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## District Executive

**Thursday 2nd March 2023**

**9.30 am**

**Council Chamber, Council Offices,  
Brympton Way, Yeovil, BA20 2HT**

(disabled access and a hearing loop are available at this meeting venue)



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Members listed on the following page are requested to attend the meeting.

The public and press are welcome to attend.

Any members of the public wishing to attend, or address the meeting at Public Question Time, are asked to email [democracy@southsomerset.gov.uk](mailto:democracy@southsomerset.gov.uk) by 9.00am on Wednesday 1<sup>st</sup> March 2023, so that we can advise on the options for accessing the meeting.

The meeting will be viewable online by selecting the committee meetings at:  
[https://www.youtube.com/channel/UCSDst3IHGj9WoGnwJGF\\_soA](https://www.youtube.com/channel/UCSDst3IHGj9WoGnwJGF_soA)

If you would like any further information on the items to be discussed, please contact Democratic Services at [democracy@southsomerset.gov.uk](mailto:democracy@southsomerset.gov.uk)

This Agenda was issued on Wednesday 22 February 2023.

*Jane Portman, Chief Executive Officer*



This information is also available on our website  
[www.southsomerset.gov.uk](http://www.southsomerset.gov.uk) and via the Modern.gov app

# District Executive Membership

Jason Baker  
Mike Best  
John Clark  
Nicola Clark  
Adam Dance  
Sarah Dyke  
Peter Gubbins  
Val Keitch  
Tony Lock  
Peter Seib

## Information for the Public

The District Executive co-ordinates the policy objectives of the Council and gives the Area Committees strategic direction. It carries out all of the local authority's functions which are not the responsibility of any other part of the Council. It delegates some of its responsibilities to Area Committees, officers and individual portfolio holders within limits set by the Council's Constitution. When major decisions are to be discussed or made, these are published in the Executive Forward Plan in so far as they can be anticipated.

Members of the Public are able to:-

- attend meetings of the Council and its committees such as Area Committees, District Executive, except where, for example, personal or confidential matters are being discussed;
- speak at Area Committees, District Executive and Council meetings;
- see reports and background papers, and any record of decisions made by the Council and Executive;
- find out, from the Executive Forward Plan, what major decisions are to be decided by the District Executive.

Meetings of the District Executive are held monthly at 9.30 a.m. on the first Thursday of the month in the Council Offices, Brympton Way.

The Executive Forward Plan and copies of executive reports and decisions are published on the Council's web site - [www.southsomerset.gov.uk](http://www.southsomerset.gov.uk).

The Council's Constitution is also on the web site and available for inspection in Council offices. The Council's corporate priorities which guide the work and decisions of the Executive are set out below.

Questions, statements or comments from members of the public are welcome at the beginning of each meeting of the Council. If a member of the public wishes to speak they should advise the committee administrator and complete one of the public participation slips setting out their name and the matter they wish to speak about. Each individual speaker shall be restricted to a total of three minutes. Answers to questions may be provided at the meeting itself or a written reply will be sent subsequently, as appropriate. Matters raised during the public question session will not be debated by the Committee at that meeting.

Further information can be obtained by contacting the agenda co-ordinator at [democracy@southsomerset.gov.uk](mailto:democracy@southsomerset.gov.uk)

# District Executive

**Thursday 2 March 2023**

## Agenda

### 1. Minutes of Previous Meeting

To approve as a correct record the minutes of the District Executive meeting held on 02 February 2023.

### 2. Apologies for Absence

### 3. Declarations of Interest

In accordance with the Council's current Code of Conduct (as amended 26 February 2015), which includes all the provisions relating to Disclosable Pecuniary Interests (DPI), personal and prejudicial interests, Members are asked to declare any DPI and also any personal interests (and whether or not such personal interests are also "prejudicial") in relation to any matter on the Agenda for this meeting.

Members are reminded that they need to declare the fact that they are also a member of a County, Town or Parish Council as a Personal Interest. Where you are also a member of Somerset County Council and/or a Town or Parish Council within South Somerset you must declare a prejudicial interest in any business on the agenda where there is a financial benefit or gain or advantage to Somerset County Council and/or a Town or Parish Council which would be at the cost or to the financial disadvantage of South Somerset District Council.

