per week based on 50 week rent year excluding VAT</b>
Non refurbished garage rent	no	9.96
Newly refurbished garages	no	11.98

<b>Communal Halls</b>	<b>HB</b>	<b>Per Hour</b>
Resident booking for residents only	no	free
Non resident regular bookings (VAT exempt) (regular booking - a minimum of 1 booking per quarter over 12months or weekly/fortnightly over 3-12 months)	no	9.40
All other bookings (VAT exempt)	no	11.20

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**Housing Revenue Account (HRA)**

**Fees and Charges 2023/24**

**Background**

SWT Council has recently engaged the services of Altair Consultancy and Advisory Services to independently review our approach to service charges to give assurance on whether they are set and applied appropriately. This has resulted in some clear findings and recommendations to ensure fairness and transparency and includes the following:

- SWT Service charges are very low compared to other Housing Providers in our area and not all service charge recoverable expenditure is being identified. Service Charges should be set to fully recover the costs of the service they deliver and currently this is not happening (with any shortfall needing to be covered from rent)
- Service charges should be based on actual expenditure rather than inflationary uplifts, where these costs are known. We have applied this approach to the Communal Charges this year.
- Greater transparency should be offered by separating out charges to give greater granular detail. For example, they recommend we separate out utilities costs from the communal charges.
- Application of service charges should be tenure blind (charge the same level for the same service for leasehold and tenants) to ensure fairness and consistency.
- Introduce a management fee to reflect the costs of managing and delivering service charge work and the related back-office costs. The Housing Sector standard is 10-15%.
- Make further changes in a phased approach over time (e.g. more detailed review of staff activities and charging; creating a sinking fund for capital works on communal areas; and de-pooling charges from rent). This incremental approach will allow the Council to implement change carefully and accurately; ensure that future price changes are not too significant at any time and also consider how SWT and Homes in Sedgemoor better align our approaches.

**Further Background**

- The fees and charges for the HRA will be approved by Full Council on the 22<sup>nd</sup> of February 2023.
- The September 2022 CPI figure is 10.1% as published by the Office for National Statistics in October 2022.

- Housing Service Charges are made to housing tenants for the services that they use. Service Charges are set locally each year and are in addition to the Social Rent Charges.
- The government Policy Statement on rents for social housing\* sets out that service charges are not governed by the same factors as rent. Registered providers are expected to set reasonable and transparent service charges which reflect the service being provided to tenants. The guidance recommends housing providers should endeavour to keep increases for service charges within the limit on rent changes (7%).

\* <https://www.gov.uk/government/publications/direction-on-the-rent-standard-from-1-april-2020/policy-statement-on-rents-for-social-housing>

### Legal Authority

- Through Section 2 Part 24 of the Housing Act 1985 (as amended by Local Government & Housing Act 1989) SWT are permitted to make the charges detailed.

### Equality Impact Assessment

An Equality Impact Assessment form has been completed and Housing Services will continue to provide several initiatives to enable tenants to manage their finances and maximise their income (such as regular surgeries across the District for tenants, specialist Debt and Benefit drop-in sessions, access to Case Managers who are experienced at debt and benefit advice, as well as signposting to external agencies for support i.e. CAB).

We are aware of the impact of inflation and how some tenants are struggling with the cost of living and have considered this in setting our service charges. Charges have been set to ensure compliance with the government policy statement whilst considering the need to set an affordable budget for the Housing Service for next year and balancing this with affordability pressures of tenants. A comparison of SWT rents and service charges against other social landlords operating in our District (along with the private rented sector average) is shown in **Appendix C** and **Appendix D**.

The 7% level set by the government is justified within their own equality impact assessment to “protect households” as it is well below inflation. We have carefully set our service charges for 2023/24 to ensure we collect the income required to cover costs incurred and therefore minimise the need to make cuts to non-statutory HRA services (which tend to be those that support the most vulnerable tenants and those with protected characteristics – such as commissioned services for mental health support, community groups and financial advice)

We can continue providing services such as additional debt and benefit advisors, commissioned ‘Money Matters’ service such Citizens Advice and Mental Health support through MIND to help support some of our most vulnerable tenants, many of whom will have protected characteristics.



Apart from Deane Helpline, all service charges levied on tenants are HB eligible and therefore those tenants on HB or UC will have these costs paid for them through these benefits. Currently 56% of tenants are on benefits (rising to 71% for Sheltered Tenants and 76% for Extra Care tenants). As a rule, although tenants with disabilities tend to have lower average incomes, they will almost certainly qualify for Housing Benefit or Universal Credit and in addition, people with difficulties with daily activities or mobility may qualify for Disability Living Allowance or Personal Independence Payments. Therefore, none of these tenants will be affected by the increase in service charges. The Deane Helpline price increases are well below inflation and the lowest increases this year and therefore despite not being HB eligible, the impact will be minimal.

Further steps we have taken to mitigate the impact of cost increases to our tenants is to create a hardship fund of £50,000 for next year which we will target to those tenants that are most in need of financial support

## Fees & Charges

- The proposal is to increase private garage rents by 10.1% in line with CPI. Council tenanted garages to increase by 7% in line with Service Charges increase for 2023/24
- For council garage tenants the weekly rental will increase from £6.91 per week to £7.39 per week – an increase of £0.48 per week.
- For private tenants and owner occupiers the weekly garage rental will increase from £12.68 (including VAT) per week to £13.96 per week – an increase of £1.28 per week.
- The fees levied for 2023/24 for meeting room hire will be increased by CPI and then rounded to the nearest 10p as requested by tenants during feedback provided in 2017/18.
- The fees levied for 2023/24 for guest room hire will be increased by CPI and then rounded to the nearest 50p as requested by tenants during feedback provided in 2017/18. Guest Rooms are currently not available due to works required to bring to rentable standard.
- Rents for Temporary Accommodation properties will be at the September CPI rate of 10.1% increase. Please see **Appendix B** – Charges for Temporary Accommodation.
- Shared Ownership properties will also have the 7% cap applied.
- For 2023/24 a new charge of a 10% Management Fee will be applied to service charges. This fee has been set at the lower end of the sector norm (10-15%) and is to recover costs of managing and administering service charges. These costs that need to be recovered includes service charge queries, managing services, performing inspections, processing budget setting and financial accounts and administrative duties. This charge is only to recover our costs and not make profit from the money we collect. This service charge is covered by Housing Benefit where the tenant is eligible. The service charges included in the 10% calculation are Grounds Maintenance,

Communal Areas, Laundry, Door Entry and Sewerage. We have opted to exclude some areas from this management fee including Sheltered, Extra Care, Lifeline and heating and utility charges. This is to help ensure that service charges remain affordable for tenants. The average management fee will equate to 26p a week (dependent on which service charges are applicable to that property.)

- For 2023/24 a new Utility charge will be applied for communal blocks to cover the cost of energy usage in communal areas, this has been costed back to the expenditure in 2022/23 and will continue to be paid one year in arrears. The charge for 2023/24 is a standard charge of £0.86 for all applicable dwellings. This will improve fairness and transparency and ensure that the cost is picked up by tenants who benefit from this facility rather than spread across all tenants who also pay their own utility bills.
- Communal door entry systems. Some of our communal properties benefit from electronic key fobs which we incur an annual charge for connection, webhosting, and maintenance (as well as key replacement, enabling new keys and disabling old keys). This has been shared equally across all properties that benefit from this system at £0.23 per week.
- The average net impact in terms of additional weekly costs for a typical tenant would be:

Tenant (example of typical case)	Average weekly Service Chg <u>increase</u> including management fee
General Needs tenant just benefitting from grounds maintenance	0.36
As above, plus communal areas with lighting and automated door opening.	1.98
As above, but also receiving Sheltered Housing Service	3.05
Tenant receiving grounds maintenance, communal areas with lighting, door opening and Extra Care Housing Service	3.88

Note – 56% of general needs tenants, 71% of Sheltered tenants and 76% of Extra Care tenants will have these costs covered through Benefits.

**Appendix E** below provides further detail of the net impact to tenants, the increases range from an additional £5.79 per week (for both rent and service charges) for a one-bedroom dwelling receiving only the Grounds Maintenance Service to an increase of £10.10 for a 2-bedroom dwelling eligible for all Extra Care and Communal Charges.

Supported accommodation properties will see a maximum increase of £9.39 per week for a 2-bedroom property eligible for Supported Accommodation accommodation services as well as communal services, utilities, door entry, piper lifeline, support services and grounds maintenance.

Extra Care accommodation properties will see a maximum increase of £10.10 per week for a two-bedroom property eligible for all Extra Care accommodation services

as well as communal services, utilities, door entry, piper lifeline, support services and grounds maintenance.

Please see **Appendix A** for further detail – Table of Service Charges.

### **Exceptions**

Charges for properties not on mains sewerage.

- These properties charges for sewerage will be increased in line with the Wessex Water increases for 2023/24 once known. Wessex Water rates for sewerage standing charge per annum and poundage charges are used in the system calculation.
- For 2021-22 these are £7.00 per annum for unmetered sewerage standing charge and £1.57 for the poundage charge payable per £ of rateable value of the property.
- Wessex Water will publish their new charges in February 2023 (available from their website) for 2023/24.

Piper Lifeline

- Piper lifeline will be increased by 3% in line with separate fees and charges report for approval.

Communal Areas

- Communal Areas have now been costed back to expenditure following a place hold of £1.00 in year 2022/23. Expenses for insurance, fire safety and maintenance have been divided between eligible properties. This charge is applicable to any property which has a communal area, and all pay the same rate regardless of what specific services they get. This increase is due to a costing back exercise which has been done in 2022/23 against the expenditure and now accurately reflects the costs incurred by the service.

### **Budget Impact**

In accordance with the 30-year Housing Business Plan, it is proposed to increase Housing (non-rent) Fees and Charges by the 7% Social Rent Cap with the following exceptions:

- Water rates and non mains sewerage rates
- Piper Lifeline
- Communal charge

### Appendix A – Table of Service Charges

Charge description	22/23	23/24	Increase
Council Garage	£ 6.91	£ 7.39	£ 0.48
Private Garage ex VAT	£ 10.57	£ 11.64	£ 1.07
Private Garage inc VAT	£ 12.68	£ 13.96	£ 1.28
Communal Areas	£ 1.00	£ 1.37	£ 0.37
Grounds Maintenance	£ 2.06	£ 2.20	£ 0.14
Heating charge	£ 5.67	£ 6.07	£ 0.40
Laundry charge	£ 1.72	£ 1.84	£ 0.12
Piper line for Sheltered Housing	£ 5.49	£ 5.65	£ 0.16
Supported Housing Management	£ 12.97	£ 13.88	£ 0.91
Piper Line for Extra Care Housing	£ 6.34	£ 6.53	£ 0.19
Extra Care Housing Management	£ 24.36	£ 26.07	£ 1.71
Management Fee	N/A	10% of combined Service Charges.	Average £0.24
Utility for Communal Internal Areas	N/A	£0.86	N/A
Door Entry System	N/A	£0.23	N/A

### Appendix B – Charges for Temporary Accommodation

Bedroom weight	Current 22/23 Charge £	23/24 Charge £	Actual increase £
1 Bedroom	16.53	18.20	1.67
2 Bedrooms	20.82	22.92	2.10

3 Bedrooms	24.37	26.83	2.46
4 Bedrooms	29.84	32.85	3.01

**Appendix C – Table showing average weekly rent and service charges of Housing Providers in Somerset West and Taunton with housing stock of >100 (for period 2021/22)**

The following table shows rent and service charges applied by social landlords in our District with stock of more than 100 properties during 2021/22. Rents would typically have increased by 4.1% in 2022/23 and a further 7% in 2023.24. For illustration this would put expected average rent (excluding service charges) for SWT general needs 2 beds at £92.72pw and the equivalent at Magna (the next landlord with most stock) at £105.38pw. Landlords have different service offers and new-build housing programmes and some Supported Housing may be of a more specialist nature, so services may not always be directly comparable.

Housing Provider	Ave weekly social rents in SWT area for 2 bed home	General Needs Units with Service Charges	Average General Needs Service Charges	Average weekly rent – 2 bed Supported Housing	Sheltered/ Extra Care units with service Charges	Average Supported Housing service charge (all bedroom sizes)	Total rent and Service Charges (General Needs)	Total rent and Service Charges (Supported Housing)
Somerset West and Taunton Council	£83.24	4,633	£3.06	£86.94	945	£21.23	<b>£86.30</b>	<b>£108.17</b>
Magna Housing	£94.70	1,088	£12.49	£103.30	510	£23.10	£107.19	£126.40
LiveWest	£95.34	1,008	£5.73	£95.23	79	£53.73	£101.07	£148.96
Sanctuary	£96.13	272	£7.11	£91.36*	36	£96.00	£103.24	£187.36
Abri Group	£103.32	145	£4.58		-	-	£107.90	-
Stonewater	£98.68	127	£7.56		-	-	£106.24	-

Source: - RSH 2022 NROSH SDR Data Rents and Service Charges, General Needs and Supported Housing (Oct 2022)

\* The service charge cost applied is an average service charge (rather than specifically for a 2 bedroom size)

\*\* Sanctuary only have one bedroom Supported Housing in our area, so not directly comparable. Hence cheaper than other RPs.

**Appendix D – Table showing average private sector rent in Somerset West and Taunton District as at January 2023**

The following table is a useful comparator showing the current average cost of renting properties in the private rented sector. The Local Housing Allowance is shown for information purposes only but illustrates that all general needs social housing is within local housing allowance levels. The average 2 bed property private sector rental is now £166.84 a month which is around twice the cost of rent for equivalent SWT social housing.

Property Type	Monthly rent	Weekly Equivalent	Local Housing Allowance Limit
Room in shared house	£459	£105.92	£84.50
Studio	£485	£111.92	£103.50
1 bed	£563	£129.92	£103.50
<b>2 bed</b>	£723	<b>£166.84</b>	<b>£136.93</b>
3 bed	£885	£204.23	£164.55
4 bed or above	£1226	£282.92	£207.12

Source: ONS and DirectGov websites

## Appendix E – Table showing the gross impact of rent and service charge increase for different scenarios

The table below illustrates the net impact to tenants between current year and the proposals for 2023/24, the key below explains the different scenarios being illustrated. The charges for both years have been broken down into Rent and Service Charges as well as totalled with the difference highlighted in the column coloured blue.

Bedrooms	Scenario	2022/23			2023/24			Difference
		Rent	Service Charge	Total	Rent	Service Charge	Total	
1	A	£77.53	£2.06	£79.59	£82.96	£2.42	£85.38	£5.79
1	B	£77.53	£3.06	£80.59	£82.96	£3.92	£86.88	£6.29
1	C	£77.53	£3.06	£80.59	£82.96	£5.04	£88.00	£7.41
1	D	£81.05	£21.52	£102.57	£86.72	£24.57	£111.29	£8.72
1	E	£81.72	£33.76	£115.48	£87.44	£37.64	£125.08	£9.60
2	A	£86.67	£2.06	£88.73	£92.74	£2.42	£95.16	£6.43
2	B	£86.67	£3.06	£89.73	£92.74	£3.92	£96.66	£6.93
2	C	£86.67	£3.06	£89.73	£92.74	£5.04	£97.78	£8.05
2	D	£90.59	£21.52	£112.11	£96.93	£24.57	£121.50	£9.39
2	E	£88.86	£33.76	£122.62	£95.08	£37.64	£132.72	£10.10
3	A	£96.37	£2.06	£98.43	£103.12	£2.42	£105.54	£7.11
4	A	£106.21	£2.06	£108.27	£113.64	£2.42	£116.06	£7.79
5	A	£116.71	£2.06	£118.77	£124.88	£2.42	£127.30	£8.53
6	A	£128.36	£2.06	£130.42	£137.35	£2.42	£139.77	£9.35

**Scenario A** - Tenant only eligible for Grounds Maintenance.

**Scenario B** - Tenant eligible for Grounds Maintenance, Communal Areas (no internal communal areas or door entry).

**Scenario C** - Tenant eligible for Grounds Maintenance, Communal Areas, Utilities and Door entry.

**Scenario D** - Sheltered Housing Tenant eligible for Grounds Maintenance, Communal Areas, Utilities and Door Entry

**Scenario E** - Extra Care Tenant eligible for Grounds Maintenance, Communal Areas, Utilities and Door Entry

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CAPITAL SPEND	2021/22	2022/23		2023/24
	actual	budget	expected actual	budget
	£	£	£	£
<b>New Build/Acquisitions Housing Schemes</b>				
Withy Cutter, Bridgwater & Alpha House, Highbridge	(2,167)	0	0	0
Penlea House phase one, Bridgwater, Homes England	60,329	3,681,890	1,894,470	<b>2,852,010</b>
Sydenham garage site housing development	53,508	4,153,240	2,505,470	<b>1,647,780</b>
Bigwood & Staple, Bridgwater, Homes England	1,449,362	2,376,000	2,512,980	<b>332,470</b>
Extra sheltered/supported units	21,017	0	0	0
Purchase of existing properties (not new build)	181,519	500,000	500,000	<b>500,000</b>
New build purchase of single units	183,703	0	0	0
Tuckerton Lane N Newton (6 homes)	0	665,000	0	<b>950,000</b>
Brent Knoll (7 homes) s106 build	0	0	9,770	0
Dawes Farm (33 homes) s106 build	1,198,454	0	0	0
Stafflands Farm, (13 homes) N Petherton, s106 build	1,436,069	0	162,440	0
Carrotts Farm, (3 homes) N Petherton, s106	0	0	55,160	<b>489,710</b>
Bespoke homes (2 homes plus extensions) H England	0	0	408,230	<b>587,300</b>
Cricketers, Nether Stowey (16 homes)	0	2,643,240	0	<b>2,643,240</b>
Social Housing Development (SWT)	5,926,683	16,214,803	15,987,480	<b>16,421,410</b>
<b>Total for New Housing</b>	<b>10,508,477</b>	<b>30,234,173</b>	<b>24,036,000</b>	<b>26,423,920</b>
<b>Existing Stock</b>				
HiS capital spend on housing stock	9,883,631	3,413,290	3,663,290	<b>8,561,470</b>
HiS Sheltered/supported housing work	0	0	192,790	0
HiS fire safety cladding	0	2,134,290	2,134,290	0
HiS outbuildings, balconies & Westfield House	0	1,392,770	1,392,770	0
HiS net zero pilot project	0	336,960	336,960	0
SDC Disabled adaptations	303,134	350,000	230,000	<b>400,740</b>
SDC LAD1 Housing thermal works	68,250	0	0	0
SDC Shared ownership capital Improvements	2,000	0	0	0
Major Works (SWT area)	5,662,000	14,946,968	9,821,403	<b>10,867,970</b>
Fire Safety (SWT area)	315,000	3,573,637	3,573,637	<b>150,000</b>
Related Assets (SWT area)	31,000	120,000	2,075	<b>50,000</b>
Exceptional & Extensive (SWT area)	221,000	350,000	350,000	<b>300,000</b>
Vehicles (SWT area)	0	220,000	0	0
ICT & Transformation (SWT area)	394,000	551,405	351,405	<b>210,000</b>
Aids & Adaptations & DFGs (SWT area)	158,000	370,000	370,000	<b>370,000</b>
Sewerage scheme Crickham	27,613	0	382,380	0
Sewerage scheme Burtle	30,295	0	0	0
Sewerage scheme Aley	586	0	0	0
<b>Total Major Works</b>	<b>17,096,509</b>	<b>27,759,320</b>	<b>22,801,000</b>	<b>20,910,180</b>
<b>TOTAL CAPITAL SPEND</b>	<b>27,604,986</b>	<b>57,993,493</b>	<b>46,837,000</b>	<b>47,334,100</b>

**FUNDING OF CAPITAL SPEND**

Major Repairs allowance	12,548,482	20,715,270	20,895,610	<b>19,108,452</b>
Direct Revenue Funding	6,239,916	2,778,000	0	<b>1,163,410</b>
Borrowing	6,096,871	26,066,391	16,925,278	<b>20,609,661</b>
Use of Capital Grants	125,977	402,229	402,229	<b>1,000,000</b>
Homes England Grant	0	1,527,250	2,819,250	<b>532,250</b>
Grant funding for LAD1 housing thermal works	86,140	0	0	0
Grant funding s106	63,590	210,000	0	0
Use of Capital Receipts	110,000	200,000	0	<b>2,999,077</b>
Use of RTB Capital Receipts	1,054,215	2,687,354	2,687,354	0
Use of Capital Receipts - non restricted	58,494	573,000	470,100	<b>662,400</b>
Use of Capital Receipts - new build	1,221,301	2,834,000	2,637,180	<b>1,258,850</b>
<b>TOTAL CAPITAL PROGRAMME</b>	<b>27,604,986</b>	<b>57,993,493</b>	<b>46,837,000</b>	<b>47,334,100</b>

**MAJOR REPAIRS RESERVE**

b/f start of year	6,772,947	8,400,692	8,200,692	<b>2,770,152</b>
depreciation - dwellings	12,760,467	12,258,270	15,114,500	<b>15,987,730</b>
depreciation - block garages & area offices	259,400	200,000	200,000	<b>200,000</b>
depreciation - OLB	204,010	256,400	150,570	<b>150,570</b>
transfer to appropriations in HRA	0	0	0	0
use for funding capital expenditure	(11,796,133)	(20,915,270)	(20,895,610)	<b>(19,108,452)</b>
c/f end of year	8,200,692	200,092	2,770,152	0

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## Somerset Equality Impact Assessment

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

<b>Organisation prepared for</b>	<b>Rent Increase 2023/2024</b>		
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<b>Version</b>	<b>V1</b>	<b>Date Completed</b>	<b>22<sup>nd</sup> January 2023</b>
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### Description of what is being impact assessed

The rent increases for the tenants of Homes in Sedgemoor and Somerset West and Taunton for the financial year 2023/2024

### Evidence

**What data/information have you used to assess how this policy/service might impact on protected groups?** Sources such as the [Office of National Statistics](#), [Somerset Intelligence Partnership](#), [Somerset’s Joint Strategic Needs Analysis \(JSNA\)](#), Staff and/ or [area profiles](#), should be detailed here

The Government in the Autumn Statement 2022 set out a limit to rent increases for 2023/24. In their own EIA, they said ‘ The objective of this change of policy is to protect households in our council housing from being required to pay particularly high nominal-terms rent increases due to much of higher levels of inflation than were anticipated when the current policy was introduced... The proposed 7% ceiling would ensure that our annual housing rent increases cannot exceed this level’ ‘The change would benefit (a) social renters who pay their rents without assistance from Housing Support (i.e. housing benefit or the housing element of Universal Credit), and (b) those who receive Housing Support but at a level that or (or would be) limited by the benefit cap or the removal of the spare room subsidy

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/1100981/Annex D - impact assessment - social housing rents consultation.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1100981/Annex_D_-_impact_assessment_-_social_housing_rents_consultation.pdf)

For Somerset:

1. General rents – 7% in line with rent cap
2. Service charges
  - a. Sedgemoor - continue on the basis on recovery of costs, in current year based on 21/22 actuals.
  - b.