### 4. Public Question Time

### 5. Chairman's Announcements

#### Items for Discussion

### 6. Corporate Performance Report 2022-23: 3rd Quarter (Pages 5 - 20)

### 7. Sale of commercial development land at Lufton, Yeovil (Lufton 2000 joint venture) (Pages 21 - 27)

### 8. 2022/23 Quarter 3 Capital Budget Monitoring Report for the Period Ending 31st December 2022 (Pages 28 - 44)

### 9. 2022/23 Quarter 3 Revenue Budget Monitoring Report for the Period Ending 31 December 2022 (Pages 45 - 55)

### 10. Urgent Decision of the Chief Executive relating to the provision of Hostel Accommodation (Pages 56 - 60)

### 11. Executive Forward Plan (Pages 61 - 64)

### 12. Exclusion of Press and Public (Page 65)

### 13. Briefing on Local Government Reorganisation (Confidential) (Page 66)

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## Corporate Performance Report 2022-23: 3<sup>rd</sup> Quarter

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Executive Portfolio Holder:	Val Keitch, Strategy
Strategic Director:	Nicola Hix, Director of Strategy and Support Services
Service Manager:	Brendan Downes, Lead Specialist Procurement, Performance and Change
Lead Officer:	Kate Arscott, Strategic planning Specialist, Strategy and Commissioning
Contact Details:	<a href="mailto:Kate.Arscott@southsomerset.gov.uk">Kate.Arscott@southsomerset.gov.uk</a>

### Purpose of the Report

1. This report sets out the current position of the Council's agreed key performance indicators and covers the period from October to December 2022 (Q3).

### Forward Plan

2. This report appeared on the District Executive Forward Plan with an anticipated Committee date of March 2023

### Public Interest

3. The Council is accountable to the local community for its performance. We publish performance-monitoring information to demonstrate outcomes and to highlight opportunities to learn and improve for the future.

### Recommendations

4. That District Executive agree to:
  - note and comment on the report
  - note the amended KPIs

### Background

5. The Key Performance Indicators (KPIs) for 2022-23 are aligned with the Corporate Annual Action Plan for SSDC. The set of 50 KPIs have been designed to monitor delivery of the objectives for each of the focus areas.
  - a. Environment,
  - b. Healthy and Self-Reliant Communities,
  - c. Economy and Covid-19 Recovery,
  - d. Places where we live,



e. Local Government Reorganisation - safeguarding delivery of SSDC services to residents.

6. The report author has worked with relevant specialists and case officers to update and expand data sheets for each KPI. These data sheets show in detail the reasoning behind each KPI and set out the specific measures, data sources, calculations, targets, and quality checks. The system has a 3-stage approval process to ensure quality of data and transparency on performance.

7. The additional background paper "Individual Performance overview" shows further detail, including monthly data, for each individual performance indicator and will be published on the website in line with this report. Each performance indicator has a separate overview page. This shows:

- a. Static information – KPI description, focus area, agreed targets and the frequency of reporting
- b. If the target is cumulative, i.e., if the annual target is a sum of all 12 months.
- c. The status and trend i.e. if the KPI is improving compared to the previous reporting period.
- d. A breakdown of the monthly reported figures.
- e. Progress to target where the annual target is equal to 100%
- f. A narrative highlighting success, or an explanation of why targets are not being met.
- g. A visual representation of the target, shown as a line, and reported figures shown in a bar indicating if the target has been met.

8. The Council monitors this set of Key Performance Indicator utilising MS365 more fully in line with the council's wider digital strategy. This report provides an extract view. The reports are available to view online at [Our performance | South Somerset District Council](#)

### **Quarter 3 Performance**

9. The management teams remain focused on measures that reflect the national crisis of the cost-of-living increase which is putting extra demand on our related services.

10. When looking at the data monthly, the Christmas holiday period has impacted on a lot of services in terms of demand and staff availability.