Somerset West and Taunton – will be capped on the same level as the rent cap at 7%, (with the exception of Piper Lifeline at 3%, communal areas at 37%, the introduction of a new management fee at 10%, a new charge for utility for internal areas charge and a new charge for door entry system).

3. Sheltered housing - 7%
4. Shared ownership – 7%
5. Garage rents
  - a. Sedgemoor - 7%
  - b. Somerset West and Taunton – where tenanted 7%, where non-tenanted inflation 10.1%

There has been joint consultation about the overall rent policy as follow:

Consultation and regular meetings with the SWT's Tenants' Strategic Board – Special meeting planned Dec / Jan 2022

- As part of our consultation on the proposed changes the Council contacted the following groups in 2022, who were identified as having an interest in the proposals for change: - Compass Disability Services, Taunton (Disability); - Age UK, Somerset (Age); - Mind in Somerset, Taunton (Disability); - Moving Together in Somerset (Age); - RAISE, Somerset (Race); and - Caring Minds CIC, Taunton (Carers). In summary the groups were invited to provide comment and feedback on the 7% increase in rent as per Autumn Statement from Chancellor

- Consultation and regular meetings with HIS's Sedgemoor Tenants Assurance Committee (STAC) – next planned meeting January 2023
- Discussion and review with HIS Board at their Away-Day 27<sup>th</sup> /28<sup>th</sup> October 2022
- HIS aim to consult with wider tenant body in early 2023

### **Analysis of impact on protected groups**

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

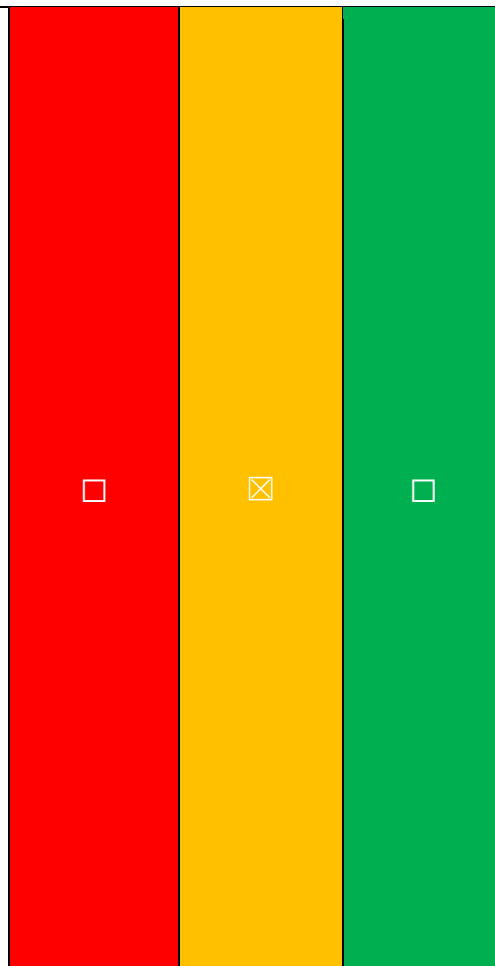
<b>Protected group</b>	<b>Summary of impact</b>
	<p>Every year the housing service reviews rents. This takes into account inflation and any other financial factors in order to ensure there is enough income to deliver services. When doing so the housing service must observe government legislation and guidance. The cost rise to tenants itself is below inflation and is required to ensure the housing service can continue to deliver services for tenants and provide support. Rental income will finance the continued investment in maintaining our existing homes, other assets and neighbourhoods to a high standard with a comprehensive 30 Year HRA Business Plan that sets out a planned programme of capital expenditure, adaptations and routine repairs in place. The rental income will also enable the housing service to continue providing and improve upon the strong community support offered to tenants providing them with additional support to sustain individual tenancies as well as investing in a range of community-based projects and groups.</p> <p>It could be argued that a group such as those with a disability experience greater challenges to access services based on a lower average income than non-disabled people and therefore may be disproportionately adversely affected by any rent and service charge rise. However, people on low incomes will (if they fulfil the conditions) qualify for housing benefit or universal or pension credit and will therefore be protected from significant negative financial impacts. In addition, people who have difficulties with daily activities and or mobility problems may qualify for other benefits (e.g. Disability Living Allowance or its replacement Personal Independence Payment). It is understood there may be an increase in the level of rent arrears due to the transition to Universal Credit, however this risk is being mitigated by the housing service working closely with Citizens Advice to provide advice and support services to Universal Credit claimants. The SWT housing service also has a dedicated team of officers who provide early intervention to support tenants to sustain their tenancy and where necessary assist them to</p>

maximise their entitlement to welfare benefits – currently 56% of SWT existing tenants (72% of HiS) are in receipt of full or partial help with paying their housing costs i.e. housing benefit or universal credit. The HRA business plan makes provision for an amount of bad debt.

The total number of self funders are 2407 (ie 44%). The percentages are lower than the overall for extra care (24%) and sheltered (29%); 1106 (28%) in Sedgemoor.

**Age**

- 43% of Homes in Sedgemoor tenants and 30% of Somerset West and Taunton tenants are aged over 60
- 56% of Somerset West and Taunton tenants and 72% of Homes in Sedgemoor tenants are in receipt of help with housing costs, whether that is housing benefit or universal credit
- For tenants in sheltered housing this increases to 71% and 76% in Extra Care Housing, receiving support with housing costs
- All tenants will be affected by the rent increase within each area at 7%.
- Tenants where they have to pay a service charge as well, will see increases to these charges, especially in the Sedgemoor area where service charges will be set to recover the actual costs of the services provided. This could impact households who are self-funders, or where a service charge is not supported by support
- People of pensionable age will see their pensions increase in line with the triple lock (approximately 10.1%) and therefore it could be seen that for people of pensionable age the increase will be covered by the increase in income.
- People in receipt of Universal Credit and other benefits will also see an increase of approximately 10.1% and will therefore see an increase in income



	<ul style="list-style-type: none"> <li>• There could also be an impact on people who also rent a garage from the council as garage rent will also increase with Sedgemoor limiting the increase to 7% and Somerset West and Taunton in line with inflation. The increases could negatively impact this characteristic</li> </ul>			
<b>Disability</b>	<ul style="list-style-type: none"> <li>• Approximately 27% of tenants in Somerset West and Taunton and 35% in Sedgemoor have declared that either they or the other person on the tenancy has a disability, which include dementia, hearing loss, mobility, visual loss for example.</li> <li>• Disabled adults are more likely to not be working and therefore could be seen to have a lower household income in comparison to households who are in work</li> <li>• Benefits will increase by 10.1% and therefore with a rent increase lower than benefit increases, it could be argued that the income increase will offset any rent increase at 7%</li> <li>• Service charges increases will be covered by increases in benefits unless the service charge is not covered by support or the actual cost for services charges, as Sedgemoor are proposing, is more than the increases in benefits. This could negatively affect this characteristic</li> <li>• There could also be an impact on disabled people who also rent a garage from the council as garage rent will also increase with Sedgemoor limiting the increase to 7% and Somerset West and Taunton in line with inflation. The increases could negatively impact this characteristic</li> </ul>	□	⊗	□

<b>Gender reassignment</b>	<ul style="list-style-type: none"> <li>There are no impacts identified</li> </ul>	□	□	□															
<b>Marriage and civil partnership</b>	<ul style="list-style-type: none"> <li>There are no impacts identified</li> </ul>	□	□	□															
<b>Pregnancy and maternity</b>	<ul style="list-style-type: none"> <li>There are no impacts identified</li> </ul>	□	□	□															
<b>Race and ethnicity</b>	<p>The table below provides information on the number of council tenants by ethnicity:</p> <table border="1" data-bbox="488 890 1487 1134"> <thead> <tr> <th data-bbox="488 890 824 970">Ethnic Background</th> <th data-bbox="824 890 1160 970">Somerset West and Taunton</th> <th data-bbox="1160 890 1487 970">Sedgemoor</th> </tr> </thead> <tbody> <tr> <td data-bbox="488 970 824 1010">White British</td> <td data-bbox="824 970 1160 1010">68%</td> <td data-bbox="1160 970 1487 1010">72%</td> </tr> <tr> <td data-bbox="488 1010 824 1050">BME</td> <td data-bbox="824 1010 1160 1050">1%</td> <td data-bbox="1160 1010 1487 1050">1%</td> </tr> <tr> <td data-bbox="488 1050 824 1090">No data provided</td> <td data-bbox="824 1050 1160 1090">1%</td> <td data-bbox="1160 1050 1487 1090">3%</td> </tr> <tr> <td data-bbox="488 1090 824 1134">Other</td> <td data-bbox="824 1090 1160 1134">30%</td> <td data-bbox="1160 1090 1487 1134">24%</td> </tr> </tbody> </table> <ul style="list-style-type: none"> <li>In line with other characteristics, people who are of pensionable age or on benefits will see their incomes increase in line with inflation (approximately 10.1%) and therefore the increase set out above will be covered by the increases in support received</li> </ul>	Ethnic Background	Somerset West and Taunton	Sedgemoor	White British	68%	72%	BME	1%	1%	No data provided	1%	3%	Other	30%	24%	□	⊗	□
Ethnic Background	Somerset West and Taunton	Sedgemoor																	
White British	68%	72%																	
BME	1%	1%																	
No data provided	1%	3%																	
Other	30%	24%																	



<b>Religion or belief</b>	<ul style="list-style-type: none"> <li>There are no impacts identified</li> </ul>	□	□	□
<b>Sex</b>	<ul style="list-style-type: none"> <li>There are no impacts identified</li> </ul>	□	□	□
<b>Sexual orientation</b>	<ul style="list-style-type: none"> <li>There are no impacts identified</li> </ul>	□	□	□
<b>Other, e.g. carers, veterans, homeless, low income, rurality/isolation, etc.</b>	<ul style="list-style-type: none"> <li>All tenants will be affected by the rent increase within each area at 7%.</li> <li>Tenants where they have to pay a service charge as well, will see increases to these charges, especially in the Sedgemoor area where service charges will be set to recover the actual costs of the services provided. This could impact households who are self-funders, or where a service charge is not supported by support</li> <li>People of pensionable age will see their pensions increase in line with the triple lock (approximately 10.1%) and therefore it could be seen that for people of pensionable age the increase will be covered by the increase in income.</li> <li>People in receipt of Universal Credit and other benefits will also see an increase of approximately 10.1% and will therefore see an increase in income</li> </ul>	□	⊗	□

**Negative outcomes action plan**

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

<b>Action taken/to be taken</b>	<b>Date</b>	<b>Person responsible</b>	<b>How will it be monitored?</b>	<b>Action complete</b>
Publish clear information on rent which helps tenants to manage their own finances	Ongoing	Housing services		<input type="checkbox"/>
Signposting tenants to a relevant benefit agency to help ensure they are maximising their income to meet their living costs	Ongoing	Housing services		<input type="checkbox"/>
Provide the opportunity for tenants to access direct support to check they are in receipt of the welfare benefits they are entitled to claim	Ongoing	Housing services		<input type="checkbox"/>
Identify organisations that can offer additional or specialised support based on particular needs of the tenant	Ongoing	Housing services		<input type="checkbox"/>
Monitoring of rent arrears	Ongoing	Housing services		

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

There are no specific negative impacts identified but there is a recognition that the impact of the increases could affect particular protected characteristics, in particular where increases are not necessarily supported by benefits or other means. Support will be available to all tenants as well as signposting.

**Completed by:****Alison Turner**

<b>Date</b>	<b>13<sup>th</sup> January 2023</b>
<b>Signed off by:</b>	<b>Angela Farmer</b>
<b>Date</b>	
<b>Equality Lead/Manager sign off date:</b>	<b>23<sup>rd</sup> January 2023 – Angela Farmer</b>
<b>To be reviewed by: (officer name)</b>	<b>Tom Rutland</b>
<b>Review date:</b>	



# Paper F



## Decision Report - Executive Decision

Forward Plan Reference: FP/22/11/13

Decision Date – 13/02/23

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## Proposed Asset Management Strategy for Somerset Council

Executive Member(s): Cllr Ros Wyke - Lead Member for Development and Assets

Local Member(s) and Division: All

Lead Officer: Oliver Woodhams, Head of Corporate Property

Author: Keith Pennyfather, Property Team Leader, Sally Stark, Assets Manager, Victoria Goscomb, Governance & Performance Officer

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[Victoria.goscomb@somerset.gov.uk](mailto:Victoria.goscomb@somerset.gov.uk)

### 1. Summary / Background

- 1.1** A proposed Asset Management Strategy and Plan for Somerset Council forms Appendix A to this report. It sets out the Council's strategic objectives for property asset management, the approach the Council will take to managing its property assets, and a series of high-level commitments to guide property asset management decisions and policy making.
- 1.2** The scope of the proposed Asset Management Strategy and Plan is focused on 'real estate' (land and buildings) assets. Infrastructure assets, such as highways, street furniture, coastal and harbour infrastructure, cycle paths, rights of way and flood defences are not in the scope of this document; similarly, vehicles, IT infrastructure, plant and equipment and other asset groups will be governed by separate strategies. The Property Asset Management Strategy and Plan also excludes assets acquired and held for investment yield, and assets held within the Housing Revenue Account – these asset groups are subject to separate policies and plans.
- 1.3** Following discussion at Executive, this document will be brought to the Full Council on the 22<sup>nd</sup> February 2023 for adoption.

### 2. Recommendations

- 2.1.** The Executive is asked to:
  - i) Consider and comment on the proposed strategy and plan; and
  - ii) Endorse the plan and recommend its approval by Council at its meeting on 22 February 2023.

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## **3. Reasons for recommendations**

- 3.1** The proposed strategy will provide the strategic direction for the management of land and property assets for Somerset Council. A strategy for asset management provides a framework to guide the management of the property estate, so that it can serve the Council and the people of Somerset as effectively as possible.

## **4. Other options considered**

- 4.1.** The proposed Asset Management Strategy has been developed based on the draft Somerset Council Plan and following an analysis of the land and property estate that the new Council will inherit. The strategy has been developed through the LGR Asset Optimisation workstream, in conjunction with the Lead Executive Members for Development and Assets and Finance.
- 4.2.** The option of not creating an Asset Management Strategy was disregarded as guidance from the Chartered Institute of Public Finance and Accountancy and the Royal Institute of Chartered Surveyors recommends that property is managed strategically. This requires that a strategy be set and overseen.

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

- 5.1.** The strategies and plan have been developed from the Council Plan Priorities and Vision and are designed to directly support them. Further detail can be found in the Asset Management Strategic Objectives (page 7) in Appendix 1, which details how each of the property strategies contributes to the priorities and vision.

## **6. Consultations and co-production**

- 6.1.** This Asset Management Strategy and Plan has been produced and reviewed by Lead Members and officers from across the five Somerset Councils as part of the Property Assets Optimisation Workstream.
- 6.2.** The Strategy and Plan has also been discussed at the Local Government Reorganisation Asset Strategy Group, which is attended by members and senior officers including representation from Corporate Finance, as well as at a meeting between SLT and Executive on the 12<sup>th</sup> December 2022, and at the LGR Programme Board on the 22<sup>nd</sup> December 2022. In addition, it was discussed at the Local Government Reorganisation Joint Scrutiny Committee on the 19<sup>th</sup> January 2023 and at the Local Government Reorganisation Implementation Board on the 31<sup>st</sup> January 2023. Feedback from these discussions has been considered and, where appropriate, incorporated into the proposed plan.
- 6.3.** The authors have also undertaken a stakeholder engagement exercise, and this proposed plan incorporates feedback from internal stakeholders and public sector partners.

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## 7. Financial and Risk Implications

- 7.1. There are no direct financial implications to this Strategy. The strategies contained, however, will be subject to budget and funding opportunities.
- 7.2. There are no specific risks associated with this strategy. All decisions taken with regards to property are subject to the Council's scheme of delegation and constitution and will be assessed individually for their risks.

## 8. Legal and HR Implications

- 8.1. There are no legal and HR implications arising directly from the recommendations in this report, as this plan provides strategic direction only. However there may be future decisions in the delivery of this plan that themselves have legal or HR implications, and the relevant expert officer advice will be considered as required.

## 9. Other Implications

### 9.1. Equalities Implications

This strategy includes a strategic objective to provide assets that are fit for purpose, safe & compliant and as part of that a commitment to consider the location of buildings to support accessibility for people who do not have access to a car, proactively assess the accessibility of buildings and, where reasonable, make adjustments to ensure that buildings are accessible and support customers and staff with protected characteristics.

The strategy and plan will be taken forward through a wide range of actions, programmes and policies. Due regard for the particular needs of people with protected characteristics will be assessed as appropriate as these actions, programmes, and policies are developed; with appropriate mitigations and regard for equalities implications embedded into the policy framework and decision making.

### 9.2. Community Safety Implications

There are no Community Safety Implications directly associated with this Strategy and Plan.

### 9.3. Sustainability Implications

While the Asset Management Strategy does not specifically detail actions (as it provides strategic direction only), it does commit to using Council assets to address the Climate Emergency. This includes eliminating or reducing the use of fossil fuel heating systems, supporting active travel, encouraging

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sustainable agricultural practices, and reducing the consumption of embedded carbon in new build and refurbishment projects.

## 9.4. Health and Safety Implications

This strategy does not itself have any health and safety implications, but it does restate the commitment of the department to providing fit for purpose, safe, and compliant assets, which will help to ensure people are safe when using Council assets.

## 9.5. Health and Wellbeing Implications

This strategy includes a strategic objective to meet housing and care needs, with an emphasis on social housing, and as part of that a commitment to work with social care commissioners to use the council's asset base to improve the sufficiency of care placements in the county.

## 9.6. Social Value

Each of the strategies contained within this document has potential social value benefits involved, although the precise nature and financial impact of these has not yet been determined.

For example, strategy statement 4: *The Council's estate is used to meet housing and care needs, with an emphasis on social housing* has clear social value implications as it discusses the use of Council assets to create positive value for local communities. Investment in the council's land and buildings estate will support social value through the councils procurement policies.

## 10. Scrutiny comments / recommendations:

- 10.1** This Strategy and Plan was discussed at the Local Government Reorganisation Joint Scrutiny Committee on the 19th January 2022. The committee asked the authors to reconsider the social value implications of the proposed strategy, and this feedback has been incorporated into this report.

## 11. Background

- 11.1.** The proposed Asset Management Strategy and Plan for Somerset Council, which forms Appendix A to this report, sets out the Council's strategic objectives for property asset management, the approach the Council will take to managing its property assets, and a series of high-level commitments to guide property asset management decisions and policy making.
- 11.2.** This Asset Management Strategies and Policies have been produced by Lead Members and officers from across the five Somerset Councils as part of the Property Assets Optimisation Workstream and have now been



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drafted into a full document with background and contextual information. The Executive is asked to review and comment on the proposed strategy and plan.

- 11.3.** Subject to discussion at Executive, this document will be recommended for adoption at the Full Council on the 22<sup>nd</sup> February 2023.

## 12. Appendices

Appendix A – Proposed Corporate Property Asset Management Strategy

### Report Sign-Off

		Signed-off
Legal Implications	Honor Clarke	26/01/23
Governance	Scott Wooldridge	27/01/23
Corporate Finance	Jason Vaughan	26/01/23
Human Resources	Chris Squire	26/01/23
Property	Paula Hewitt / Oliver Woodhams	31/01/23
Procurement	Claire Griffiths	26/01/23
Senior Manager	Paula Hewitt – Lead Director, Economic and Community Infrastructure	31/01/23
Commissioning Development	Sunita Mills / Ryszard Rusinek	26/01/23
Local Member	All	n/a
Lead Member	Cllr Ros Wyke, Lead Member for Development & Assets	26/01/23
Opposition Spokesperson	Cllr Bob Filmer – Opposition Spokesperson for Development and Assets	19/01/23
Scrutiny Chair	Cllr Bob Filmer – Opposition Spokesperson for Development and Assets	19/01/23

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# APPENDIX A: Proposed Property Asset Management Strategy and Plan

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## Introduction, Purpose, and Scope

This Asset Management Strategy and Plan has been created as part of the Local Government Reorganisation (LGR) programme in Somerset. Senior officers from the property departments in all five former Somerset Councils have developed the strategy in conjunction with Lead Members from the Somerset Council Executive, and the strategy [has been approved by the full Council<sup>1</sup>]. The document sets out the Council's strategic objectives for property asset management, the approach the Council will take to managing its property assets, and a series of high-level commitments to guide property asset management decisions and policy making. The strategy and plan are intended to guide policy and decision making for the first 4-5 years of the new Somerset Council and will be reviewed following the next council elections in 2027, or earlier on the request of the Executive.

Somerset Council has a significant property portfolio stretching across the County. It includes office accommodation, open space, schools, operational properties such as libraries, depots and customer access points, and a significant estate inherited from the five predecessor councils that is leased out. Some property assets are actively used to deliver operational services; others are held for strategic purposes or have been acquired in the past to address a particular objective. The Council's property portfolio will change over time through the acquisition or construction of new assets, remodelling and re-purposing of existing assets, and through the disposal of property interests. Active management of this significant asset base is essential to ensure that the property portfolio delivers value by meeting the changing needs and strategic objectives of the Council, to ensure that assets make a positive contribution to the Council's financial standing over the longer term, and to ensure that the risks associated with holding property are managed effectively.

This Corporate Property Asset Management Strategy provides a framework to guide the management of the property estate, so that it can serve the Council and the people of Somerset as effectively as possible. The overriding intention of the document is to ensure that land and building assets are held by the Council for a clear purpose, and that these assets deliver long term value and are managed and maintained effectively.

The scope of this Asset Management Strategy and Plan is focussed on 'real estate' (land and buildings) assets. Infrastructure assets, such as highways, street furniture, coastal and harbour infrastructure, cycle paths, rights of way and flood defences are not in the scope of this document; similarly, vehicles, IT infrastructure, plant and equipment and other asset groups will be governed by separate strategies. The Property Asset Management Strategy and Plan also excludes assets acquired and held for investment yield, and assets held within the Housing Revenue Account – these asset groups are subject to separate policies and plans.

The first section of this document sets the high-level strategic objectives for property asset management and how these support Somerset Council's Vision and Council Plan priorities, set in the context of some of the challenges and opportunities presented by the Council's property portfolio. This is followed by a second section with further detail on how the Council will manage its property estate, and how the strategic objectives for property asset management will be implemented.

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<sup>1</sup> At the time of writing this strategy and plan is put forward to the Executive for them to consider and propose to Full Council.