11. As we enter our final quarter over 20% of our workforce is engaged in work with the Local Government Reorganisation to the Unitary Council on 1st April 2023. This is reflected in our KPI: LGR1. It is accepted that there will be conflict in maintaining Business as usual and investing in LGR.



## South Somerset District Council

12. The attached report covers our performance for quarter 3, (October to December) 2022-23. In comparison with previous reports HC4 and Env10 have been removed as it was determined that no meaningful data was able to be collected for these. 2 measures are annual (ENV1 and ENV4) and therefore do not report this quarter. There has been a delay with the data from Freedom leisure (HC10, HC11, HC12, HC13).
13. Overall, of the 46 reported KPIs, 27 are either on or ahead of target. 14 KPIs are significantly below target (red, >11% below target), 5 are underperforming (amber, 6-11% below target).
14. Supporting narrative provided within the report is from the relevant KPI owner/Lead Officer and explains the background of the data, links to previous months and measures that have been put in place to improve performance. This narrative is true as at the end of the quarter 3 period.
15. Following comments from members regarding the inclusion of performance indicators for 'Lufton', LGR22 – street cleaning inspections, and LGR23 – tonnage of waste disposed, will now be included in the Q3 report. They replace ENv5 and ENv11 which are still awaiting software systems.
16. Environment.

Energy consumption for November and December is above target, however the total consumed for the first 3 quarters of the year is less than anticipated and has reduced by 18.7% compared to last year.

All reported fly tips were collected within 5 working days in October and November, however only 50% of fly tips were collected in December due to shortage of staff. All inspections of street cleaning show that work is of a good standard.

17. Places where we live.

The number of planning permissions granted for new dwellings is still impacted by phosphates. The number of affordable dwellings completed in rural and urban areas is also under target but should see improvement by the end of next quarter. We follow the Homes England targets of annual delivery against a 5-year affordable homes programme. This year we are currently forecast to deliver 177 new affordable homes by the end of March 2023.

Due to the upcoming closure of pathways, the housing team has been working intensely with the Pathways residents. This has meant December has been our most successful month for prevention of homelessness cases.

18. Healthy and Self-Reliant Communities.

So far this year over 20,000 clients have been assisted by SSDC funded organisations who provide support for vulnerable residents. These organisations include CASS, Spark, South Somerset Families Programme, and 12 Food banks across the district. This total



## South Somerset District Council

number of clients far exceeds the target and is reflective of the increased demand for services due to the Cost-of-Living Crisis and financial hardship households are experiencing.

Our Health walks scheme has come to a successful conclusion, with 8,400 residents participating between April and December. Many isolated people now have a regular social event. Some participants also litter pick while walking. Somerset Activity & Sports Partnership have now taken on providing support for the 28 Health Walks in South Somerset. There will be a brief period of handover where Locality Officer will support the Officer from SASP.

### 19. Economy and Covid-19 Recovery.

The number of students receiving entrepreneurial and enterprise activity in schools and colleges is funded by SSDC's Covid recovery budget. Although activity commenced when schools returned in September, because of the need to allocate staff resource, activity did not start to ramp-up at the six schools participating until November and December. So far 187 pupils have engaged in entrepreneurial and enterprise activity. Young Enterprise are working hard to sign up more schools and an improved activity level is planned from January to March, to meet the target.

By the end of December, the public realm works at Chard were completed with snagging works finished. Also, the first High Street Heritage Action Zone (HSHAZ) building and shop front grant had been approved. In Yeovil mounting cost pressures for public realm works meant that a report looking at scope and budget change had to be drafted for District Executive and Full Council in January 2023. The Wincanton town centre regeneration budget was deferred for 2023/24 by the Executive of the incoming Somerset Council, a decision made by the combined Section 151 Officers and Chief Executives of the five authorities with the Executive Members. This meant that work stopped to bring empty buildings back into use but already committed spend on events and activities, building repair grants and public realm design works to Highway Safety Audit 2 (HSA2) will complete by March 2023, at the latest.