## Asset Management Strategy

This Asset Management Strategy will set strategic priorities for property asset management, and guide policy making and decisions on how the Council's property and land portfolio will be used. It will support Somerset Council's Vision and Council Plan Priorities, the safe and effective delivery of statutory services, and the development of an affordable and sustainable property estate for the long-term future of the Council. The strategy is set by the full Council and can only be varied through a further decision by the full Council.

## The Vision for Somerset Council

Somerset Council has set the following vision as its guiding beacon for the next four years:

**“The new Somerset Council will build a fairer, greener, more flourishing, more resilient Somerset that cares for the most vulnerable and listens to you.”**

### Somerset Council Priorities

Four priorities have been developed to clarify the vision and provide a focus for the Council. These are:

- **A Greener, More Sustainable Somerset**
- **A Healthy and Caring Somerset**
- **A Fairer, Ambitious Somerset**
- **A Flourishing and Resilient Somerset**

### Somerset Council Principles

The priorities are underpinned by a set of core principles that will guide the work of the Council:

- A responsible council that acts with integrity
- A listening, empowering council
- A council with evidence based and open decision making
- A collaborative council; and
- An enterprising council.

## Strategic Context: Asset Management Challenges and Opportunities

Somerset Council is a new organisation, created by combining the functions of 5 predecessor councils (Mendip, Sedgemoor, South Somerset, and Somerset West and Taunton District Councils and Somerset County Council). The Council will inherit a large property asset base, with a wide variety of lease / tenancy arrangements, occupants and building types – managing this large and complex estate will bring challenges. However, the combination of resources, skills and assets inherited from each of the predecessor councils will also bring opportunities, and strategic advantages.

The new Council comes into existence at the most challenging time for local government in a generation. Fourteen years of austerity and growing demand has reduced the spending

power and financial flexibility of all councils, and the cost of delivering our services has dramatically increased due to rising energy costs, rising interest rates and increasing numbers of people who need our support. This means that we are going to have to be incredibly careful with taxpayers' money.

One of the legacies of the years of austerity for property asset management in Somerset (and many other local authority areas nationally) is a **significant maintenance backlog**. Estimating the level of backlog maintenance across the Somerset Council estate is very uncertain, due to the age and quality of existing condition survey data; however a recent high-level estimate has valued the property maintenance backlog for high priority repairs at a range of £30-£40m for Local Authority maintained schools in Somerset, and a further £10-£15m for the non-schools operational properties that the new Council will have maintenance responsibility for. Across the schools and non-schools estate, there are properties that are approaching the end of their lifespan, where repair and maintenance is not economically viable – whilst there are no immediate concerns, in the longer term this issue will need to be addressed. Funding from government to address the condition of school buildings currently falls far, far short of what is needed, both locally in Somerset and at a national level. On top of the financial challenge of this significant maintenance backlog, Somerset Council will also face a **challenge in the cost and difficulty of decarbonising its estate** in order to meet its Climate Emergency Strategy commitments.

The new Somerset Council will also have opportunities to address these financial challenges. Although the challenge presented by the schools maintenance backlog is significant, Somerset Council **is changing its relationship with LA maintained schools** through the agreement of a core set of support services, which will enable a more effective, collaborative approach to addressing repairs and maintenance issues at school sites. If implemented, the current longer-term ambition to transfer all school sites to academy status will change the relationship, and responsibilities for repairs and maintenance, more fundamentally. The predecessor County and District Councils have made a **positive start to estate decarbonisation**, and Somerset Council will inherit a non-schools estate where heat decarbonisation has been achieved in a number of properties, together with a technical / professional property workforce that has developed skills and learning in new, low-carbon technology.

As noted above, the size, diversity and complexity of the Somerset Council estate represents a challenge in itself. Somerset Council will have responsibility for a **very large number of assets**, many of which were acquired historically for different purposes, and some of which confer a **challenging set of legacy obligations on the council** as a landlord. Bringing five councils together, particularly at a point where the use of some operational assets (particularly offices) is changing with post-COVID societal change, creates a unique **opportunity to rationalise the property estate**, seeking opportunities for the co-location of former district and county level services and teams, to transfer or dispose of assets to other bodies, and also **work with local partners to share assets across the public sector** in Somerset. As a unitary authority, Somerset Council has a wider range of operational and strategic objectives, which creates a **broader opportunity to change, re-model and re-purpose land and property assets in order to support a wider range of outcomes**. That said, changing and remodelling the estate will be constrained by a very challenging financial environment – in particular, **significant capital investment is likely to be unaffordable for the new Council** in the short to medium term, in particular with anticipated higher borrowing costs. Financing investment through the sale of surplus assets is also challenging in Somerset, where current **high construction costs often exceed local asset / land values**.

Bringing together professional property staff with a range of experience, expertise and networks from the five predecessor councils into the new Somerset Council will **consolidate**

**asset management and real estate expertise** in a new property function that will have a level of resilience and capability well beyond any of the predecessor councils. Developing new systems and a consistent approach to asset management will be a challenge, in particular given the **inherited range of approaches to managing property compliance and asset records**. Nonetheless, the property function in the new Somerset Council will enjoy a unique opportunity to establish a modern, effective and efficient approach to asset management, based around **the implementation of a Corporate Landlord model and a new, consolidated asset management system**.

*In summary, Somerset Council faces the following asset management challenges:*

- *A significant maintenance backlog – particularly in the maintained schools estate – with some assets that are approaching the end of their economic lifespan.*
- *The cost and difficulty of decarbonising the property estate to meet Climate Emergency commitments.*
- *A very large number of diverse assets – including a significant number of ‘legacy’ holdings, some with challenging, historic lease terms.*
- *A challenging financial context – in particular, the affordability of capital investment.*
- *High construction costs which, in Somerset, often exceed local asset / land values.*
- *An inherited range of approaches to managing compliance & asset records.*

*... but will also benefit from new opportunities, including*

- *A changing relationship with LA maintained schools.*
- *Learning from a positive start to estate decarbonisation.*
- *Changing the use of the estate to support a wider range of outcomes.*
- *The potential rationalisation of the property estate, including co-location with partners.*
- *The consolidation of asset management & real estate expertise from across the five predecessor councils.*
- *The implementation of a new asset management database & corporate landlord model.*

## Strategic Context: The Somerset Council Property Portfolio

At the time of publishing this strategy, work is ongoing to identify and gather information on the entire land and property estate through the implementation of a single, combined asset management system. In particular, it will take further time to fully document the full range of small amenity and other land parcels owned by Somerset Council in some urban areas. The statistics on the property estate are always subject to change in the future as assets are acquired and disposed; the portfolio presented here excludes a large number of very small land holdings which are (at the time of writing) still being validated. It also excludes all residential Housing Revenue Account properties, and the vast majority of the public highway network, where the council does not own the underlying land. At the time of publication, excluding a large number of small land parcels and HRA dwellings as noted above, Somerset Council has nearly 1,300 individual real estate assets. These vary very significantly in size, value and type – from small play areas to large secondary schools, office blocks and innovation centres.

Chart 1 overleaf shows how these c.1,300 assets are split between categories – whilst the majority are held for operational purposes, there are groups of assets which have been acquired specifically for investment yield, and others which are leased out with no operational purpose.

Chart 1 – categories of real estate assets – operational and other assets.

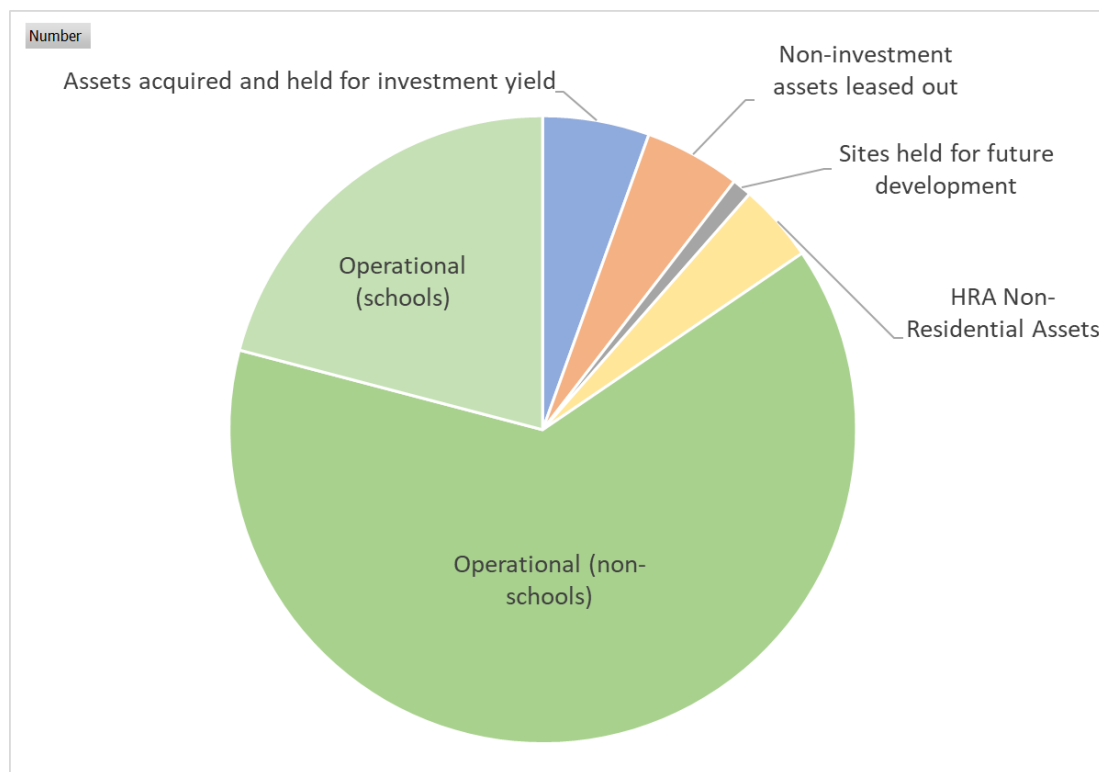
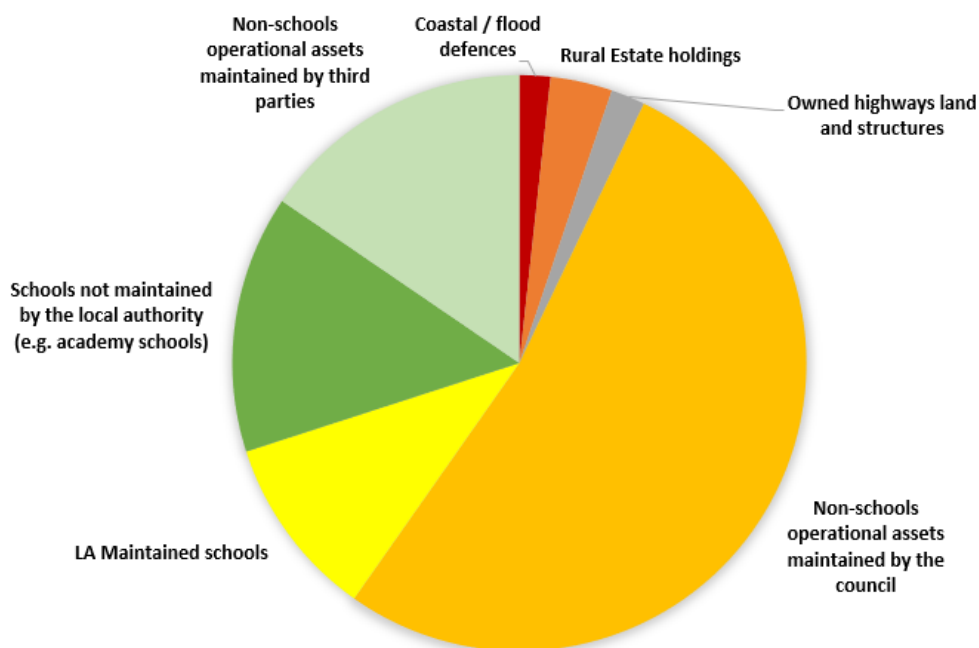


Chart 2a below analyses the subset of c.1,100 operational assets shaded in green above, distinguishing between those assets where the council is responsible for all aspects of asset management (including all repairs and maintenance), and those assets where the council is a landlord and repairs and maintenance risks have been substantively transferred to tenants or other third parties.

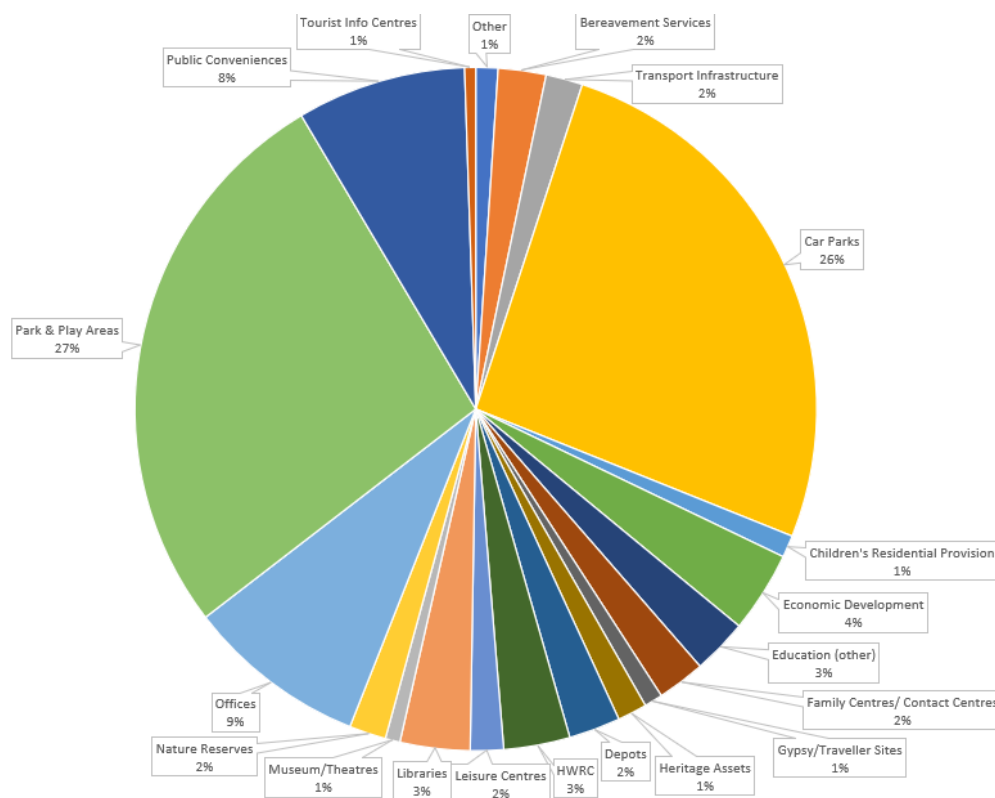
Chart 2a – Operational assets categorised by type and repairing liability.





Finally, Chart 2b below provides some further analysis of the c.570 non-school operational assets (the orange segment in Chart 2a above) where the council has responsibility for repairs and maintenance, to illustrate the range of different asset types in this portion of Somerset Council's property portfolio.

*Chart 2b – Non-schools operational assets where the council has full repairing liability.*



## Asset Management Strategic Objectives

The following strategy statements have been developed from the Council Priorities and contextual analysis set out above. These objectives will guide policy making and decisions on how the Council's property and land portfolio will be used.

### **Strategic Objective 1: The Council's estate is financially sustainable, efficient, and effective.**

This strategy objective will ensure that the Council is able to deliver effectively in a very challenging financial environment, and that the property estate does not create an unsustainable burden for future generations of Somerset council taxpayers.

### **Strategic Objective 2: Assets that are fit for purpose, safe & compliant.**

This strategy objective will ensure that the Council meets all legal requirements in the management of its estate, and that assets support effective, modern service delivery for customers and effective, modern workspaces for staff. This includes proactive compliance

with the Equalities Act 2010, relevant Health and Safety regulations, and other relevant legislation.

### **Strategic Objective 3: Assets that address the Climate Emergency.**

This strategy objective will directly support the Council Plan priority to deliver a **greener, more sustainable Somerset**, as well as delivering against the Climate Emergency Strategy goal of decarbonising the local authority estate and operations.

### **Strategic Objective 4: The Council's estate is used to meet housing and care needs, with an emphasis on social housing.**

This strategy objective will directly support the Council Plan priorities to deliver a **healthy and caring Somerset**, and a **fairer and ambitious Somerset**, in particular by ensuring that the council's land and property assets support the ambition to be innovative in its approach to housing, and deliver decent quality, low-carbon social housing.

### **Strategic Objective 5: The Council's estate supports prosperity and economic growth.**

This strategy objective will directly support the Council Plan priority to deliver a **flourishing and resilient Somerset**.

### **Strategic Objective 6: Address the growing challenges in the Council's school buildings estate.**

This strategy objective will also directly support the Council Plan priority to deliver a **flourishing and resilient Somerset**, as well as addressing one of the most significant challenges created by a long period of austerity.

## Asset Management Plan

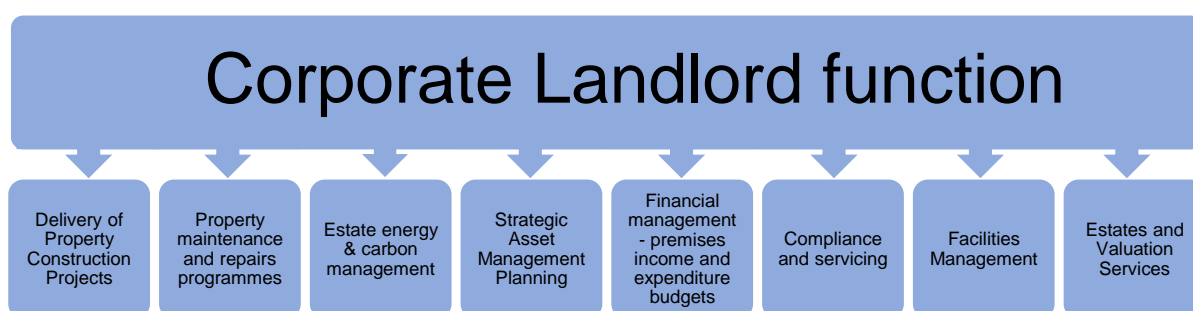
The Asset Management Plan in this section sets out a broad methodology and approach to property asset management which Somerset Council will adopt to deliver the strategic objectives identified in the Asset Management Strategy, as well as providing some additional detail on the initial, high-level plan for its implementation. The Corporate Landlord operating model, in conjunction with a new Asset Management System for Somerset Council, will be central to the effective management of the council's estate and the delivery of strategic objectives. The strategic objectives explained above will be implemented through the framework of policy commitments and high-level plans detailed at the end of this section.

### The Corporate Landlord Operating Model

#### *What is The Corporate Landlord Model?*

In the past, public-sector assets have often been managed by services rather than a centralised department. For example, the libraries service would be responsible for all or almost all facets of property asset management for the buildings from which they operate – for example, arranging repairs, statutory compliance, and the financial management of premises costs.

The Chartered Institute of Public Finance Accountancy (CIPFA) and the Royal Institution of Chartered Surveyors (RICS) recommend that property is used to meet the requirements and objectives of the organisation as a whole, rather than through decentralised, service-led arrangements<sup>2</sup>. In order to do this, many local authorities are moving towards an asset management approach known as the Corporate Landlord model, which manages assets owned by the Council centrally by one dedicated property department. This allows for improved corporate oversight by the Council of important issues such as compliance and financial management. The approach also drives improvement in the utilisation and long term value of the property estate, by enabling flexibility to adapt to changing requirements, driving the optimisation of properties through co-location, and improving the quality of decision making on asset management issues by bringing a professional, longer term focus. Somerset Council will adopt this approach.



There are also financial benefits to the Corporate Landlord Model; through the benefits of economies of scale, a more focussed financial management of premises costs, and the

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<sup>2</sup> The Royal Institution of Chartered Surveyors. *RICS Public Sector Property Asset Management Guidelines*. Retrieved from RICS.org.uk: <https://www.rics.org/globalassets/rics-website/media/upholding-professional-standards/sector-standards/real-estate/rics-public-sector-property-asset-management-guidelines-2nd-edition.pdf/>

longer term financial benefits of considering whole-life building costs when making property investment or acquisition decisions. The centralised Corporate Landlord property function should be formed by a group of property experts with the appropriate technical / professional expertise, who work in conjunction with service managers who have different skills related to their core delivery functions. This allows the development of a pooled professional resource to focus on asset management leaving service managers and non-property professionals to focus on their various areas of expertise and knowledge. The Property department will engage with services and service users to inform and consult them on prospective changes to the properties that they use.

### *What does this look like at Somerset Council?*

Somerset Council will operate the Corporate Landlord model of property management for the majority of its non-Housing Revenue Account (HRA) land and buildings assets. There may be some exceptions for specialist groups of assets (for example, Leisure Centres) where economies of scale and expertise for some aspects of asset management is more appropriately concentrated in a service department. However, for all non-HRA, non-schools buildings the default operating model will be a Corporate Landlord approach.

The Corporate Landlord function will generally hold the budgets for rental income and premises costs, undertake all statutory compliance, management of records, estates activities, financial management, and improvement works. Generally, the management of building construction projects will be overseen through the Corporate Landlord function – with service commissioners taking a client role. This will ensure that property is treated as a corporate asset and is optimised to meet the needs of the Council as far as possible, as well as allowing strategic oversight of the entire portfolio simultaneously.

Corporate Landlord asset management principles will be extended to the day-to-day management of Somerset Council's Investment for Yield property estate (though, as noted above, these assets will be subject to different strategic objectives and sit outside of the scope of this strategy). Asset management of Local Authority maintained schools will be subject to specific arrangements governed through the Financial Management Scheme for schools, with a policy framework and roles and responsibilities to be developed by the new council in consultation with school leaders.

### *Working across Somerset Council, with local partners, and with communities*

An important principle of the Corporate Landlord model in Somerset is ensuring that the property estate meets the needs of the Council, and the communities and customers it serves. For the Corporate Landlord model to work effectively, it is important that the property function engages thoroughly with its internal customers – the services occupying buildings and service commissioners who deliver outcomes through the council's estate - to fully understand their property requirements. This requires strong relationships to be built and maintained and for communication to be open in both directions. At Somerset Council, a collaborative approach with open communication will be fostered through formal, regular communication and feedback, and informally through a strong collaborative culture and positive working relationships.

Equally important is engagement work with communities and customers, using the insights of community representatives and customer intelligence data to understand how Council assets can be used to meet the needs of the population of Somerset most effectively. This engagement will drive discussions about how asset devolution, or a greater community involvement in local assets, might drive better value and outcomes for communities and customers.