As part of our commitment to work with commercial providers and public sector programmes to increase digital connectivity and associated skills throughout the district SSDC's role is to promote or market the Gigabit vouchers. Where required we also offer advice to communities and businesses to support with broadband connectivity. The figure showing within this KPI combines vouchers that are issued, paid, claimed and requested and is far exceeding the target of 300, at 870 vouchers at the end of December.

### 20. LGR services to residents.

Following advice from the Department of Works and Pensions (DWP) new claims for Housing Benefit are now triaged on the day of receipt in an aim improve the speed of processing time. This has proved to be very successful, and the processing time has improved during quarter 3. In the month of November, the speed of processing was recorded at 16 days which is better performance than our target. However, this has fallen back slightly due to the Christmas period and losing 6 processing day.



Council Tax Support new claims were outsourced during this quarter, and there has been a significant improvement with the speed of processing which has reduced from 92 days in September to 60 days in December. Improvement continues to be made but this is heavily reliant on the outsourcing of this area of work.

The Connect team are now fully trained and resourced and have maintained a call wait time of under 2 minutes. This has been helped by a move to a new telephone system in preparation for the single telephone number for the new authority on vesting day. The use of voice recognition BOT on this new system is directing some calls without advisors' intervention which assists in managing call volumes.

21. We will continue to monitor performance closely in the final year of SSDC.

### **Financial Implications**

22. There are no financial implications to this report.

### **Legal implications (if any) and details of Statutory Powers**

23. There are no legal implications to this report.

### **Council Plan Implications**

24. Council Plan 2020-2024

### **Carbon Emissions and Climate Change Implications**

25. Our Environment area of focus covers the Carbon emissions and climate change implications. There are no implications regarding the producing of this report.

### **Equality and Diversity Implications**

26. Equality Impact relevance check complete. There are no equality and diversity implications within this report.

### **Privacy Impact Assessment**

27. There are no named individuals included within this report.

### **Background Papers**

Council Plan annual action plan 2022-23

Individual performance overview



## South Somerset District Council Quarterly performance report - Quarter 3 2022/23

This report sets out the current position of the Council's agreed key performance indicators and covers the period from October to December 2022 (Q3).

The Key Performance Indicators (KPIs) for 2022-23 are aligned with the Corporate Annual Action Plan for SSDC. They have been designed to monitor delivery of the objectives for each of the focus areas.

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Environment



Healthy and Self-Reliant Communities



Economy and Covid-19 Recovery



Places where we live



Local Government Reorganisation - safeguarding delivery of SSDC services to residents.