The five predecessor councils have all been active in working with local partners, in particular through a long-running One Public Estate programme in Somerset. Somerset Council will build on this approach, using the opportunity of a stronger, single voice for local government in Somerset to drive collaboration with local partners and stronger engagement with central government departments. This is particularly relevant for local Health and Police partner organisations, who are already integrated into the Somerset Council estate: the council will continue to collaborate closely with these partners, where appropriate taking joint decisions through the One Public Estate and Integrated Care System partner governance.

## Property Records and the Asset Management System

A strong grasp of asset management data and property records underpins effective asset management, enabling the efficient evaluation and comparison of properties and land to support decision making and robust record keeping to support estate management and compliance activities. Somerset Council has implemented a new integrated Asset Management System, provided by The Technology Forge, which has an extensive range of asset management functionality.

This asset management database will be a fundamental foundation for property asset management at Somerset Council and will be fully utilised and optimised by the property function. This means that the system will be a single source of property records and data, and the property function will invest in populating the system fully, maintaining the integrity of data records over time, and integrating the new system functionality into day-to-day operations.

## Governance & Decision-Making

Decisions on property and assets are made in line with the Somerset Council Scheme of Delegation, Contract Standing Orders, and the council's Constitution. In line with the Council's corporate governance framework, decisions on the acquisition or disposal of assets or spending on building condition works will be made by Executive members, or senior officers in consultation with Executive members as appropriate (depending on agreed thresholds). Informing and consulting with Local members is a key aspect of the Council's decision making governance, and Local members will be involved in the decision making process for asset acquisitions or disposals in their area in accordance with the Council's procedures. An important principle of the Corporate Landlord model, enshrined in the Council's Scheme of Delegation, is that decisions to acquire, grant or dispose of property interests for 'general fund' (i.e. non-HRA), non-schools properties will be overseen by the corporate property function. This will include decisions relating to leasehold interests, licences and tenancies.

Procurement activity will be carried out in consultation with the procurement department and in line with the Contract Standing Orders. Somerset Council's property asset management function will tender a wide range of contracts for condition and improvement programmes, and the construction of major projects.

### *The Asset Management Group*

While this Asset Management Strategy is set by the full Council, its implementation will be driven and overseen by the Somerset Council Asset Management Group. This group will not be a formal committee of the Council, and as such it will not have decision making powers

and will be subject to the Council's wider governance and scrutiny functions. The Asset Management Group will comprise of senior officers, including representatives of the finance and property asset management functions, with Executive Member representation. It will be chaired by the Lead Executive Member. The Asset Management Group may convene sub-groups as required, on a task-and-finish or ongoing basis, to oversee specific asset groups or programmes of work. The group will also be responsible for developing further property policies.

It is important to note that the scope of the Asset Management Group will reflect the scope of this Asset Management Strategy: it will not be responsible for non-property assets, assets held within the Housing Revenue Account, or investment properties held for yield. These asset groups will be subject to separate governance and oversight mechanisms.

### *A Policy framework for Asset Management*

Somerset Council will develop a suite of policies, through the Asset Management Group, and these will be agreed and adopted through the Council's corporate governance framework. The policy framework will be developed to meet the objectives of this Asset Management Strategy and Plan, but will, as a minimum, include policies governing the disposal and acquisition of properties, the operation of the Corporate Landlord model, and the approach to the Council's Rural Estate.

## Asset Management Plan – implementing the strategy

### **Strategic Objective 1: The Council's estate is financially sustainable, efficient, and effective.**

#### **Policy commitments and implementation plan:**

- Rationalise and reduce the number of buildings and areas of land wherever possible and appropriate, considering potential long- and medium-term needs, and ensuring assets are held for a clear purpose and provide best value.
- Improve the effectiveness and financial sustainability of assets, devolving assets where appropriate and working with partners and services to maximise use and value.
- Adopt and implement a Corporate Landlord model for the non-schools estate, which treats all properties as a corporate resource and manages them centrally.
- Protect heritage assets where and when affordable, bring them into a financially sustainable use, devolving or disposing of them to deliver long term sustainable protection.
- Develop an acquisitions policy to ensure new assets are financially sustainable and reduce costs.
- Develop proactive maintenance strategies, or dispose of assets, to ensure long term affordability.

### **Strategic Objective 2: Assets that are fit for purpose, safe & compliant.**

#### **Policy commitments and implementation plan:**

- Work in partnership with building users and service departments to ensure assets are safe, effective and optimised to support service delivery.
- Consider the location of buildings to support accessibility for people who do not have access to a car. Proactively assess the accessibility of buildings and where

reasonable, make adjustments to ensure that buildings are accessible and support customers and staff with protected characteristics.

- Modernise asset records and systems and monitor the condition and safe use of buildings to provide comprehensive assurance of compliance and health and safety.

### **Strategic Objective 3: Assets that address the Climate Emergency.**

#### **Policy commitments and implementation plan:**

- Eliminate or reduce the use of fossil fuel heating systems and improve thermal efficiency across the estate, when and where affordable.
- Take opportunities to locate and utilise land and building assets to support active travel.
- Use our land and buildings to generate renewable energy and develop smart systems and processes to optimise energy use across the estate.
- Encourage sustainable agricultural practices on the council's rural estates.
- Develop an acquisitions policy to ensure new assets meet Climate Emergency pledges and reduce the consumption of embodied carbon in new build and refurbishment projects.

### **Strategic Objective 4: The Council's estate is used to meet housing and care needs, with an emphasis on social housing.**

#### **Policy commitments and implementation plan:**

- Rationalise and reduce the council's estate in urban areas, to release sites for housing.
- Work with partners, central government and the council's housing services to facilitate the use of surplus land for social housing (including community led and self-build schemes).
- Work with social care commissioners to use the council's asset base to improve the sufficiency of care placements in the county.

### **Strategic Objective 5: The Council's estate supports prosperity and economic growth.**

#### **Policy Commitments and implementation plan:**

- Maintain a strategic, targeted network of economic development sites to support business growth.
- Retain a rural estate to develop opportunities to support new entrants to farming.
- Where appropriate and affordable, work with partners and develop opportunities to utilise surplus assets to support regeneration and economic growth.
- Ensure that Asset Rationalisation strategies support the sustainability of Town Centre economies.

### **Strategic Objective 6: Address the growing challenges in the Council's school buildings estate.**

#### **Policy Commitments and implementation plan:**

- Lobby and influence central government to provide funds to address the critical condition of Somerset schools.
- Develop strategies for the replacement of end-of-life school buildings.
- Work in partnership with school leaders to improve proactive maintenance practices in schools.
- Work in partnership with school leaders to ensure school buildings are safe.

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Somerset County Council

County Council

– 22 February 2023

## Report of the Human Resources Committee – for decision

Executive Member: Cllr Liz Leyshon - Deputy Leader of Council and Lead Member on Finance and Human Resources

Lead Officer: Chris Squire - Director of Customers, Digital & Workforce

Author: Neil Milne - Governance Specialist, Democratic Services

Contact Details: [neil.milne@somerset.gov.uk](mailto:neil.milne@somerset.gov.uk)

### 1. Summary

**1.1** This report covers the meeting of the HR Committee meeting on 24 January 2023 at which we reviewed a number of reports, including NJC Green Book, Chief Officer and Chief Executive Annual Leave Entitlement.

**1.2** We noted changes to NJC Green Book annual leave entitlement with effect from 1 April 2023, as a result of the national agreement on the 2022/23 pay award. This covered annual leave entitlement for all staff on Green Book terms and conditions, Somerset Grades up to Grade 4. The report also proposed an increase in annual leave entitlement for the Chief Executive and Chief Officer Grades 1 to 3, in line with NJC Green Book changes from 1 April 2023, and so that it matched with Grades 4 to 8.

**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 matters and increases to leave entitlements to be approved by Full Council.

### 2. Recommendations

**Having noted the nationally agreed NJC Green Book increase of one day to annual leave entitlement from 1 April 2023 we request that Full Council give approval:**

- 1. To the Director of Customers, Digital and Workforce, on behalf of the Council to agree with the Green Book recognised trade unions, an amendment to the local collective agreement on annual leave entitlement for all staff on Green Book terms and conditions Somerset Grades up to grade 4, in order to implement the increase**

**agreed nationally for NJC Green Book staff (one day).**

- 2. To increase the annual leave entitlement by one day (pro-rata) for the Chief Executive and Chief Officers Grade 1 to 3, with effect from 1 April 2023, in line with NJC Green Book changes.**

The Committee accepted these proposals, to add an additional day of leave entitlement for staff and to harmonise leave entitlement for Grades 8 and above. Although the changes to Green Book annual leave entitlement will take effect on 1 April 2023, as this agreement relates to the 2022 pay award, each Somerset District Council will take responsibility for implementing the change in accordance with their current governance arrangements and instruct HR Admin and Payroll services accordingly.

The Council's duty under Section 149 of the Equality Act 2010 is to have "due regard" to the matters set out in relation to equalities when considering and making decisions. There are no direct equality impacts associated with the proposed changes to annual leave entitlement. There are also no direct impacts on sustainability, health and safety, community safety or privacy aspects as a result of the recommendations.

We will bring a report on the Pay Policy Statement PPS (2023-2024) to the 1 March 2023 Full Council meeting.

### **3. Background papers**

Agenda and papers for the HR Policy Committee meeting on 24 January 2023.

Somerset County Council

County Council

– 22 February 2023

## **Report of the Chief Executive – Senior Leadership Structure, Appointments and Designation of Statutory Roles**

Lead Member: Cllr Bill Revans – Leader of the Council

Division and Local Member: n/a

Lead Officer: Duncan Sharkey – Chief Executive

Author: Chris Squire – Director of Customers, Digital & Workforce

Contact Details: [chris.squire@somerset.gov.uk](mailto:chris.squire@somerset.gov.uk)

### **1. Summary**

**1.1.** Somerset Council will be established on 1<sup>st</sup> April 2023, with the four District Councils being abolished and their functions transferring to Somerset County Council, as the continuing authority. The programme to establish Somerset Council has the following objectives:

- Create a new single unitary Council for Somerset on 1 April 2023 that delivers the approved business case.
- Enable performance capability – to deliver the approved business case vision.
- Develop the new council to optimise benefits and opportunities from 1 April 2023 to 31 March 2025.

**1.2.** The process to appoint a chief executive for the new council was completed in July 2022, with the appointment of Duncan Sharkey to Somerset County Council (as the continuing authority designated to become Somerset's unitary local authority). The Local Government Reorganisation (LGR) programme is now completing the appointment of Executive Directors and Service Directors of the senior leadership team ('tiers two & three') for the new Council.

**1.3.** On 18 March 2022 the Secretary of State made the Somerset (Structural Changes) Order 2022 (SCO). The SCO sets out and enables the implementation of local government reorganisation in Somerset. Staff at the four district councils employed immediately before the transfer will become Somerset Council employees on 1 April 2023; in the case of local government reorganisation, this is confirmed in Regulation 3 of the Local Government (Structural and Boundary Changes) (Staffing) Regulations 2008.

- 1.4.** A consultation on the proposed new senior leadership structure at Tiers 2 and 3 and pre-transfer collective redundancy consultations, across the four district councils and the County Council, took place from 10<sup>th</sup> November 2022 to 12<sup>th</sup> December 2022. This consultation covered:
- The proposed structure for the top 3 tiers of Somerset Council and the process to recruit to the posts at tiers 2 and 3.
  - Proposed redundancies that will be made post Vesting Day by Somerset Council, as a result of Tiers 2 & 3 restructuring.
- 1.5.** The Chief Executive has already taken a decision, following appropriate consultation (as detailed below), in respect of the Tier 2 leadership structure. Processes to appoint to Executive Director ('Tier 2') posts in Somerset Council were completed in January 2023 (subject to required agreement at a meeting of the Council), specifically:
- Executive Director of Climate & Place
  - Executive Director of Community Services
  - Executive Director of Resources & Corporate Services (S151 Officer)
  - Executive Director of Strategy, Workforce & Localities
- 1.6.** The Appointments Committees, at their meetings on 12<sup>th</sup>, 13<sup>th</sup>, 16<sup>th</sup> and 17<sup>th</sup> January 2023 recommend the following appointments, for endorsement by the meeting of Full Council:
- Executive Director of Resources & Corporate Services (and designation as the Council's statutory Chief Finance Officer / Section 151 officer) – Jason Vaughan
  - Executive Director of Community Services – Chris Hall
  - Executive Director of Strategy, Workforce & Localities – Alyn Jones
  - Executive Director of Climate & Place – Mickey Green
- 1.7.** The Appointments Committee, at its meeting on 12<sup>th</sup> January 2023, recommends to the meeting of Full Council on 22<sup>nd</sup> February that Jason Vaughan, Director of Finance & Governance, Somerset County Council, is appointed as the Executive Director of Resources & Corporate Services for Somerset Council and that Full Council are recommended to appoint and designate Jason Vaughan with the statutory functions of the statutory Chief Finance Officer / Section 151 Officer for Somerset Council.

- 1.8.** The appointments have been made in accordance with the terms and conditions governing the posts and in accordance with the powers delegated to the Chief Executive (as Head of Paid Service) and the Appointments Committees. The meeting of Full Council is also asked to endorse the salaries for the Executive Director roles and, furthermore, to endorse the salary structure for Service Director ('Tier 3') posts.
- 1.9.** The implementation of the new structure will also see changes to job titles for other statutory chief officers whose roles are unchanged in the structure. The meeting of Full Council is therefore recommended to designate and empower the following roles, respectively, with the statutory chief officer functions and powers of Director of Adult Social Services, Director of Children's Services and Director of Public Health:
- Executive Director of Adult & Health Services (Mel Lock)
  - Executive Director of Children's Services (Claire Winter)
  - Executive Director of Public Health (Trudi Grant)

## **2. Recommendations**

- 2.1.** To endorse the proposed senior leadership structure (Tiers 1-3) for Somerset Council.
- 2.2.** That the Council accepts the recommendations of the Appointments Committees to make the following appointments:
- Executive Director of Resources & Corporate Services (151 officer) – Jason Vaughan
  - Executive Director of Community Services – Chris Hall
  - Executive Director of Strategy, Workforce & Localities – Alyn Jones
  - Executive Director of Climate & Place – Mickey Green
- 2.3.** To appoint on the basis of the terms and conditions agreed by the Appointments Panel:
- Executive Director of Resources & Corporate Services – pending further work on evaluating the role, within the range £129k - £150k
  - Executive Director of Community Services - £132k
  - Executive Director of Strategy, Workforce & Localities - £136k
  - Executive Director of Climate & Place - £142k

- 2.4.** To designate and empower Jason Vaughan with the statutory chief officer functions of the Section 151 Officer for Somerset Council.
- 2.5.** To endorse the change of job titles for the Director of Adult Social Services, Director of Children’s Services and Director of Public Health and to designate and empower the following roles with the respective statutory chief officer functions:
- Executive Director of Adult & Health Services (Mel Lock) – statutory chief officer role of Director of Adult Social Services
  - Acting Executive Director of Children’s Services (Claire Winter) – statutory chief officer role of Director of Childrens Services
  - Executive Director of Public Health (Trudi Grant) – statutory role of Director of Public Health
- 2.6.** To endorse the salary structure for Service Director roles:
- Service Director 1 - £115k-£118k
  - Service Director 2 - £110k-£115k
  - Service Director 3 - £100k-£105k
- 2.7.** To delegate to the Chief Executive the final decision on the salary for the Executive Director of Resources & Corporate Services.
- 2.8.** To delegate to the Chief Executive the final decisions on salaries for Service Director appointments.
- 2.9.** To designate and appoint the statutory role of the Electoral Registration Officer within the remit of the Chief Executive

### **3. Legal Requirements**

- 3.1.** The merger of one or more organisations into another will result in the transfer of staff under relevant TUPE legislation. In the case of local government reorganisation, this is confirmed in Regulation 3 of the Local Government (Structural and Boundary Changes) (Staffing) Regulations 2008.
- 3.2.** Statutory functions must be delegated through a meeting of Full Council. This applies to the following roles, for the purpose of this paper and Executive and Service Director posts:
- Executive Director of Resources & Corporate Services (Section 151 Officer)
  - Executive Director of Adult & Health Services

- Executive Director of Children’s Services
- Executive Director of Public Health

**3.3.** For most unitary councils, the appointment of the Electoral Registration Officer role would normally sit within the remit of the Chief Executive. At the time of confirming the appointment of the Chief Executive in July 2022, this statutory position was not included. Council are asked to agree the addition of this responsibility to the role of the Chief Executive for Somerset Council, within their existing terms and conditions.

## **4. Constitutional Requirements**

**4.1.** The Council’s Constitution states that any changes proposed to the Senior Leadership Team and supporting officer structures are subject to consultation with the Executive and informing the Full Council of the changes. Changes are agreed by the Chief Executive.

**4.2.** Appointments to Chief Officer and Deputy Chief Officer posts must be conducted in accordance with relevant legal and constitutional requirements. These will need to follow the requirements set out in the constitution of the continuing authority, in the absence of alternative provisions for the new council. In this case, this will mean using Somerset County Council’s Constitution.

**4.3.** Salaries in excess of £100,000 should be endorsed through a meeting of Full Council, as specified in the Localism Act 2011.

### **4.4. Appointments Panel**

The consequence of this is that as part of these processes, proposals to appoint to Executive Director and Service Directors have been put before respective appointments’ panels. The panels consisted of the Leader, the Opposition Leader and the Deputy Leader of the Council (or their nominated representatives) plus the Leaders of the four district councils as consultees.

The role of an Appointments Panel is to review the terms and conditions of employment relating to a post and where changes are required, make appropriate recommendations to the Council, decide on the process and to appoint the Appointments Committee(s) to undertake the appointments’ processes.

### **4.5. Appointments’ Committee**

The Appointments’ Panels have agreed the processes to appoint to the roles and appointed:

- An Appointments' Committee for each of the four Executive Director posts recruited to. The Appointments Committee may comprise up to 5 members: The Leader of the Council (or their nominated representative), the leader of the largest opposition group (or their nominated representative), and up to 3 other members of the Council selected in accordance with the rules of political proportionality and including the relevant Executive Member.
- An Appointments' Committee for each of the 14 Service Director posts that will be appointed to. Please note that these Committees will operate in February and March.
- The Appointments Panel has also appointed an Appointments Committee, with the remit of delegating responsibilities for specific parts of appointments processes, to the Chief Executive. This delegation includes decisions on 'matching' and shortlisting. This Committee consisted of the same members as the Appointments Panel.
- The role of the Appointments' Committee is to 'run' the process. This includes agreeing the shortlist for the role, interviewing and then making a recommendation for appointment to the Council. This must be done before a formal offer of employment is made.

## **5. Structure (Tiers 2 & 3) of Somerset Council**

- 5.1.** The Chief Executive proposed a structure for Tiers 2 & 3 in Somerset Council, with a list of functions by each Executive Director. This proposal was agreed with the Leader of the Council and the Executive. The proposal has subsequently been consulted on with staff and trade unions.
- 5.2.** The Chief Executive wrote to staff on 15th December 2022, following the end of the consultation period, to announce his decision to proceed with appointments to Tier 2 posts. He also said that he was taking further time to consider the impact of the consultation on proposals for Tier 3 posts and the functions that report into them. This consideration has now been concluded.
- 5.3.** The proposed structure can be seen in Appendix One.
- 5.4.** The structure proposes a change to job titles for existing roles that will continue into Somerset Council but remain substantively unchanged. These are as follows:
- Executive Director of Adult & Health Services
  - Executive Director of Children's Services
  - Executive Director of Public Health



- Service Director of Public Health
- Service Director of Children and Families
- Service Director Commissioning & Performance
- Service Director Inclusion
- Service Director Education, Partnerships & Skills
- Service Director Adult Social Care Operations
- Service Director Adult Social Care Commissioning
- Service Director Adult Social Care Transformation

## 6. The Process

6.1. The process to appoint to relevant Executive Director posts was designed to broaden engagement and involvement and comprised the following timeline:

<b>Date</b>	<b>Event/Action</b>
10.11.22	Consultation with staff commences, covering the proposed structure for Somerset Council and possible redundancies at tiers 1 – 3
29.11.22	Informal briefing meeting for the Appointments Panel (also to decide on future meetings)
w/c 05.12.22	Microsite draft ready for Appointments Group to agree/sign off – to be used for applications
09.12.22	HR all-day meeting to produce indicative job descriptions and other information
12.12.22	T2 & T3 Consultation (30-days statutory pre-transfer collective redundancy consultation) ends
12.12.22	Consider responses to the consultation & JDs - finalised. Internal comms to all 5 authorities to go out around the application and matching processes; this will be confirmed at the end of the week, following consideration of responses to the consultation
12.12.22	Appointments Panel meets (virtually) to consider JDs and other information (e.g. salary levels). This information will be confirmed at the end of the week, following consideration of responses to the consultation.
14/12/22	Chief Executive decision to commence the Tier 2 appointments processes, JDs confirmed for those roles (confirm the structure with the Executive and inform full council at next meeting, 22 <sup>nd</sup> February)
14.12.22	Notice of Appointments Committees to consider

	matches
14.12.22	Write to staff with draft JDs and links to matching processes, with deadline of 19 <sup>th</sup> December
14/12/22	With reference to the consultation responses and management actions, Chief Executive decision report drafted and internal member and officer consultation completed
19.12.22	Formal response to consultation issued, including any slot-in or ringfencing processes.
20.12.22	Matching review panel meeting
22.12.22	Appointments Committees meet to consider matches (5 clear working days after the Notice and agendas have been issued)
22.12.22	Microsite to go live and T2 posts open for CVs with a supporting statement (bring forward if no matching requests) Recruitment partner ('Faerfield') to categorise applications for shortlisting (a,b,c), as they are made
02.01.23	Notice of Appointments Committee meetings
03.01.23	Close application window (midnight 2 <sup>nd</sup> January)
03.01.23	Shortlist packs/report finalised and shared with Appointments Committees
04.01.23	Appointments Committees take place to ratify shortlist, with Duncan Sharkey as advisor to the committees and Faerfield in attendance. Draft interview questions discussed
05.01.23	Faerfield to send out invites to interviews.
w/c 09.01.23	Interviews take place 12 <sup>th</sup> – 17 <sup>th</sup> January. One day per role. Appointments Committee meet at end of day to confirm recommendation or next course of action if there are no appointable candidates.
w/c 23.01.23	CEO decision reports drafted with recommendations from each of the Appointments Committee.
22.02.23	CEO report to February Full Council to confirm Tier 2 statutory officer designations
1.4.23	Somerset Council Tier 2 appointments come into effect for the roles recruited to

## 6.2. 'Matching' and Ring-Fenced Processes

The five local authorities have agreed a set of Organisational Change Principles, which describe how an employee may be slotted into a post or be part of a ring-fenced process for a post if their existing substantive job is a broad match to that role.

There were no matches to Executive Director posts.

### 6.3. Panel Interviews

The panel interviews comprised the following:

<b>Partners</b>	Organisations represented from a broad range of sectors Somerset, with up to 8 representatives per panel.
<b>Staff</b>	16 staff representing all five Somerset local authorities
<b>Appointments Committee</b>	Appointments Committee plus the Leaders from the four district councils, as consultees

6.4. The recruitment procedure followed Somerset County Council's policy and safer recruitment standards. The Appointments Committees received training in advance of the interview process.

6.5. The Appointments Committees, at their meetings on 12th, 13th, 16th and 17th January 2023 recommend the following appointments, for endorsement by the meeting of Full Council:

- Executive Director of Resources & Corporate Services (Section 151 officer) – Mr Jason Vaughan
- Executive Director of Community Services – Mr Chris Hall
- Executive Director of Strategy, Workforce & Localities – Mr Alyn Jones
- Executive Director of Climate & Place – Mr Mickey Green

6.6. The Appointments Panel has met and agreed the process for the recruitment of 14 Service Directors to Somerset Council, as follows:

- Service Director Climate, Environment & Sustainability
- Service Director Infrastructure & Transport
- Service Director Economy, Employment & Planning
- Service Director Housing
- Service Director Culture
- Service Director Customers
- Service Director Regulatory & Operational
- Service Director Finance & Procurement
- Service Director Strategic Asset Management
- Service Director Information Communication & Technology
- Service Director Partnerships & Localities
- Service Director Strategy & Performance
- Service Director Governance, Democratic & Legal Services
- Service Director Workforce

These processes will take place through March 2023 and reported to the May meeting of Somerset Council.

**6.7.** Processes to appoint to Service Director posts in Somerset Council exclude the following roles:

- Executive Director of Adult & Health Services
- Executive Director of Children's Services
- Executive Director of Public Health
- Service Director of Public Health
- Service Director of Children and Families
- Service Director Commissioning & Performance
- Service Director Inclusion
- Service Director Education, Partnerships & Skills
- Service Director Adult Social Care Operations
- Service Director Adult Social Care Commissioning
- Service Director Adult Social Care Transformation

This is because these roles are unchanged following Vesting Day.

**7. Salaries**

Salary benchmarking and comparisons have been made for Executive and Service Directors roles, and approved by the Appointments Panels, as follows:

- Comparisons with other similar local authorities
- Recruitment adverts
- Advice from the recruitment partner for these roles

**7.1. Executive Directors**

Executive Director roles have been set based on job evaluation outcomes and market factors within the range £129,000 to £150,000

Roles are offered on a spot salary basis:

- Executive Director of Climate & Place - £142k (ED1)
- Executive Director of Resources & Corporate Services – pending further work on evaluating the role, within the range £146k
- Executive Director of Community Services - £132k (ED2)
- Executive Director of Strategy, Workforce & Localities - £136k (ED2)

## 7.2. Service Directors

Service Director roles have been set at three levels, to reflect job evaluation outcomes and market factors. These are as follows:

- SD1 - £115k-£118k
- SD2 - £110k-£115k
- SD3 - £100k-£105k

Roles will be offered on a spot salary basis.

## 8. Implications

**8.1. Legal and Human Resources** - The effect of article 3 of the Somerset (Structural Changes) Order 2022 is to make Somerset County Council the legal entity which adopts the functions of the district councils in Somerset on 1<sup>st</sup> April 2022. The change in name to Somerset Council and the adoption of the district functions by the Council on the reorganisation date as a continuing authority will have no impact on the employment contracts of officers of the County Council.

District Council Officers who are successful in securing posts at Tiers 2 & 3 of the new Council will be offered the new Council's terms & conditions. The exception is where an officer is transferred in their existing role, where relevant transfer ('TUPE') legislation will apply.

**Financial Implications** – The proposed salaries have been accommodated within the budget for 2023/24 and the business case for local government reorganisation.

**Equalities** – An equalities impact assessment has been completed for the consultation on the Tiers 2 & 3 Structure of Somerset Council and the redundancy consultation and no significant concerns were raised as a result.

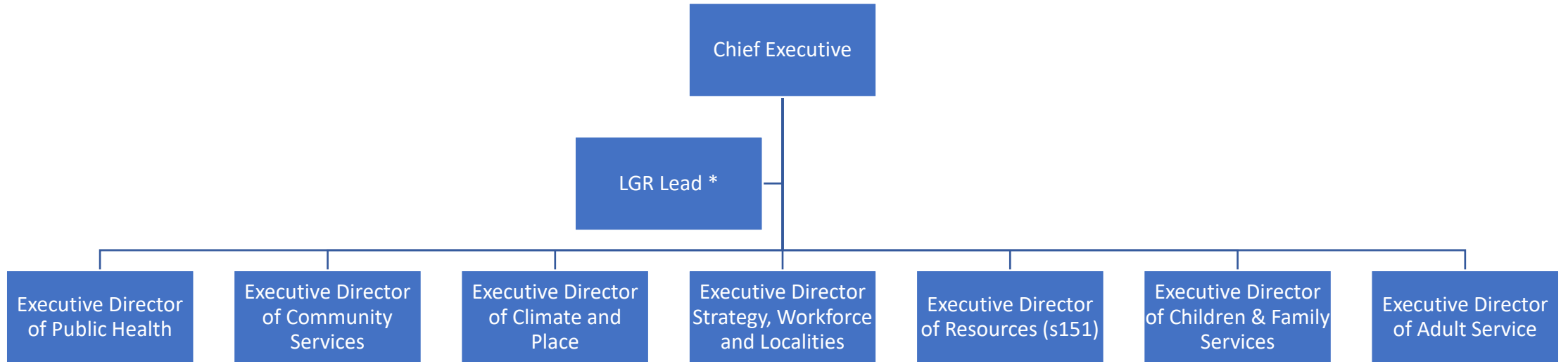
## 7.0 Background Papers

- Report to Extraordinary Council meeting on 15 June 2022
- Somerset Structural Changes Order 2022 - March 2022
- Officer Arrangements as set out in the Council's Constitution

## **Appendix One – Proposed Structure of Somerset Council**

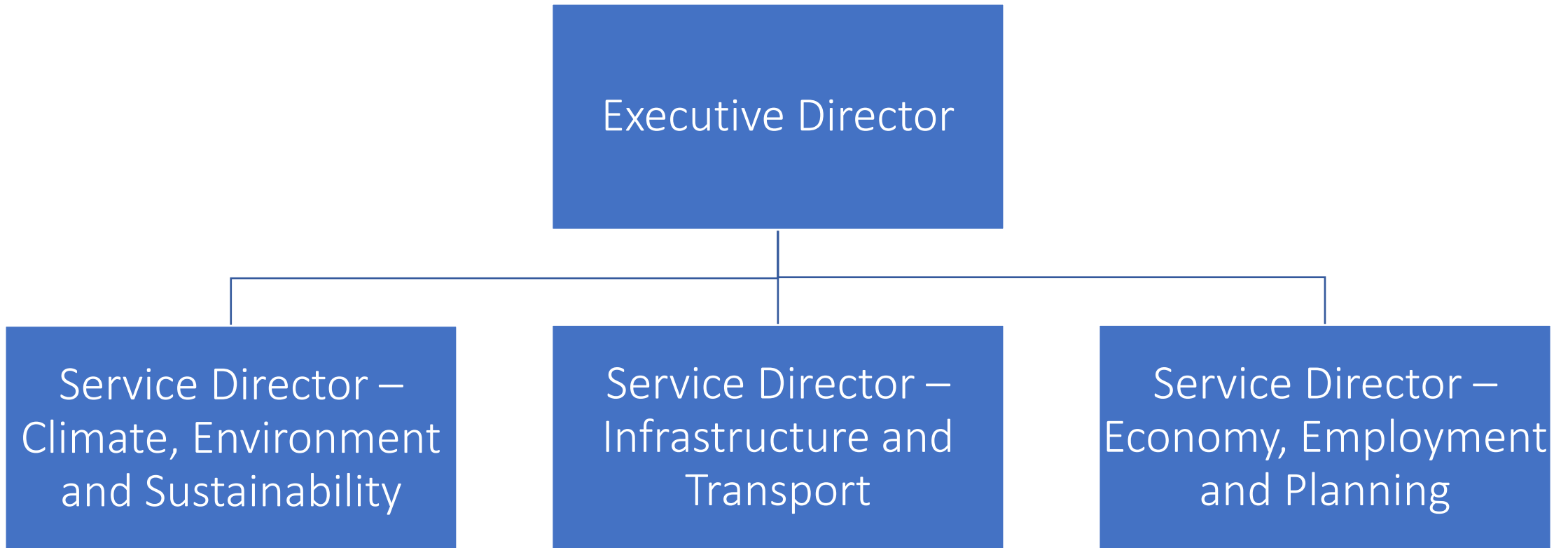
The structure that has been proposed for Somerset Council can be seen in Appendix One

# Tier 1 & 2



\* Fixed term post to continue delivery of LGR post Vesting Day, if required

# Climate and Place





# Executive Director Climate and Place

## Climate, Environment and Sustainability

- Strategy and Partnership development
- Carbon Neutrality
- Climate Resilience and Adaptation
- Renewable Energy
- Country Parks, Local Nature Recovery Strategy, Local Nature Reserves, AONB Partnerships (Countryside Services)
- Biodiversity (and net gain) and Ecology
- Sustainability
- Waste Service
- Emergency Planning and Business Continuity
- Water Management
- Lead Local Flood Authority & Land Drainage
- Flooding Response
- Coastal Protection Authority
- Somerset Rivers Authority

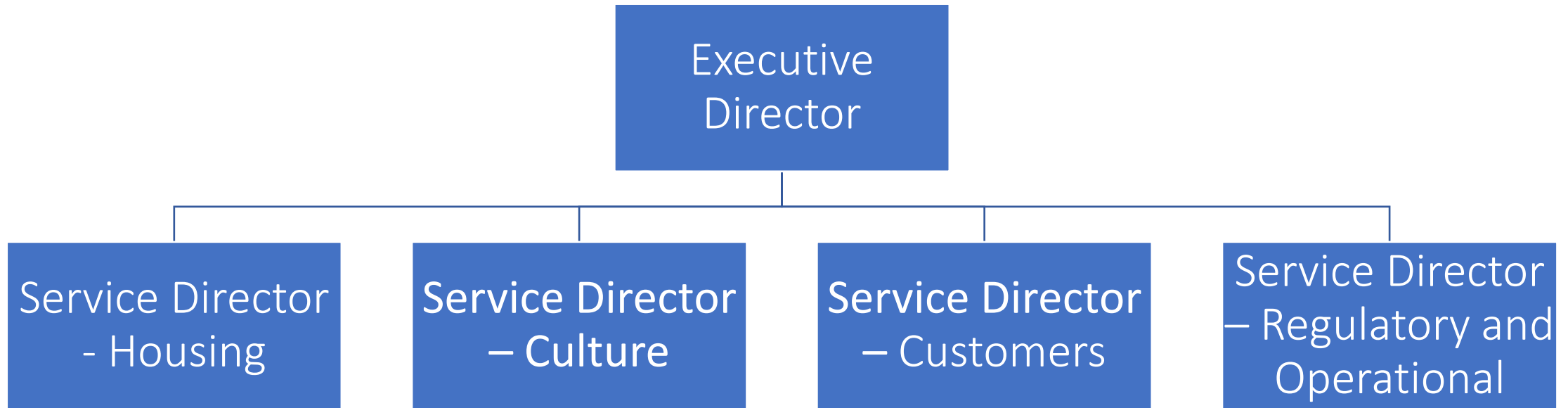
## Infrastructure & Transport

- Highways Authority
- Public Rights of Way
- Parking
- Active Travel
- Traffic Management
- Transport
- Public Transport
- Fleet Management
- Contracted Transport
- Strategic Transport Planning
- Highways Major Projects
- Road Safety
- Delivery Programme Management
- Infrastructure Commissioning

## Economy, Employment & Planning

- Economic Development
- Planning (conservation and heritage at risk, enforcement, DM, local plan, waste and minerals, s106 allocations/CIL, Phosphates)
- Affordable Housing and Enabling
- City/Town Centre Management
- Building Control
- Trading Standards (Devon partnership)
- Skills
- Education Business Partnership
- Economic infrastructure , services and Innovation Centres
- Regeneration (non-housing)
- Major Projects
- Nuclear Power
- Scientific Services

# Community Services



# Executive Director of Community Services

## Housing

- Strategy and HRA Business Plan
- Arms Length Management Organisation
- Homelessness - Rough Sleepers pathway
- Housing Options & Allocations –  
Homefinder Somerset
- Housing and Leaseholder Management
- Housing Maintenance - Responsive and Planned (capital programme), compliance, void management
- Housing Development & Regeneration
- Tenant Services –Worklessness & Tenancy Management (new tenancies, income, debt and benefit support, rent setting, service charges tenancy compliance)
- Somerset Independence Plus and financial assistance – DFG, loans, advice
- Sheltered and Extra Care
- Housing Property Service
- Registered Providers and Partnerships
- Gypsy, Traveller and Van Dweller Services
- People Displacement Schemes and Services

## Customer Services

- Customer Service Strategy and Standards
- Corporate Customer Services
- Contact Centre
- Compliments & Complaints, Ombudsman cases
- Local Service Centres
- Customer Engagement and Access

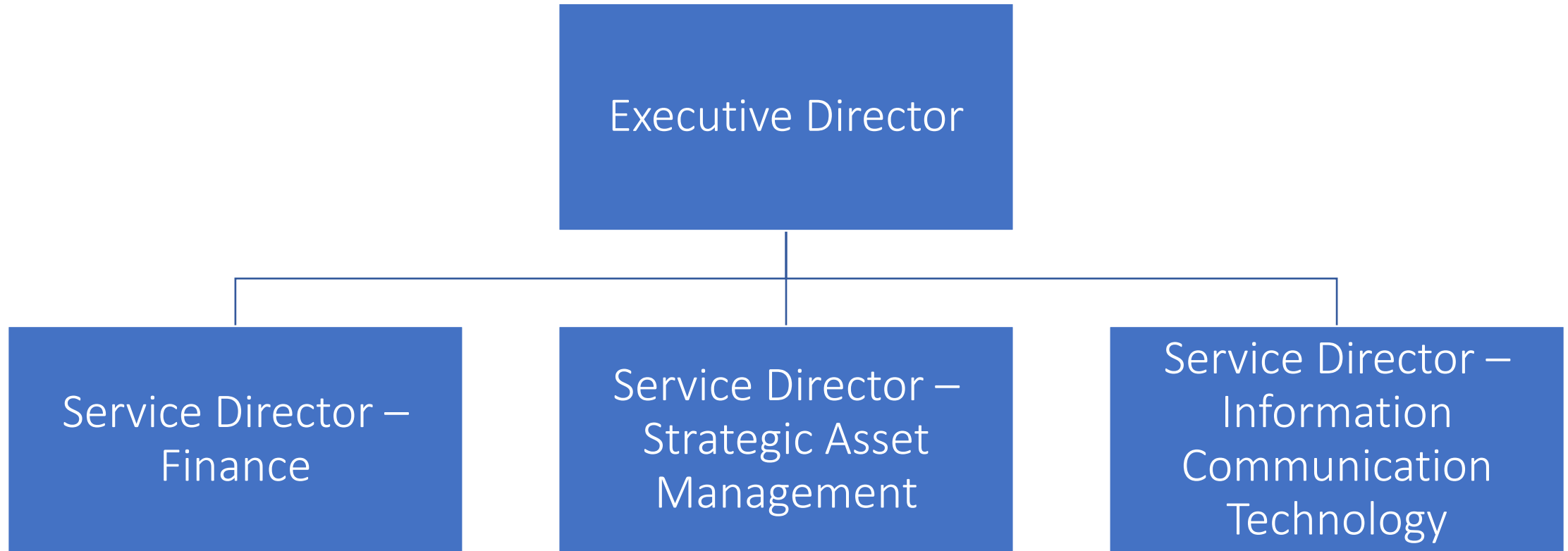
## Cultural Services

- Libraries and Local Offer
- Museums
- Theatres
- Leisure Centres, Facilities and Services (contract and direct)
- Sports Development Partnership
- Heritage Assets
- Arts Centres, Facilities, Services and Development
- Culture Facilities, Services and Development
- Tourism Facilities, Services and Development including cafes
- Community Facilities

## Regulatory and Operational Services

- Environmental Health and Licensing
- Registrars
- Coroners
- Environmental Protection and Enviro-crime
- Port Health Authority
- CCTV and anti-social behaviour
- Safety Advisory Group
- Private Sector Housing
- Street Cleansing
- Grounds
- Maintenance
- Beach Management
- Unauthorised encampments
- Parks and Play Areas
- Public Toilets
- Dog Wardens
- Operational Service to Partners
- Bereavement Services
- Fairs and Markets

# Resources and Corporate Services (s151)



# Executive Director Resources and Corporate Services (s151)

## Finance

- Finance Services (inc. Business Partners)
- Revenues and Benefits
- Pension Fund
- Capital Management
- Treasury & Corporate Debt Management
- Housing Revenue Account Financial Strategy
- Internal Audit
- Procurement
- External Audit
- Financial Systems
- Risk & Insurance Management
- Direct Payments
- Financial Assessment and Deputyship

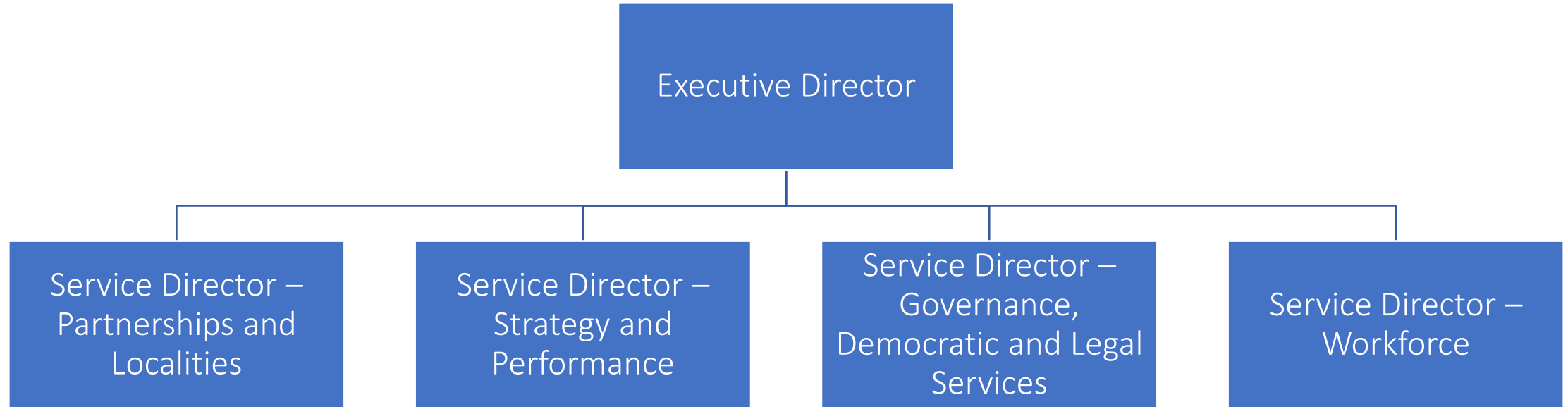
## Strategic Asset Management

- Corporate Landlord function (land and property asset management)
- Asset management strategy
- Estates and Valuations
- Rural estate management
- Site acquisition, disposal and development
- Property records & database
- Commercial investment property
- Facilities management, premises contracts, property maintenance & helpdesk
- Premises compliance & risk management, site security and management
- Closed churchyards
- Schools & general fund condition programme
- Estate decarbonisation strategy and delivery
- Construction project delivery – schools and major projects vice & internal consultancy support

## Information Communication Technology

- Strategy and Architecture
- Operations & Security
- Support
- Infrastructure
- Telephony
- Technical Project delivery
- Application development
- Innovation, research and development
- Project Pipeline
- Supplier Management
- Service Management
- Future Technology

# Strategy, Workforce and Localities



\* following conclusion of LGR Programme

# Executive Director Strategy, Workforce and Localities +

## Partnership and Localities

- Local Community Networks
- Strategic Partnerships
- City, Town and Parish Council Liaison
- Local devolution - Community Asset Transfers, Service devolution
- Community, Voluntary Faith, Social Enterprise Strategy and Engagement
- Volunteering Services
- Engagement
- Locality management, delivery, partnerships and projects
- One Teams
- Community Development
- Special Projects
- Grants & Lotteries

## Strategy and Performance

- Strategy and Policy
- Transformation
- Performance and Benchmarking
- Communications
- Programme Management, Project Management
- Change and Improvement
- Business Intelligence and Analysis
- Data Visualisation & Complex Analytics, Data Management/Warehousing
- Digital - Development and Service
- Legislation and Horizon Scanning
- Statutory Returns
- Commissioning Framework and Development
- Address Management (LLPG, LGS, Street Naming and Numbering)
- Land Charges
- GIS
- Corporate Equality and Armed Forces Covenant

## Governance, Democratic & Legal Services (MO)

- Member Services and Casework
- Lieutenancy
- Democratic Services
- Elections Operation
- Electoral Registration
- Information Governance and Records Management inc. GDPR, FOI, RIPA
- Corporate Governance Framework
- Annual Governance Statement
- Whistleblowing
- Officer Code of Conduct
- School Admission, Exclusion and Transport Appeal Hearings
- Civic & Ceremonial Duties
- Legal Services: Child Protection Legal Services, Adults Services Legal Services, Commercial and Contracts Legal Services, Property and Conveyancing Legal Services and Employment Legal Services.