48

Total KPIs



5

Total KPIs for Environment



6

Total KPIs for Places Where We Live



12

Total KPIs for Healthy & Self-Reliant Communities



17

Total KPIs for Local Government Reorganisation



8

Total KPIs for Economic Development and Covid Recovery

36

Total KPIs Reported Monthly

10

Total KPIs Reported Quarterly

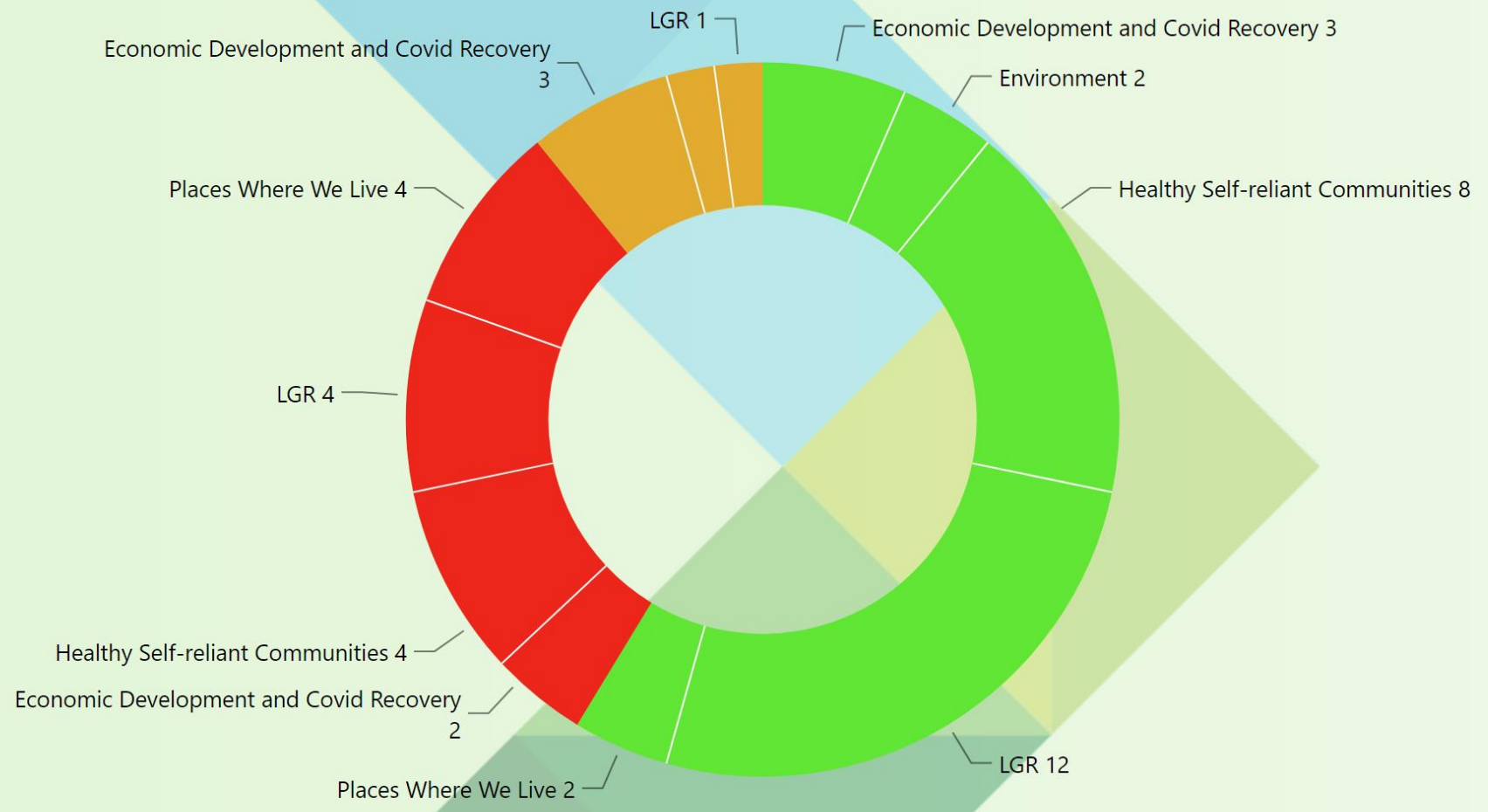
2

Total KPIs Reported Annually



**46**  
Reported

## Status of KPI



**Status**

- Green
- Red
- Amber

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**27**  
Green = on, or +/-5% ahead or behind target

**5**  
Amber = 6-11% below target

**14**  
Red = 11%+ below target



# Performance Report - Quarter 3 - Environment



Ref	Title	KPI Description	Cumulative	Q3 Target	Data	Status	Trend	Narrative
ENV3	Environmental Outreach	Number of users of the <a href="http://www.southsomersetenvironment.co.uk">www.southsomersetenvironment.co.uk</a> website	Yes	2,907.00	4,821.00	▲	▲	Of the total number of site visitors, 2,117 were direct, 431 came via SSDC website, People spend more time visiting and on the/thermalimagingproject page than other pages
ENV6	Carbon Reduction - SSDC estate	Number of units of energy used at SSDC buildings retrofitted to reduce energy waste and improve thermal performance. Aim to be under target.	Yes	1,819,620.00	1,645,196.00	▲	▲	Total units used in December 263309
ENV7	Deliver Low Carbon Transport Options	EV charger info - number of visits	Yes	1,881.00	1,741.00	▬	▬	Slightly below target by 140 sessions - there has been some down time of the charging stations during this period where repairs were required by the operator so there was periods of time people couldn't use them to charge their cars. 22.7 tons of CO2 saved by providing electricity to transport usage rather than fossil fuels used.