## Workforce

- Workforce Strategy and Planning
- Organisational Health and Wellbeing
- Operations
- Business Partnering
- Payroll & Pensions
- Organisation Development
- Organisational Learning
- Health and Safety
- Staff Benefits
- Policy & Reward
- Organisational Equality, Diversity and Inclusion
- Change Management

*Health ICB/LCNs – prevention and integration*

+ Lead Commissioner

# Public Health



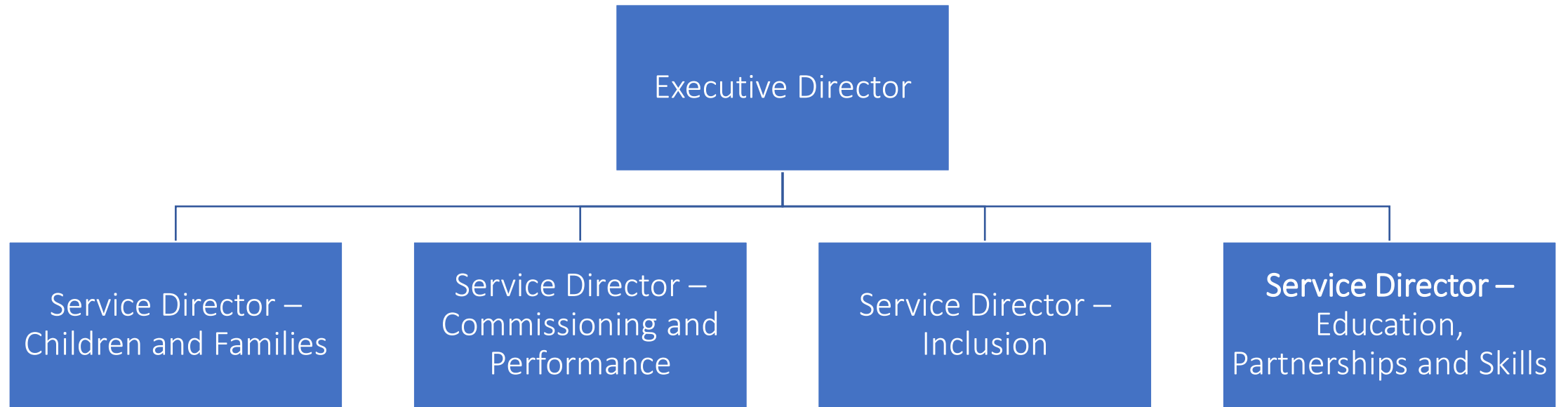


# Executive Director of Public Health

## Public Health (Deputy Director Public Health)

- Provision of Specialist Public Health advice to the system
- Influencing policy, practice and commissioning to improve health & wellbeing
- Inequality, Inclusion and Diversity (Strategy and Engagement)
- Somerset Health and Wellbeing Board (HWBB & ICP)
- Protection of the Public's Health
- Health Improvement
- Tackling Health Inequalities
- Healthcare Public Health
- Specialist public health advice and support to PCN/LCNs
- Public Health Commissioning
- Public Health Nursing
- Healthy Lifestyle Services
- Provision of public health training/lecturing
- Centre for Specialist Registrar Training
- Behavioural Insights
- Public Health Research and Evaluation & links with academia
- Health and Care Knowledge, Intelligence & Clinical audit (preferably joint for ICS)
- Population Health
- Community Safety Partnership
- Domestic Abuse
- VRU/VAWG

# Children Services



# Executive Director Children Services

## **Children and Families**

- Children Looked After and Care Leavers
- Children with Disabilities
- Preventative Services
- Quality Assurance
- Principal Social Worker

## **Commissioning and Performance**

- Commissioning
- Business Support
- Partners and Market Development
- Safeguarding Partnership

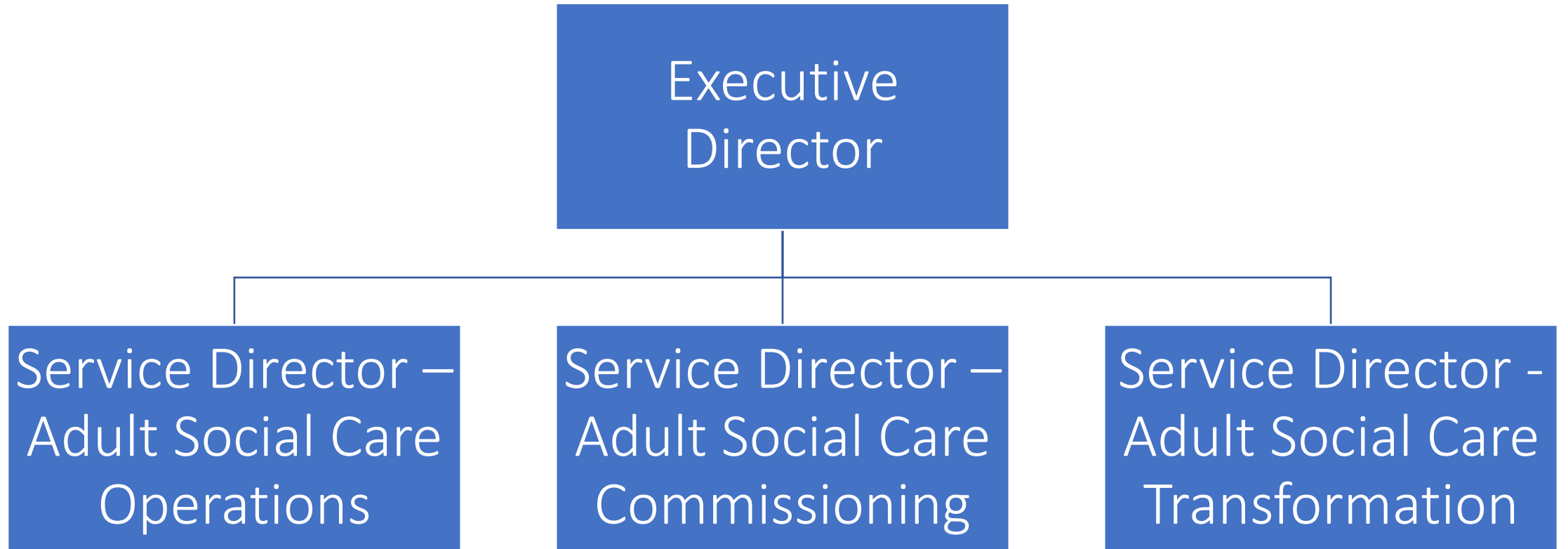
## **Inclusion**

- Special Educational Needs and Disability
- Access & Additional Learning Needs
- Virtual School & Learning Support Service
- Special Educational Needs Advisory Services & Educational Psychologist

## **Education, Partnerships and Skills**

- Support Services for Education
- Early Years
- School Improvement
- Sufficiency
- Somerset Association of Primary Headteachers

# Adult and Health Services



# Executive Director Adult and Health Services

## Service Director Operations

Page 553

- Acutes
- Safeguarding
- Partnership
- Neighbourhoods/Communities
- Intergration
- Carers
- Care/Alarm Lines and Rapid Responders

## Service Director Commissioning

- Market development
- Joint commissioning
- Community and Innovation linked to Neighbourhoods
- Assurance/inspection
- Brokerage
- Quality & Performance

## Service Director Transformation

- Adults' transformation programme
- Delivery of legislative change
- Adults' strategy and alignment with ICS strategy
- Service governance and forward planning
- Communications

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Somerset County Council

County Council

– 22 February 2023

## Report of the Independent Remuneration Panel

Division and Local Member: All

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

Author: Andrew Melhuish, Service Manager – Member Development & Support, Governance & Democratic Services

Contact Details: [andrew.melhuish@somerset.gov.uk](mailto:andrew.melhuish@somerset.gov.uk)

### 1. Summary/link to the Corporate Plan

- 1.1.** This report sets out the proposals in relation to the Members Allowances 2023/24 for the new Somerset Council. The proposals have been developed in consultation with the Somerset Independent Remuneration Panel (“the Panel”) following their review of the proposed Scheme of Member’s Allowances 2023/24 which was carried out by the Panel in January and February 2023.
- 1.2.** The role of this report, is to:-
1. Recommend a Scheme of Members’ Allowances for the new Somerset Council for 2023/2024; and to
  2. Request that the Council asks the Panel to undertake a further review of the Scheme of Members’ Allowances during late 2023/24 (including interviewing members to fully understand workloads and responsibilities in the new unitary council) and for that review and any recommendations to be reported to Full Council in February 2024.
- 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 Panel to make recommendations to the Council on members’ allowances. 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**

### **2.1 Council is recommended to:**

- (a) Thank the Panel for its report and recommendations set out in Appendix 1;**
- (b) Consider the Panel's recommendations when determining the Scheme of Members' Allowances 2023/24 set out in the Panel's report attached as Appendix 1 and the draft Scheme of Members' Allowances 2023/24 (set out in Appendix 2);**
- (c) Support the Panels recommendation for a further review of the Members' Scheme of Allowances for 2024/2025, and for this to be reported to the Council by February 2024;**
- (d) Authorise the Monitoring Officer to finalise and make any amendments to the Scheme of Members' Allowances required as a result of the Council's decisions in (b) above.**

## **3. Background**

- 3.1** In 2020 the One Somerset Business Case set out proposals for reducing the number of councillors in the five local authorities in Somerset from 279 to 100 members. The Business Case highlighted savings of £500k in respect of member allowances with this reduction to 100 members.

As part of the Structural Change Order in March 2022 it required that the number of councillors for Somerset County Council from May 2022, until Vesting Day in April 2023, would be 110 members.

Following the May 2022 County Council elections, 110 Councillors representing 55 divisions were elected to represent the County Council through to 31 March 2023. From 1 April 2023 until elections in May 2027 those 110 Councillors will represent the new unitary authority. Overall, the number of Councillors in the County will have reduced from a total of 324 to 110 (Mendip DC x 47 members, Sedgemoor DC x 48 members, Somerset West & Taunton x 59, South Somerset x 60 and Somerset County Council x 110).

In July 2022 the Council recommended that an Independent Remuneration Panel for Somerset Council should be established to advise on the development of the 2023/24 Scheme of Members Allowances for the new Somerset Council.

An extensive recruitment process was undertaken and following an interview process 5 panel members were selected to form a new Somerset Independent Remuneration Panel. The Monitoring Officer in consultation with the political group leaders confirmed the appointments in late December 2022.



The Panel met on a number of occasions with meetings taking place virtually and most recently on 6 February 2023. The culmination of that work is set out in the report of the Panel attached as Appendix 1.

In making its recommendations, the Panel considered the impact of the creation of a new unitary Somerset Council upon the role and responsibilities of councillors and in particular the impact of the reduction in the number of councillors in the county from 324 to 110. The Panel also reviewed comparator data for similar unitary authorities (see table below), reviewing the role descriptions for councillors, submissions from senior officers regarding the responsibilities and scope of the new council and economic data on inflation and national pay awards.

**Comparator information (Based on figures for 2023/2024)**

<b>Authority</b>	<b>Basic Allowance</b>	<b>Leader of Council</b>	<b>Deputy Leader</b>	<b>Executive member</b>	<b>Population</b>	<b>Number of Councillors</b>
Wiltshire	15,610	39,025	31,204	23,415	510,400	98
North Yorkshire	15,500	39,654	21,165	19,554	614,505	90
Cornwall	17,681	32,711	24,533	22,897	570,300	87
Somerset Council	15,500	31,000	23,250	20,150	569,400	110

The Panel's report makes recommendations for Basic Allowance and Special Responsibility Allowances for councillors in 2023 to 2024, which is the first year of the new unitary authority Somerset Council. The key recommendations from the Panel include:

- Basic Allowance for new Council = £15,500
- Banding of SRA for Leader (2.5 x BA = £31,000), Deputy Leader (1.5 x BA £23,250) & Executive Leads (1.3 x BA £20,150)
- Banding of SRA for Opposition Leader (Conservative) & Chair of Council (1 x BA £15,500)
- Banding of SRA for Strategic Planning Chairs (0.5 x BA £7,750) & Vice Chairs SRA's (0.25 x BA £3,875)
- Banding of SRA for Licensing Committee and Planning Sub-Committee Chairs (0.5 x BA £7,750) & Vice Chairs SRA's (0.25 x BA £3,875)
- Banding of SRA for 5 Scrutiny Committee Chairs (0.5 x BA £7,750) & Vice Chairs SRA's (0.25 x BA £3,875)
- Carers' Allowance – remain as per current SCC scheme
- Mileage & Subsistence – remain as per current SCC scheme

In view of the new functions and role of the unitary council and the 110 councillors from 1 April 2023, it is proposed that the Council requests that the Panel will carry out a further review of member allowances in autumn of 2023, including interviewing councillors around their workloads and commitments in their new roles as unitary councillors. This work will be used to inform any recommendations to be implemented in April 2024.

## **4. Implications**

- 4.1** Financial: The existing base budget for Members allowances in 2022/23 for 55 County Council and 214 District Members is £2,744,700. The base budget for 2022/23 is not comparable to the budget need for 2023/24 as there is much change within Members duties across the five existing authorities to that to be undertaken as part of Somerset Council to be considered.

Following the May 2022 elections, the number of Somerset County Councillors increased from 55 to 110. To support the increase in the number of councillors a one-off budget of £682,000 was made to meet the additional costs of the increase in members for 2021/2022.

Allowance has been made in the Medium-Term Financial Plan for the Members expenses budget requirement in 2023/24 to include an additional 55 Members up to 110 for Somerset Council and also for a potential increase in basic/special responsibility allowances in line with other Unitary Authorities (Increase Basic Allowance to £13,900) which resulted in a net saving to Somerset Council put forward in 2023/24 of approx. £520,000.

This gives an MTFP 2023/2024 budget for member allowances of £2,277,900.

The Panel's recommendations propose a Basic Allowance of £15,500 and with changes to banding and a number of new Special Responsibility Allowances to reflect the new roles to be undertaken in the new Council, this gives a total member allowance budget of £2,338,400; the 2023/2024 budget has been adjusted to reflect the proposals set out in the report, based on this figure (£2.3 million).

- 4.2** Legal: The legal requirements are set out in the report.

The proposed Members' Allowance Scheme complies with the relevant provisions of the Local Authorities (Members' Allowances) (England) Regulations 2003; the Local Government and Housing Act 1989 and the Local Government Act 2000.

As soon as reasonably practicable after the making of a Scheme, copies of the Scheme have to be made available for inspection at the Council's office and a notice has to be published in a local newspaper.

The Standards Committee has granted a dispensation to all elected members to participate and vote on setting the 2023/24 Scheme of Members' Allowances.

**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. The Council is required to give reasons where it chooses not to accept Panel recommendations on allowances.

**4.4** Equalities:

Under section 149 of the Equality Act 2010, the council has a duty when exercising its functions to have "due regard" to the need to eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act and advance equality of opportunity and foster good relations between persons who share a protected characteristic and persons who do not. This is the public sector equality duty.

When setting the Scheme of Members' Allowances, consideration needs to be given as to how the allowances enable the Council to attract high quality candidates to stand as councillors, from a wide variety of backgrounds, whilst also ensuring that financial barriers to anyone who wishes to stand for election are minimised.

The proposed Scheme of Members' Allowances relates to all 110 elected members across all 55 electoral divisions. It applies to all 110 members equally.

Other implications: There are also no sustainability or community safety implications.

## **5. Background papers**

### **5.1** Independent Remuneration Panel –review

Local Authorities (Members' Allowances) (England) Regulations 2003  
Standards Committee meeting 1 February 2023 – grant all members a dispensation

Scheme of Member Allowances 2022 - 2023 available at on the following link  
[SCC allowances and expenses](#)

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**Somerset Council Independent Remuneration Panel – Report of the Independent Remuneration Panel on Allowances for the Members of Somerset Council for 2023/2024**

**Date of report: February 2023**

**1. Summary**

The Remuneration Panel was set up following a resolution from Somerset County Council in July 2022 recommending that a new Independent Remuneration Panel to consider allowances for the new Somerset Council should be in place by Autumn 2022.

A recruitment process was undertaken and following an interview process five panel members were selected to form the new Somerset Independent Remuneration Panel, in accordance with legislation approved in 2003. Panel members normally serve a three-year term of office. A member may be reappointed by a further term of three years, meaning that each member can only sit for a maximum of six years on the Panel. At the first Panel meeting the Chair was appointed to serve for an initial 1-year term until March 2024.

Although the Panel is appointed by Somerset County Council we are an independent body. Our responsibility is to review the Council's Members' Allowance Scheme to ensure that payments are set at the appropriate level to undertake the role and at the same time to ensure the Scheme is sufficiently attractive to all who would wish to serve as a Councillor of Somerset Council.

In terms of independence Panel members are not employees and are therefore independent of the Council. Panel members are not line managed but are expected to complete an application through the Council's Volunteer Team to ensure compliance with basic data protection policies and the Council's insurers.

Support to the Panel is provided by the Council as and when required. The Panel members have agreed that they will not receive an allowance for their role but can claim reimbursement for reasonable travel and subsistence costs incurred on Panel business in line with rates set by Somerset Council.

The Panel will make their first recommendations to Somerset County Council on 22 February 2023 on the levels of remuneration that are considered justified for the new Somerset Council's members to retain the balance between public duty and a realistic recompense for the time given up, plus commitment and responsibility in undertaking the role of a unitary Councillor.

From 1 April 2023 there will be a new unitary Somerset Council, which will see all the services and duties previously carried out by 5 local authorities to be undertaken by the new unitary Council. The development and implementation of the new Council is

a challenging undertaking for officers and members and many decisions about form and function will be made at the February 2023 meeting of the County Council. As such, there are a number of elements of the new Council relating to the work of the Councillors that are not yet in place. This means that it is difficult for the members of the Panel to quantify and evaluate the workload of Councillors in the first year of the new Council and the precise demands that will be placed upon them.

The Panel used comparator data from unitary authorities which have similarities although none are identical, some of which have been established for some time to offer a useful insight into the roles of a unitary Councillor. The Panel also consulted with Group Leaders on their views of the proposed levels of allowances.

In May 2022 at the County Council elections, 110 Councillors representing 55 divisions were elected to represent the County Council through to 31 March 2023. From 1 April 2023 until elections in May 2027 those 110 Councillors will represent the new unitary authority. Overall, the number of Councillors in the County will have reduced from a total of 324 to 110 (Mendip DC x 47 members, Sedgemoor DC x 48 members, Somerset West & Taunton x 59, South Somerset x 60 and Somerset County Council x 110). With the new unitary authority being created it is expected that this will lead to an increase in workload for the new unitary Councillors, given the full range of functions of the former County and District Councils including education, social services, highways, planning, licensing and housing.

For 2023/2024 the Panel has received advice from senior officers of the Council and has reviewed data from comparable unitary authorities. Based on this information the Panel is recommending a starting **Basic Allowance of £15,500**. The Panel has also reviewed the Special Responsibility Allowances for existing roles and to those newly created roles which will commence on 1 April 2023 *(as noted it has been difficult for the Panel at this early stage before the new unitary comes into existence, to fully assess these roles)*.

The Panel recognise that the rates proposed will be for the first year of the new unitary Council and will commit to undertake a full review during 2023 including meeting key councillors to fully understand the workload of councillors in the new council and those who have undertaken new roles.

The Panel acknowledge that the new Council is seeking to create 18 Local Community Boards to act as a forum for community voice, engagement and influence, which in the first year of the new Council will be developed. The Panel will review evidence from members on the workloads and commitment arising from the Local Community Boards in their future work and to determine if any Special Responsibility Allowances will be claimable by members.

In respect of Travel and Subsistence Allowances the Panel recommends that existing rates contained in the current Somerset County Council allowances scheme are retained as they are in line with rates of travel and subsistence claimable by Council employees.

If any changes are made to the staff rates then the Councillor levels should be adjusted accordingly to come into effect at the same time.

### **2. Independent Remuneration Panel for Somerset Council**

We represent the Independent Remuneration Panel which reports to Somerset County Council on 22 February 2023. As from 1 April 2023 the Panel will continue in office and report to the new Somerset Council. It is anticipated that the Panel will conduct annual reviews whilst it understands the workloads and case work for the new unitary Councillors.

The Council seeks the advice of the Panel before making any changes or amendments to the Members' Scheme of Allowances and therefore should take its reasoning into account before setting a new or amended Allowance Scheme.

The current membership of the Independent Remuneration Panel is as follows:

#### **David Lamb – Panel Chair**

Owner of a number of businesses in the Bridgwater area employing around 300 employees. Previously served as the Chairman of the Sedgemoor District Council Independent Remuneration Panel.

#### **Bryony Houlden – Panel Member**

Chief Executive of South West Councils which is a membership organisation of all 29 local authorities in the South West (from April 2023). Currently sits on a number of other Independent Remuneration Panels, including Devon County, Cornwall, Plymouth, Torbay, Bristol and Bath & North East Somerset Council's, previously a member of the Joint Somerset Independent Remuneration Panel.

#### **Mel Hillman – Panel Member**

Former Corporate Service Manager at Yeovil Hospital before retiring. Also worked as a School Clerk on a local school Board of Governors.

#### **Dr Paull Robathan – Panel Member**

Governor of the Foundation Trust and Independent Governor of the Health Trust and a former district councillor. Also worked for Government agency conducting independent peer reviews.

### **Phil Gait – Panel Member**

Retired, a former district councillor and member of a local parish council.

#### **3. Terms of Reference for the Panel:**

- To consider issues relating to Members' remuneration and expenses.
- To consider any representations.
- To make recommendations and provide advice to the County Council and from 1 April 2023 to the new Somerset Council.
- To carry out a full review of Basic Allowances and Special Responsibility Allowances.

#### **4. Background**

The Panel considered evidence including national and local contextual information on benchmarking data, financial context and input from Senior Council Officers.

On 21 July 2021 the Government approved that the current 5 local authorities in Somerset would be replaced by a new single Council, to come into place on 1 April 2023.

The new Council will have the responsibility to deliver all of the services that were previously delivered by the District Councils and County Council in Somerset.

In May 2022 elections took place for 110 County Councillors representing the 55 electoral divisions. The 110 Councillors have been elected to the County Council until 31 March 2023 and will continue into the new unitary authority for the period from April 2023 until elections in May 2027. In total this is a term of office of 5 years.

The role of Councillors in the new unitary Council will change considerably from April 2023 as the new unitary authority takes on the responsibilities of all five Councils that previously provided services in the County. There will be a strong emphasis upon locality working, community leadership and linking in with Parish, Town and City Councils and other local bodies. The new Council will also have more statutory and regulatory responsibilities including planning and licensing functions along with housing landlord functions. The Panel referred to data from other unitary authorities and received information from Council officers. Using the available information, the Panel has determined Basic and Special Responsibility Allowances for 2023/2024.

In the autumn of 2023, the Panel commence its report for 2024/2025 and will invite Councillors to provide information on their workloads and areas of responsibility within the new unitary council.



**5. Councillors' Basic Allowance**

All local authorities must make provision in its scheme of allowances for a basic flat rate allowance payable to members. The allowance must be the same for every Councillor and is paid in equal instalments throughout the year. At Annexe 1 are details of the comparator information with other unitary authorities, that the Panel has used in making their recommendations.

In formulating its recommendations, the Panel was guided by the following:

- Councillors volunteer for their roles. They are not remunerated at a commercial rate for their time, as if they were employees.
- The Council should feel able to attract high quality candidates to stand as councillors from a wide variety of backgrounds and there should be no financial barrier to anyone who wishes to stand for election.
- The level of allowances paid reflect that of allowances in comparable unitary authorities.

The Panel focused on an assessment of the level of workload for the new Council and comparator data from existing long running unitary councils and those who have set allowances for new unitary authorities created in April 2023.