# Performance Report - Quarter 3 - Places Where We Live



Ref	Title	KPI Description	Cumulative	Q3 Target	Data	Status	Trend	Narrative
PL1	Delivery of New Housing	Number of planning permissions for new dwellings given per annum	Yes	711.00	434.00	▼	▼	The number of new planning permissions granted continues to be impacted by the phosphates issue relating to the Somerset Levels and Moors Ramsar site and the River Axe SPA.
PL2	Affordable Housing	Number of affordable dwellings built (measure in the LHNA)	Yes	159.00	63.00	▼	▼	There were 32 dwellings due to complete in December 2022 at Bancombe Road in Somerton.
PL3	Rural Affordable Housing	Number of affordable housing completed within rural areas	Yes	57.00	12.00	▼	▼	There have been no completions in the last quarter
PL4	Homelessness Prevention	Number of successful preventions cases – cases where SSDC intervention or assistance has prevented an individual becoming homeless	No	40.00%	75.00%	▲	▲	There were 16 prevention duties ended in December, 12 secured alternative accommodation, we lost contact with 1 and 3 became homeless.
PL7	Homelessness Prevention	Number in Bed & Breakfast accommodation - Families and Singles	No	7.00	11.00	▼	▬	<p>There were 9 singles and 1 family in B&amp;B at the end of December. There was also 1 family in B&amp;B under the Ukrainian Scheme.</p> <p>Because Pathways hostel is closing we can no longer refer people in there so have to provide alternative hotel accommodation when needed.</p>
PL9	Support Communities to Identify Any Housing Needs	Number of development projects initiated following ongoing interaction with parish/community groups	No	3.00	3.00	▲	▲	We are still working with 3 groups to progress developments in the community



# Performance Report - Quarter 3 - Healthy & Self-Reliant Communities



Ref	Title	KPI Description	Cumulative	Q3 Target	Data	Status	Trend	Narrative
HC1	Community Activities	Health walks no. of participants	Yes	6,525.00	8,400.00	▲	▲	1980 residents participated in healthwalks in December. Somerset Activity & Sports Partnership have now taken on providing support for the 28 Health Walks in South Somerset. Health Walk leaders have been informed and will now report to SASP. There will be a brief period of handover where the Locality Officer will support the Officer from SASP.
HC2	Community Activities	Number of volunteers days donated to SSDC events/projects	Yes	5,499.00	4,562.00	▼	▬	Number of volunteer days are still below target but continuing at steady level. Volunteers at the Octagon/Westlands have increased significantly. Reduction in volunteers at Countryside locations may be due to time of year & poor weather impacting activities. No data received from Locality team.
HC3	Community Activities	Community activities - no. of sessions delivered	Yes	162.00	387.00	▲	▬	Number of community activity sessions delivered continues to be much higher than anticipated. Outdoor activity sessions have decreased in the winter months.
HC5	Community Support	Support for vulnerable customers (No.) careline	No	1,900.00	1,815.00	▲	▲	Picking up new customers from Abri. Number of new customers has exceeded the returns for the first time this year.
HC6	Community Support	Disabled facilities grants (No.)	Yes	63.00	68.00	▲	▲	No of DFGs is on target
HC7	Community Support	Total number of clients assisted by SSDC funded organisations who provide support for vulnerable residents	Yes	11,835.00	20,662.00	▲	▲	Cumulative total far exceeds the target. This is reflective of the increased demand of services due to the Cost of Living Crisis, the festive period and the financial hardship that households are experiencing. Figure does not include Bruton Food Bank as we have not received the data.
HC8	Community Support	Community grants provided (No)	Yes	18.00	36.00	▲	▲	5 community grants awarded in December 2022. Remaining grant decisions to be made in January.
HC9	Community Support	Community grants provided (£)	No	£	£21,785	▲	▲	On schedule to spend grants budgets for three out of the four areas as projected.