Previously the former Joint Independent Remuneration Panel for Somerset County Council had calculated Basic Allowances based on an appropriate spinal point on the Officers pay scale and discounted by a third to reflect the voluntary element of the work. The daily rate has then been multiplied by the equivalent of 4 days a week (the average time that members spend on Council business) to give the final calculation.

The Panel acknowledge that this approach had worked well for the Joint Panel and the County Council, however for 2023 to 2024 the Panel is using a simpler methodology, based upon reviewing the basic allowance of other comparable authorities and determining where it would be appropriate to set the remuneration level for councillors in the new Somerset Council.

**Panel Recommendation - Basic Allowance:**

**The Panel concludes that the Basic Allowance for 2023 to 2024 should be £15,500.**

The Panel recognised the comparator information in respect of rates paid in other unitary authorities and to statements from senior officers regarding the anticipated increase in the workload for the new unitary Councillor.

## **6. Councillors' Special Responsibility Allowances**

The Panel also considered the provision for the payment of Special Responsibility Allowances for those Councillors who have significant responsibility over and above the normal work of a Councillor.

### **Panel Recommendation – Special Responsibility Allowance:**

**The Panel reviewed specific SRA roles, including new SRA roles and their recommendations are set out in Annexe 2.**

The Panel has set new SRA roles based on comparator data and will revisit SRA levels later in 2023 by conducting interviews with Councillors who have a specific responsibility. This will give Councillors who are undertaking SRA roles in the new authority an opportunity to provide evidence on their workloads to the Panel ahead of any further recommendations the Panel may wish to make in respect of the levels of SRA's claimable in 2024/2025.

## **7. Co-opted Member Allowances**

The Panel reviewed the comparator data for co-opted member allowances and feel that the allowance of £1,000 should continue for 2023/2024.

The Panel were also invited to consider whether an allowance should be claimable by members of the Independent Remuneration Panel; this formed part of the recommendations from Full Council in July 2022. The Panel members confirmed that they were content with their roles being voluntary and recommended that no allowance would be claimable, only those for travel and subsistence in line with the Councillor rates.

### **Panel Recommendations – Co-opted members:**

**The Panel recommend that the current level of co-opted allowance remains at £1,000.**

**The Panel recommend that the role of the Independent Remuneration Panel member should remain as voluntary and that no allowance is claimable.**

## **8. Parental Leave and Carer's Allowance**

The Panel supports the arrangements contained in the current Somerset County Council scheme for Parental Leave and recommend that this continues for the new Council. In respect of Carers' Allowances the Panel supports that the new scheme should continue to provide for payment of expenditure for childcare and carers' which ensures members have the opportunity to undertake their duties and provide care to their dependents.

**Panel Recommendation – Parental Leave and Carers’ Allowance:**

**The Panel recommend that the Scheme of Allowances continues to include a Parental Leave and Carers’ Allowance in line with the current Somerset County Council scheme.**

**9. Travel and Subsistence**

The Panel reviewed the current rates in the Somerset County Council’s scheme for travel and subsistence. Those arrangements are linked to the rates for Council employees and the Panel recommend that the travel and subsistence rates for councillors should be in line with those claimable by Council employees.

**Panel Recommendation – Travel and Subsistence:**

**The Panel recommend that the travel and subsistence rates for councillors should remain in line with those claimable by council employees as set out in Annexe 2.**

**Looking ahead 2023 and beyond**

The Panel has responded to a tight timescale in preparing its recommendations with the Council meeting in February 2023 looming. The Panel recognise that during 2023 they will be required to carry out further work to review allowances. The Panel propose to undertake a survey of members and will be followed by the Panel conducting interviews with councillors; this work will commence in November 2023 allowing evidence reflecting six months operation of the new Somerset Council to be collected. The Panel will use the survey results and interviews to inform making any recommendations to Council in February 2024.

As Panel Chair, I would like to thank my fellow Panel members for bringing robust challenge to the process and being able to work quickly to ensure that recommendations on the allowances for councillors in the new authority can be submitted. Finally, on behalf of the Panel I would like to thank Scott, Andrew and Laura for their support and guidance in assisting the Panel in their work.

**David Lamb**

**Chair – Somerset Independent Remuneration Panel**

**February 2023**

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**Basic Allowance – Comparator information (Based on figures for 2023/2024)**

<b>Authority</b>	<b>Basic Allowance</b>	<b>Leader of Council</b>	<b>Deputy Leader</b>	<b>Executive member</b>	<b>Population</b>	<b>Number of Councillors</b>
Wiltshire	15,610	39,025	31,204	23,415	510,400	98
North Yorkshire	15,500	39,654	21,165	19,554	614,505	90
Cornwall	17,681	32,711	24,533	22,897	570,300	87
Somerset Council	15,500	31,000	23,250	20,150	569,400	110

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## Special Responsibility Allowances – IRP Recommendations for 2023/2024

Member Role	Rate of SRA from 1/4/23 (BA £15,500)		
	Band	Multiplier £	Total £
Council Leader	1	2.5	31,000
Deputy Leader	2	1.5	23,250
Lead Member	3	1.3	20,150
Opposition Leader (Conservative)	4	1.0	15,500
Chair of County Council	4	1.0	15,500
Chair of Strategic Planning Committee	5	0.5	7,750
Chair of Planning Sub-Committee North	5	0.5	7,750
Chair of Planning Sub-Committee East	5	0.5	7,750
Chair of Planning Sub-Committee South	5	0.5	7,750
Chair of Planning Sub-Committee West	5	0.5	7,750
Chair of Licensing & Regulatory Committee	5	0.5	7,750
Chair Constitution & Governance Committee	5	0.5	7,750
Chair of Audit Committee	5	0.5	7,750
Chair of Scrutiny for Policies, Adults & Health Committee	5	0.5	7,750
Chair of Scrutiny for Policies, Children and Families Committee	5	0.5	7,750
Chair of Scrutiny for Policies, Environment Committee	5	0.5	7,750
Chair of Scrutiny for Policies, Place Committee	5	0.5	7,750
Chair of Scrutiny for Policies and Communities Committee	5	0.5	7,750

Chair of Pensions Committee	6	0.25	3,875
Chair of Standards Committee	6	0.25	3,875
Chair of Pension Fund	6	0.25	3,875
Vice-Chair of County Council	6	0.25	3,875
Associate Lead Members	6	0.25	3,875
Vice-Chair of Constitution & Governance Committee	6	0.25	3,875
Vice-Chair Strategic Planning Committee	6	0.25	3,875
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Vice-Chair Audit Committee	6	0.25	3,875
Vice-Chair of Scrutiny for Policies, Adults & Health Committee	6	0.25	3,875
Vice-Chair of Scrutiny for Policies, Children and Families Committee	6	0.25	3,875
Vice-Chair of Scrutiny for Policies, Environment Committee	6	0.25	3,875
Vice-Chair of Scrutiny for Policies, Place Committee	6	0.25	3,875
Vice-Chair of Scrutiny for Policies and Communities Committee	6	0.25	3,875
Vice-Chair of Planning Sub-Committee North	6	0.25	3,875
Vice-Chair of Planning Sub-Committee East	6	0.25	3,875
Vice-Chair of Planning Sub-Committee South	6	0.25	3,875
Vice-Chair of Planning Sub-Committee West	6	0.25	3,875
Opposition Group Spokespersons Deputy Leader (Conservative)	6	0.25	3,875
Group Leader Labour	6	0.25	3,875
Group Leader Independent	6	0.25	3,875
Group Leader Green	6	0.25	3,875
Co-opted members	-	-	1,000



**SUMMARY OF RATES OF ALLOWANCES FOR MEMBERS**

<b>1</b>	<b>TRAVELLING ALLOWANCE</b>	<b>Pence per mile</b>
	Mileage rate up to 10,000 miles	45.00
	Over 10,000 miles	25.00
	Passenger supplement (5p per person per mile)	
	Motor Cycle	24.00
	Bicycle Allowance	20.00

**2 SUBSISTENCE ALLOWANCE**

- Breakfast allowance (more than 4 hours away from the normal place of residence before 11 am) – up to a maximum of £9.01;
- Lunch allowance (more than 4 hours away from normal place of residence, including the lunchtime period between 12 noon and 2 pm) – up to a maximum of £12.40;
- Tea allowance (more than 4 hours away from normal place of residence, including the period 3 pm to 6 pm) – up to a maximum of £4.82;
- Evening meal allowance (more than 4 hours away from the normal place of residence, ending after 7 pm) – up to a maximum of £15.36.

These payments only apply to duties undertaken outside of Somerset. Subsistence cannot be claimed for duties undertaken in Somerset.

<b>3</b>	<b>OVERNIGHT ABSENCE</b>	<b>£</b>
	maximum	144.45
		162.91 (within London)
<b>4</b>	<b>CO-OPTED MEMBERS FINANCIAL LOSS</b>	<b>£</b>
	(evidence based)	
	up to 4 hours	27.65
	over 4 hours	55.31

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# Draft Somerset Council Scheme of Members' Allowances – 2023/24

## 1. INTRODUCTION

- 1.1 The Council's Scheme provides for payment of:
- a Basic Allowance (BA), a flat rate payable to each Councillor;
  - a Special Responsibility Allowance (SRA) for Members undertaking "special responsibilities", as defined by the Council;
  - a Carer's Allowance (CA) to reimburse expenditure incurred by Members (a) in providing child care arrangements and (b) on professional care for elderly, sick or dependent relatives to enable them to undertake approved duties; and
  - Travel Allowances and Subsistence Allowances for Members undertaking 'approved duties'.

## 2. GENERAL POINTS

- 2.1 The term "Member" in these notes means a Somerset Council Councillor.
- 2.2 Members have the option of not claiming all or part of an allowance. The Finance Director must be notified in writing if a Member wishes to pursue this option.
- 2.3.1 Where the Member's term of office or appointment to a post qualifying for SRA begins or ends during the financial year, he/she is entitled to the appropriate proportion of the annual payment.
- 2.4 In the case of a Council election year, all positions / posts held by Members on the Council (including posts qualifying for SRA) remain valid until the day of the Annual Meeting of the Council (the first meeting of the new Council following the election) and therefore Members holding those posts will continue to receive allowances. This is until a replacement is appointed, unless the post-holder ceases to be a Member of the Council in which case any appointment is invalid from that point and any associated allowance payment will cease.
- 2.5 All enquiries relating to members allowances should be made to the Democratic Services team on 01823 357628 or by emailing [DemocraticServicesTeam@somerset.gov.uk](mailto:DemocraticServicesTeam@somerset.gov.uk)

### 3. BASIC ALLOWANCE (BA)

- 3.1 A BA of £15,500 per annum has been approved for 2023/24 and will be paid to all Members in monthly instalments.
- 3.2 Definition of BA: BA recompenses Members for time devoted to their work as a councillor, and is intended to cover:-
- constituency and community duties, including use of the Members home;
  - dealing with correspondence; - single Member duties;
  - attendance at single party/political meetings;
  - attendance at formal meetings of the Council (including travelling time to and from meetings);
  - attendance at seminars, conferences and training sessions;
  - attendance on 'outside bodies' as a Council representative; and
  - other incidental costs, for which no other specific provision is made.
- 3.3 The annual sum for 2023/2024 is based on comparator data from comparable unitary authorities, with a Basic Allowance of £15,500.

### 4. SPECIAL RESPONSIBILITY ALLOWANCE (SRA)

- 4.1 **SRA** is:
- paid to Members who are elected or appointed to positions of special responsibility on the Council
  - allocated on the basis of degree of responsibility and upon a perceived call on Members time, as agreed by the Council;
  - paid in addition to the BA which the Member continues to receive; and
  - paid in monthly instalments for as long as the Member has the responsibility.
- 4.2 **SRA** payments cover:-
- individual and collective decision-making and service responsibilities of Executive Members
  - policy review and development activity
  - meetings with Officers;
  - attendance at County Hall and other Council premises to undertake official Council business;
  - meetings with fellow Chair's or decision-makers and other single party meetings;
  - dealing with correspondence;
  - visits directly connected to the performance of an SRA duty e.g.
    - headteacher interviews

- . official openings
  - . familiarisation / fact findings visits;
  - press meetings;
  - any other official Council business carried out by the Member in the role.
- 4.3 The Council has adopted multiples of the BA as the base for the calculation of the SRA bandings contained within this Scheme. The top banding of SRA which applies to the post of Leader of Council reflects the importance and responsibility of this role. The Leader's Allowance is based on a multiple of 2.5 x the BA.
- 4.4 Other SRAs are banded below the Leader's Allowance reflecting levels of responsibility associated with those specific roles.
- 4.5 A full list of the posts approved for SRAs is attached at Appendix 1. This Appendix sets out the bandings and payments for 2023 – 2024.
- 4.6 The number of Opposition Spokespersons receiving SRAs shall total no more than the number of Executive Members receiving SRAs at that time. The maximum number of Executive Members who can receive SRA is 10 – in accordance with the legislation which prescribes a maximum of 10 members for a local authority 'executive'.
- 4.7 An individual Member may only receive one SRA at any one time.

## **5. PARENTAL LEAVE AND CARERS ALLOWANCE (CA)**

### **5.1 Parental leave**

5.2 Parental Leave refers to the period of absence taken by an elected Member following the birth or adoption of a child.

a) Members are entitled to up to 52 weeks Maternity/Adoption leave and must notify their intention and the date on which the leave will commence in the same way as paid employees

b) The Council will ensure that Members on Parental Leave are aware of the requirements under section 85 of the Local Government Act 1972 to attend at least one meeting in any six-month period, and are aware of which meetings are qualifying meetings and the process by which they may apply for dispensation, following which the Council may exercise its right to waive expulsion if non-presence relates to Parental

Leave being a reason approved by the authority before the expiry of the six-month period

c) Absences from Council meetings during any period of Parental Leave will be noted as such, rather than being attributed to general absence

d) During Parental Leave Members will continue to receive the Basic Allowance without deduction but any Special Responsibility Allowance will be reduced over time, as follows:-

i) for the first 6 weeks, 90% of the normal SRA will be paid;

ii) for weeks 7 to 18, 50%; and

iii) for weeks 19 to 52, 0%.

e) Where Councillors have made Shared Parental Leave arrangements, the Council will make every effort to replicate such arrangements in terms of leave from the Council

f) The Council will facilitate any arrangements made by relevant Members which allow for the case work of a Member on Parental Leave to be completed by a Ward/Division colleague or another Member of the relevant Council Group.

g) The Council will ensure that Members have access to adequate IT provision to allow them to work from home while on Parental Leave and upon returning to their role, and will explain, at the start of the Paternity Leave, the "staying in touch" arrangements put in place for that Member.

h) The Council will facilitate any arrangements made by relevant Members which allow for the case work of a Member on Parental Leave to be completed by a Ward/Division colleague or another Member of the relevant Council Group.

5.3 Where another Member takes on the Special Responsibilities of a Member on Parental Leave, that Member will receive the full SRA in accordance with the Council's usual policies.

5.4 Members shall be entitled to take 2 weeks Paternity Leave if they are the biological father or nominated carer of their partner/spouse following the birth of their child(ren). During this period Members will continue to receive their basic allowance and any special responsibility allowances without deduction.

### 5.5 **Carers' Allowance**

5.6 The Scheme provides for the payment (by way of reimbursement) of expenditure incurred by Members

(a) in arranging child-care and

(b) on professional care for elderly, sick or dependant relatives to enable them to undertake approved duties. [Please note that these payments are not covered by any special exemptions for taxation purposes. They are treated as emoluments (remuneration) of the 'office' and are taxed accordingly].

5.7 Expenditure on child care is reimbursed in accordance with the following requirements:-

a) Payments are restricted to registered childminders (other than a close relation) and other statutory approved child care providers who are not related to the Member;

b) Payments are restricted to the care of children up to their 14th birthday who normally reside with the Member; and

c) No payments are made in respect of the care of children of compulsory school age during school hours except where the child is absent from school due to illness.

### 5.8 **Care of dependants**

5.9 The reimbursement of expenditure on professional care for an elderly, sick or disabled dependant, including children with complex needs (of any age), normally residing with the Member, to undertake approved duties, is subject to payment being restricted to agencies or persons qualified to provide the care, other than close relations.

### 5.10 **General Conditions**

5.11 The following conditions apply to both child care and care of dependants:-

a) Payments are made on the basis of the reimbursement of actual expenditure incurred up to a maximum of three times the prevailing national living wage hourly rate for someone aged 25 or over;

b) Members must support their claims with receipts showing they have incurred expenditure in accordance with the scheme;

c) Qualifying meetings be restricted to those defined as an “approved duty” in Appendix 3 to the Scheme of Members’ Allowances; and

d) That neither the Member nor the person being cared for receives and allowance for care from any other source

### 6. TRAVEL ALLOWANCE (TA)

#### 6.1 TA:

- can only be claimed for an approved duty, or for any duty covered by a special responsibility payment and for ‘normal allowable journeys’.
- is claimed monthly on the Members claim form (except for ‘low claimers’ see para 9.1 below) and receipts, including fuel VAT receipts, should be submitted to support expenditure.
- is payable at the rates shown in **Appendix 2**.

#### 6.2 List of ‘Approved Duties’

The list of approved duties is set out in **Appendix 3**.

#### 6.3 Definition of ‘normal allowable journey’

The **normal allowable journey** (for which mileage can be reimbursed) is from a member’s home to council offices and then back again. ‘Council offices’ will often be County Hall but could relate to any building where a member is undertaking an ‘approved duty’ under the Scheme, including, for example, attending a parish meeting.

The mileage that members can claim for is the **actual additional mileage** as a result of council business that the member incurs on any journey. The **maximum** the member can claim for is the normal allowable journey mileage.

#### 6.4 TA - additional information

- Train Fares are reimbursed at 2nd Class rate.

NB - Members who are aged over 60 and who regularly use the train for Council business may reclaim the cost of a Senior Rail Card.

- The car mileage rate may be claimed for any journey, providing the following criteria can both be met:



- travel by car represented the best option in order to undertake the approved duty
- travel by car could be justified on cost grounds

In all other cases, payment will be made at the public transport rate.

- Wherever possible all claims should be supported by a valid VAT receipt. Fuel receipts submitted should pre-date the first date claimed for on the relevant claim form. It is also acceptable for a single fuel receipt to cover more than one month's claim as long as the value of the receipt is equivalent to expenditure of at least 10p per mile claimed.
- If a VAT fuel receipt is not provided in support of mileage then the level of reimbursement will be at a lower rate.
- A cycle allowance is payable to Members who use a bicycle to attend an approved duty.
- It is essential that Members minimise the need for travel wherever possible by combining trips, sharing transport, undertaking business by 'phone, including by conference calls or by email.
- A Member who is claiming mileage should always bear in mind the need to be able to demonstrate that the journey was wholly and necessarily in relation to his/her role as a Member.
- Additional payments of 5p per person per mile are payable for passengers carried. This payment is only claimable for a passenger who would have been entitled to submit their own claim to the Council. It is not payable for passengers who are members of the public or could make claims from another organisation.
- Reimbursement of taxi fares may be made in exceptional circumstances. A receipt must be provided.
- Reimbursement may be claimed for expenditure on tolls, ferries, parking fees etc. A receipt should be provided, if available.

### 7. SUBSISTENCE ALLOWANCES (SA)

#### 7.1 SA is

- paid at the same rates as those paid for Officers;
- claimable for any approved duty exceeding 4 hours which spans the agreed meal time periods (specified in **Appendix 2**);
- claimable for the actual cost of the meal or the overnight expenses up to the maximum allowed;
- claimed monthly via the Members claim form; receipts should be submitted to support expenditure;
- only claimable for meals or overnight expenses for approved duties / SRA duties undertaken **outside** Somerset;
- not claimable if a meal is provided by a host free of charge;
- only claimable for a members own meal. There is no provision in the scheme for reimbursing claims for hospitality for other people;
- reimbursed at the rates shown in **Appendix 2**.

### 8. NON CLAIMABLE DUTIES

#### 8.1 For the avoidance of doubt, the following duties are not approved for the purpose of claiming Travel Allowances and Subsistence Allowances:-

- single Member duties except where the Scheme provides otherwise
- attendance at single party meetings e.g. group meetings, except where the Scheme provides otherwise
- constituency meetings and duties.
- duties relating to outside organisations that are not Board, committee, subcommittee or working group meetings. e.g. book launches, openings etc.
- attendance at party political conferences
- social functions including religious meetings / church services
- acting as governors of primary or secondary schools; and
- where an outside body to which the member has been appointed itself pays members expenses.
- where the member attends an outside body but in circumstances where they have not been appointed as an official representative of the Council, i.e. appointed either by the Council or the Leader of the Council.

### 9. CLAIMS

#### 9.1 How to Claim

- BA and SRA are paid automatically after completion of initial details.
- CA, SA and TA must be claimed on the Members' Electronic Claim Form for allowances.
- Claims must be submitted monthly to the authorising officer by 8th of the month in order to meet payroll deadlines.
- All claims and fixed entitlements are paid together on the last working day of that month.
- Late claims will result in late payment unless notification is given in advance. Claims older than 2 months will be referred for approval to pay to the Finance Director, in consultation with the Leader and appropriate Executive Member, and payment may be delayed or refused unless there is good cause for the lateness. Claims older than 3 months will not be reimbursed.
- A master copy of members electronic claim forms can be obtained from the Democratic Services team by phoning 01823 357628, or emailing [DemocraticServicesTeam@somerset.gov.uk](mailto:DemocraticServicesTeam@somerset.gov.uk)
- Allowances must not be claimed where the member is entitled to receive payment from another body.
- To cater for changes in circumstances that occur during the year and to ensure that no individual cases of exceptional hardship are experienced, the Director, in consultation with the appropriate Executive Member, can temporarily agree SRAs for individual Members as considered necessary. Note: The exception to the requirement to submit monthly claims relates to low claimers. 'Low claimers' have the option of only having to submit claims once every three months. The following rules apply to 'low claimers':
  - Low claimers are defined as members submitting claims under a likely value of £100 over the 3 month period. If a member thinks that they are likely to fall into this category they should inform the Democratic Services team.
  - Low claimers are now only required to submit 1 claim for every 3 months, 4 in total for the year **BUT** all claims for a particular financial year must be submitted by the end of that financial year.
  - Any claims over 3 months old will be rejected.

### 9.2 **Payment of Claims**

- Payments are made through the council's computerised salaries and wages system to assist with the deduction of income tax and national insurance.
- An advice slip is provided giving details of allowances paid, an email address must be provided to enable this to be electronically sent.
- Payment will be made direct to a bank or building society account.

### 9.3 **Tax and National Insurance (NI)**

- BA, SRAs and CA are taxable and are subject to national insurance.
- Members should complete the Tax Details declaration on the Council's Personal Information form which will be completed to enable payroll records to be set up. Alternatively, a recent P45. If available can be supplied. Once the payroll record is set up, HMRC will provide the Council with tax code changes automatically.
- Details of meals paid for are given to HMRC who may adjust individual personal tax codes as a result.
- Mileage rates are in accordance with limits set within the HMRC's Fixed Profit Scheme.
- The Council's HR Admin and Payroll team will automatically cease the deduction of employees NI, if a Member is of State Pension Age
- Married women, who have remained in the same marriage, who opted into the reduced rate NI scheme prior to April 1977 may be entitled to pay reduced rate NI. The exemption card should be provided to the Council.
- For further information please contact the Democratic Services team on 01823 357628.

### 9.4 **Members Allowances and Benefits**

Members who receive Universal Credits or any other benefits should note that the allowances received for their role as a member are likely to be taken into account when calculating any benefits due. Members are advised to contact the relevant Benefits office.

### 9.5 **Sickness absence and Statutory Sick Pay (SSP)**

Members who are unwell and unable to attend scheduled meetings should advise Democratic Services of the first and last day of their sickness. This will be notified to HR Admin and Payroll. If the absence exceeds 3 days, and earnings have met the required national insurance threshold, SSP will be paid. Please note that Members who receive a monthly allowance will not receive SSP on top of this allowance, instead it will be offset against the normal payment.

### 9.6 **Statutory Maternity Pay (SMP), Maternity Allowance, Paternity Pay (PP), Adoption Pay and Shared Parental Pay (SPP) and Leave Entitlements**

Members are entitled to claim statutory payments for family absence if they meet the required statutory criteria. Time off will also apply. Members not entitled to SMP may be entitled to maternity allowance. This is a benefit and is claimed via MA1 claim form that can be found on the .GOV website. Members wishing to claim statutory payments and leave for maternity, paternity or shared parental absence should advise Governance Services who will ensure that HR Admin and Payroll notify the member of their entitlements and the requirements of the allowance being claimed.

### 9.7 **Backdating of Allowances**

Where there is an amendment made to the Scheme of Allowances, that amendment may be applied retrospectively by the Council to the beginning of the financial year.

Where a Member takes on duties entitling them to a different level of allowances, the new entitlement may be applied retrospectively to the date the changes were effective from.

## 10. **CO-OPTED MEMBERS**

Co-opted Members to Somerset Council Committees and/or Partnership Boards are entitled to be paid an allowance and reasonable expenses, and that the allowance has been set at £1,000 a year for the current year.

All co-opted members may claim travel and subsistence for approved duties at the same rate as elected Members, as may non-elected representatives appointed to outside bodies by the Council.

A Financial Loss allowance (FLA) may be paid to co-opted members (and to nonelected representatives appointed to outside bodies) for loss of earnings and expenses incurred by them in the performance of any approved duty. Such loss of earnings would normally be supported by a certificate supplied by the employer or such other evidence as to enable the loss of earnings to be determined

DRAFT

APPENDIX 1 Scheme of Allowances

Member Role	Rate of SRA from 1/4/23 (BA £15,500)		
	Band	Multiplier £	Total £
Council Leader	1	2.5	31,000
Deputy Leader	2	1.5	23,250
Lead Member	3	1.3	20,150
Opposition Leader (Conservative)	4	1.0	15,500
Chair of Council	4	1.0	15,500
Chair of Strategic Planning Committee	5	0.5	7,750
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Chair of Audit Committee	5	0.5	7,750
Chair of Scrutiny for Policies, Adults & Health Committee	5	0.5	7,750
Chair of Scrutiny for Policies, Children and Families Committee	5	0.5	7,750
Chair of Scrutiny for Policies, Environment Committee	5	0.5	7,750
Chair of Scrutiny for Policies, Place Committee	5	0.5	7,750

## Appendix 2

Chair of Scrutiny for Policies and Communities Committee	5	0.5	7,750
Chair of Pensions Committee	6	0.25	3,875
Chair of Standards Committee	6	0.25	3,875
Chair of Pension Fund	6	0.25	3,875
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Vice-Chair Licensing & Regulatory Committee	6	0.25	3,875
Vice-Chair Audit Committee	6	0.25	3,875
Vice-Chair of Scrutiny for Policies, Adults & Health Committee	6	0.25	3,875
Vice-Chair of Scrutiny for Policies, Children and Families Committee	6	0.25	3,875
Vice-Chair of Scrutiny for Policies, Environment Committee	6	0.25	3,875
Vice-Chair of Scrutiny for Policies, Place Committee	6	0.25	3,875
Vice-Chair of Scrutiny for Policies and Communities Committee	6	0.25	3,875
Vice-Chair of Planning Sub-Committee North	6	0.25	3,875
Vice-Chair of Planning Sub-Committee East	6	0.25	3,875
Vice-Chair of Planning Sub-Committee South	6	0.25	3,875
Vice-Chair of Planning Sub-Committee West	6	0.25	3,875



## Appendix 2

Opposition Group Spokespersons Deputy Leader (Conservative)	6	0.25	3,875
Group Leader Labour	6	0.25	3,875
Group Leader Independent	6	0.25	3,875
Group Leader Green	6	0.25	3,875

Co-opted member allowance £1,000

DRAFT

**SUMMARY OF RATES OF ALLOWANCES FOR MEMBERS**

<b>1</b>	<b>TRAVELLING ALLOWANCE</b>	<b>Pence per mile</b>
	Mileage rate    up to 10,000 miles	45.00
	Over 10,000 miles	25.00
	Passenger supplement (5p per person per mile)	
	Motor Cycle	24.00
	Bicycle Allowance	20.00
<b>2</b>	<b>SUBSISTENCE ALLOWANCE</b>	
	<ul style="list-style-type: none"> <li>• Breakfast allowance (more than 4 hours away from the normal place of residence before 11 am) – up to a maximum of £9.01;</li> <li>• Lunch allowance (more than 4 hours away from normal place of residence, including the lunchtime period between 12 noon and 2 pm) – up to a maximum of £12.40;</li> <li>• Tea allowance (more than 4 hours away from normal place of residence, including the period 3 pm to 6 pm) – up to a maximum of £4.82;</li> <li>• Evening meal allowance (more than 4 hours away from the normal place of residence, ending after 7 pm) – up to a maximum of £15.36.</li> </ul>	
	<p>These payments only apply to duties undertaken outside of Somerset. Subsistence cannot be claimed for duties undertaken in Somerset.</p>	
<b>3</b>	<b>OVERNIGHT ABSENCE</b>	<b>£</b>
	maximum	144.45
		162.91 (within London)
<b>4</b>	<b>CO-OPTED MEMBERS FINANCIAL LOSS</b>	<b>£</b>
	(evidence based)	
	up to 4 hours	27.65
	over 4 hours	55.31

**LIST OF APPROVED DUTIES**

1. Attendance:-
  - a) at formal meetings of the Council including Committees, the Executive, Committees, and Sub-Committees, and any other authorised meeting of these bodies or organised by these bodies
  - b) at ad-hoc formally constituted Working Groups / Panels (e.g. scrutiny task and finish groups), where named members of the body or formally invited to participate.
  - c) at County Hall or other Council establishment for a meeting with either a member in receipt of an SRA or an Officer for the purpose of discussing matters relating to Council business in which it is reasonable to expect the member to have an interest.
  - d) as the Council's named representative on bodies to which the Council makes appointments except where the body itself pays allowances to the Council's representative. The approval relates to meetings of the body itself, its standing committees / sub-committees but not to other activities of the body.
  - e) at a meeting of any body that the Council is required to, or has agreed to, provide Council attendance at, acting as the Council's nominee or representative.
  - f) at local briefing meetings at the invitation of an Officer of the Council provided that the members of at least two political groups have been invited.
  - g) at a formal meeting of a District or Parish Council – where not a member of that Council:-
    - where formally invited to attend or where the Member has a specific interest in any/ all of the business on the agenda
  - h) at conferences where the Council has agreed to meet the conference fees or where the Member agrees to meet the conference fees
  - i) at Member induction, learning and development events / sessions organised by the Council
  - j) at up to 12 single party officer briefing / training events per annum
  - k) at open days, sports days and similar events at Council establishments by formal or official invitation where the Member is performing a specific function.
  - l) Attendance at any civic or ceremonial event at the specific invitation of the Chair of Council, the Lord Lieutenant or High Sheriff.
2. Duties authorised by Council or Leader of the Council, including briefing meetings, site visits, meetings with outside bodies or individuals, tours of inspection, and general information visits, visits to Council premises.

3. Duties carried out arising out of a Member holding an office:-
  - a) to which a SRA applies or such a duty carried out by their nominee,
  - b) as a named Member Champion, including attendance at County Hall or other Council establishments for any purpose which he/she considers necessary.
4. The undertaking of any duty associated with the Council where invited by or on behalf of the Scrutiny Committee.
5. Any duty for which express authority is given by the Chief Executive in the event of an emergency.
6. Any other attendance for which prior approval has been given by the Service Director for Finance & Property after consultation with the Executive Member for Resources.

**Note 1:**

The term 'Council' covers Council, Committee, Sub-Committee and Executive business unless otherwise indicated.

**Note 2:**

A duty cannot be approved, in retrospect, for the purpose of paying allowances

Somerset County Council

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## Annual Report of the Standards Committee

Lead Member: Cllr John Bailey - Chair of Committee

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

Author: Andrew Melhuish - Service Manager - Member Development & Support,  
Governance & Democratic Services

Contact Details: [andrew.melhuish@somerset.gov.uk](mailto:andrew.melhuish@somerset.gov.uk)

### 1. Summary

- 1.1 The Standards Committee is required by the Constitution to make an annual report to the County Council. This report covers the period between May 2022 and February 2023. The Annual Report is attached as Appendix 1.
- 1.2 The Standards Committee was formed following the May 2022 elections and promotes and maintains high standards of conduct by elected Members and Co-opted Members of Council and Council bodies.

### 2. Recommendations

**The Council is recommended to receive and note the report on the Committee's work.**

### 3. Background

- 3.1 At the Council meeting in May 2022 the work of the Constitution and Standards Committee was separated, to form two new committee's, firstly the Standards Committee and also a Constitution and Governance Committee.
- 3.2 Political proportionality was waived in relation to the elected membership of the Committee with one member per political group appointed. Four co-opted members were also appointed to the committee as non-voting members. In line with other committees, the County Council appoints the Chair of the Committee.
- 3.3 The Committee has met four times since May 2022 and in October 2022 held a workshop to identify a work programme for the Committee.

#### **4. Implications**

- 4.1** The Committee has considered any implications as part of their work programme with reports submitted to the committee.
- 4.2** Legal: The Constitution requests that the Standards Committee submit an Annual Report to Council in February each year.
- 4.3** Risk: There are no risks arising from the submission of this report.
- 4.4** Impact Assessment: There are no direct equalities implications arising from the Annual Report. There are also no sustainability or community safety implications.

#### **5. Background papers**

- 5.1** None.

## **Standards Committee Annual Report - 2022 to 2023**

### **Foreword by the Chair of the Standards Committee – Councillor John Bailey**

I am pleased to present the first Annual Report of the Standards Committee for 2022/2023. The Annual Report provides information to the Council about the work carried out by the committee since its formation in May 2022 and identifies the focus of priorities for the committee.

This is the first annual report of the newly formed Standards Committee. It was felt that there was a need to divide the work of the Constitution and Governance Committee across two bodies, a Constitution and Governance Committee and a new Standards Committee.

The Standards Committee as a whole has been working to clarify its role in relation to the Constitution and Governance Committee and the LGR, two other bodies working in the same area, and to add value and avoid duplication. We have focused on work up to Vesting Day on 1 April 2023. As the individual committee members were working together for the first time there was also a requirement for team building.

With this in mind a workshop was arranged and as a result three priority areas of work were identified.

### **Membership**

At the Annual General Meeting of Full Council in May 2022 a Standards Committee was formed, comprising a representative from each political group on the Council, supported by co-opted representatives and Independent Persons. Council has agreed to waive the political proportionality requirements for appointments to the Standards Committee to enable all of the political groups on the Council to be represented.

The committee is made up as follows:

- Cllr John Bailey (Chair) – Lib Dem
- Cllr Norman Cavill - Conservative
- Cllr Brian Smedley - Labour
- Cllr Martin Dimmery – Green
- Cllr Hugh Davies – Independent

Co-optees:

- Alan Hemsley
- Paul Hooper
- Robin Horton
- David Stripp

In terms of the complaints process we currently have three vacancies for the position of Independent Persons to sit on the committee, these will be advertised and recruited before vesting day in April 2023. A further co-opted member will also be recruited.

### **Purpose**

The Standards Committee is expected to be apolitical in carrying out its functions and its responsibilities.

The Committee promotes and maintains high standards of conduct by elected Members and Co-opted Members of Council and Council bodies.

The Committee:-

- a) Has responsibility for promoting high standards of conduct by Members, Co-opted Members and Officers and for the policies and processes which support this aim.
- b) Advises on the induction and training of Members and Co-opted Members on standards of conduct;
- c) Monitors the operation of the Members' Code of Conduct and recommends any changes considered necessary to the Code to the Council for approval.
- d) Has responsibility for overseeing the Code of Conduct for officers and recommending any changes considered necessary to the Council for approval
- e) Manages the members' and officers' registers of interests and gifts / hospitality;
- f) Monitors the Council's Whistleblowing Policy and make recommendations to the Council in respect of any proposed changes. The Committee has no role in considering or determining member complaints as this role falls to the Monitoring Officer.

### **The Committees work in 2022/2023**

In September 2022 the committee held a workshop to identify their focus of work ahead of Vesting Day.

At the end of the workshop three key priority areas had been identified, namely:

P1- Complaints Procedure: Review and assurance on existing complaints procedures including any LGA recommendations for amendments ready for the new Council

P2 – Code of Conduct: Adoption of model Code of Conduct across the County to come before the committee. Working closely with the Somerset Association of Local Council's to deliver this.

P3 – Officer Code of Conduct: Reviewing updates on Officer CoC



The three priority groups are supported by the following members prior to making any recommendations to Full Council in February 2023.

Priority One: Councillor John Bailey, Councillor Brian Smedley, Councillor Norman Cavill, David Stripp and Paul Hooper.

Priority Two: Councillor Norman Cavill, Robin Horton and Alan Hemsley.

Priority Three: Councillor Hugh Davies, Councillor Martin Dimery and Alan Hemsley.

### **Other work of the committee**

In November 2022 the committee received the Annual Report on Standards of Conduct for 2021/2022.

The Annual Report highlighted that for the period 1 April 2021 to 31 March 2022 the Monitoring Officer had received three complaints relating to alleged breaches of the Code of Conduct by two County Councillors. Two of the complaints relate to the same elected member. Two of the complaints were not upheld as they related to the Councillor's private life and not when undertaking their official duties as a County Councillor. One of the complaints did not complete determination as the Councillor ceased to be an elected member in May 2022.

The Committee considered the recruitment of Independent Persons and the appointment of a Reserve Independent Person to cover the period up to 31 March 2023. The committee supported that three Independent Persons were recruited for the new Somerset Council.

The committee also reviewed the Register of Gifts and Hospitality declarations that have been made by councillors since May 2022.

### **Looking ahead 2023**

In addition to delivering the outcomes of the three priority groups the committee will continue to review the role of the Standards Committee and to develop a work programme in the short, medium and long term.

The committee will continue to monitor the LGA recommendations and national lobbying to change the national framework for code of conduct and in particular sanctions available to individual local authorities

The committee will support the Council in its new role in dealing with all member complaints from the city, town and parish councils across Somerset.

The committee will seek to develop an outreach education programme for member code of conduct training and refresher training (roadshows, information etc) working closely with SALC and others.

The committee will also continue to develop a programme to encourage all Somerset city, town and parish councils to adopt one single Code of Conduct for their elected representatives and to monitor the progress at the committee, including reporting on this key performance indicator annually. The committee will continue to ensure that there are sufficient resources allocated to support the work of the committee.

Finally, I would like to thank the Standards Committee members and the co-opted members for their hard work in providing a robust challenge to the three main work areas of the committee. I would also like to thank the Council officers for their support in the work of the committee.

**Cllr John Bailey**

**Chair of Standards Committee**

**February 2023**

Somerset County Council

County Council

– 22 February 2023

## **Report of the Leader and Executive – for information**

Executive Member: Cllr Bill Revans - Leader of the Council

Division and Local Member: All

Lead Officer: Scott Wooldridge - Head of Governance & Democratic Services and Monitoring Officer

Author: Mike Bryant - Service Manager - Democratic Services & Michelle Brooks - Senior Democratic Services Officer

Contact Details: [democraticservicesteam@somerset.gov.uk](mailto:democraticservicesteam@somerset.gov.uk) / 01823 357628

### **1. Summary**

Appendix 1 of this report covers key decisions taken by the Leader, Executive Lead Members and officers between 12 November 2022 to 10 February 2023, together with the items of business discussed at the Executive meetings on 16 November 2022, 14 December 2022, 18 January 2023 and 13 February 2023.

The Leader and Executive Lead Members may also wish to raise other issues at the County Council meeting.

### **2. Details of decisions**

Agenda and papers for the Executive meetings held on 16 November 2022, 14 December 2022, 18 January 2023 and 13 February 2023 are published within the Executive webpages on the Council's website. Individual Leader, Executive Lead Member and Officer key decision records and related reports are also published within the Executive webpages on the Council's website.

## Appendix 1

Decision Title	Decision Maker and date of decision	Link to further information and decision paperwork
Creation of a new sponsored academy in Somerset	15 November 2022 by Director of Commissioning and Lead Commissioner for Economic Community Infrastructure and Lead Member for Children and Families	<a href="#">Decision Details</a>
Revenue Budget Monitoring Report – month 6	16 November 2022 by Executive	<a href="#">Decision Details</a>
Treasury Management mid-year report	16 November 2022 by Executive	<a href="#">Decision Details</a>
Council Tax Reduction Scheme	16 November 2022 by Executive	<a href="#">Decision Details</a>
Council Tax Discounts & Premiums	16 November 2022 by Executive	<a href="#">Decision Details</a>
Non-Domestic Rating Discretionary Areas & Hardship	16 November 2022 by Executive	<a href="#">Decision Details</a>
Quarter 2 Corporate Performance Report	16 November 2022 by Executive	<a href="#">Decision Details</a>
Peninsula Fostering framework Agreement	16 November 2022 by Executive	<a href="#">Decision Details</a>
Peninsula Residential Dynamic Purchasing Agreement – Re-Tender	16 November 2022 by Executive	<a href="#">Decision Details</a>
2023/24 Budget Update and MTFP	16 November 2022 by Executive	<a href="#">Decision Details</a>
Structures Minor Works Term Service Contracts	18 November 2022 by Director for Economic and Community Infrastructure Commissioning	<a href="#">Decision Details</a>

Award of Contract for Mobile Devices & Services	21 November 2022 by Lead Member for Transport and Digital	<a href="#">Decision Details</a>
Acquiring Homes for Children Looked After by the Council as their Corporate Parent – Department for Education grant	30 November 2022 by Director of Commissioning and Lead Commissioner for Economic Community Infrastructure and Director of Finance	<a href="#">Decision Details</a>
Transport support grants for Homes for Ukraine guests and sponsors in Somerset	5 December 2022 by Lead Member for Communities, Lead Member for Public Health, Equalities and Diversity	<a href="#">Decision Details</a>
Parking Review Update and Changes to On Street Parking Permit Scheme	14 December 2022 by Lead Member for Transport and Digital	<a href="#">Decision Details</a>
Decision to accept Somerset's UK Shared Prosperity Fund (UKSPF) and Rural England Prosperity Fund (REPF) allocation	15 December 2022 by Director of Finance	<a href="#">Decision Details</a>
Updated Local Government Reorganisation (LGR) Implementation Plan	14 December 2022 by Executive	<a href="#">Decision Details</a>
Revenue Budget Monitoring Report – month 7	14 December 2022 by Executive	<a href="#">Decision Details</a>
Draft Housing Revenue Account (HRA) 30 year Business Plan and Rent charging policy for New Council	14 December 2022 by Executive	<a href="#">Decision Details</a>
LA Maintained Schools – Core Offer including financial model	14 December 2022 by Executive	<a href="#">Decision Details</a>
New Somerset Council Plan	14 December 2022 by Executive	<a href="#">Decision Details</a>

New Council Branding	14 December 2022 by Executive	<a href="#">Decision Details</a>
Approval to adopt the Private Sector Housing Enforcement Policy	14 December 2022 by Executive	<a href="#">Decision Details</a>
Parking Review Update and Changes to On Street Parking Permit Scheme	14 December 2022 by Lead Member for Transport and Digital	<a href="#">Decision Details</a>
Draft Medium Term Financial Plan 2023/24 – 2027/28 Update	18 January 2023 by Executive	<a href="#">Decision Details</a>
Local Government Association (LGA) Peer Review into Local Government Reorganisation (LGR) in Somerset: final report and plan of action	18 January 2023 by Executive	<a href="#">Decision Details</a>
Local Community Networks	18 January 2023 by Executive	<a href="#">Decision Details</a>
Approval to extend/adopt various housing related Strategies and Policies into Somerset Council	18 January 2023 by Executive	<a href="#">Decision Details</a>
Statement of Community Involvement	18 January 2023 by Executive	<a href="#">Decision Details</a>
Insurance Policies Tender	18 January 2023 by Executive	<a href="#">Decision Details</a>
Mental Health Step Down Service	30 January 2023 by Director of Adult Social Services	<a href="#">Decision Details</a>
To award Eastover/Monmouth Street/St Johns St/Broadway signal refurbishment and resurfacing scheme	31 January 2023 by Director of Commissioning and Lead Commissioner for Economic Community Infrastructure	<a href="#">Decision Details</a>
Adoption of the Council Plan for Somerset Council	13 February 2023 by Executive	<a href="#">Decision Details</a>

Medium Term Financial Plan 2023/24 – 2027/28	13 February 2023 by Executive	<a href="#">Decision Details</a>
Revenue Budget Monitoring Report Month 9	13 February 2023 by Executive	<a href="#">Decision Details</a>
Council Tax Exceptional Hardship Scheme	13 February 2023 by Executive	<a href="#">Decision Details</a>
Section 24 Specific Consent – Supply of Materials for Somerset West and Taunton Social Housing Stock	13 February 2023 by Executive	<a href="#">Decision Details</a>
Resolution to Disregard War Pensions for Housing Benefit	13 February 2023 by Executive	<a href="#">Decision Details</a>
Council Tax Exceptional Hardship Scheme	13 February 2023 by Executive	<a href="#">Decision Details</a>
Housing Revenue Account (HRA) updated 30 year Business Plan and Rent Set 2023/24	13 February 2023 by Executive	<a href="#">Decision Details</a>
Somerset Council Asset Management Plan and Strategy	13 February 2023 by Executive	<a href="#">Decision Details</a>

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