# Performance Report - Quarter 3 - Healthy & Self-Reliant Communities



Ref	Title	KPI Description	Cumulative	Q3 Target	Data	Status	Trend	Narrative
HC10	Freedom Leisure Community Measures	<b>Financial Performance</b> Will the total management fee be required?				▼	○	Data has not yet been made available from Freedom Leisure
HC11	Freedom Leisure Community Measures	<b>Service Quality</b> Net promoter score, national benchmark is 30 (highest is 100).	No	45.00		▼	○	Data has not yet been made available from Freedom Leisure
HC12	Freedom Leisure Community Measures	<b>Environmental Impact</b> Units of Gas consumption	No	846,466.00		▲	○	Data has not yet been made available from Freedom Leisure
HC13	Freedom Leisure Community Measures	<b>Contract Social Value</b> % of social value FL have delivered against the target set.	Yes	35.00%	%	▼	○	Data has not yet been made available from Freedom Leisure





# Performance Report - Quarter 3 - Economic Development & Covid Recovery



Ref	Title	KPI Description	Cumulative	Q3 Target	Data	Status	Trend	Narrative
ED1	Supporting Recovery	Employment Hub Data: Total number of individuals entered into employment or training	Yes	108.00	110.00	▲	▬	The hubs have seen a further 12 people move into employment this month and two customers receive training.
ED2	Supporting Recovery / Innovation and Skills	Number of students receiving entrepreneurial and enterprise activity in schools / colleges - funded by SSDC	No	700.00	187.00	▼	▲	Activity has commenced with 6 schools in total. The first 2 to take part are making good progress. The other 4 are at an earlier stage. So far 101 pupils engaged in entrepreneurial activity. A further 86 children took part in the launch pad event. Young Enterprise are working hard to sign up more schools.
ED3	Supporting Recovery / Innovation and Skills	Number of inward investment and business expansion enquiries received	Yes	9.00	3.00	▼	▬	Although enquiries haven't materialised this month, we continue to work in conjunction with SCC on the Inward Investment (II) offer including work towards the new II website soft launch which is due to take place in January.
ED5	Improved Broadband	Number of Gigabit Broadband Vouchers; claimed, issued and paid	Yes	300.00	870.00	▲	▲	SSDC's role is to promote or market the Gigabit vouchers. Where required we also offer advice to communities and businesses to support with broadband connectivity. The figure showing within this KPI combines vouchers that are issued, paid, claimed and requested.  Paid - 1 Issued - 11 Disputed - 1 Requested - 7



Ref	Title	KPI Description	Status	Trend	Narrative
ED7	Regeneration Chard	Chard Regeneration programme measures	■	■	First building improvement grant agreed. Other building grants are in progress but owners are finding it difficult to source quotations from suitably qualified construction companies so there is likely to be an underspend of grant this year that will need to be carried forward.
ED8	Regeneration Wincanton	Wincanton Regeneration programme measures	■	■	The new Executive of the incoming Somerset Council has been undertaking a thorough review of it's finances for 23/24. As part of this, they have reviewed capital projects across the 5 authorities with financing implications for 23/24. As a result they have identified a few capital projects which they consider can be deferred for a year. One of these is the regeneration of Wincanton town centre. A report on the project is due to go to SSDC DX in February.
ED9	Regeneration Yeovil	Yeovil Regeneration programme measures	■	■	A number of factors are impacting the public realm budget and a finance report is due to go to DX in January. Work is due to start in High Street in January, so groundworks will be taking place in Westminster Street, The Triangle and High Street during the next quarter.
ED10	Octagon development	Octagon development measures	▲	▲	RIBA stage 4 report has been received and costed. Report due to DX in January to seek permission to move to tendering stage.



# Performance Report - Quarter 3 - Local Government Reorganisation



Ref	Title	KPI Description	Cumulative	Q3 Target	Data	Status	Trend	Narrative
LGR1	Preparatory Work	Number of employees directly engaged in transition programme. % of total workforce	No	18.14%	20.40%	▲	▲	Although the number of employees engaged on the LGR programme has risen in the last month from 82 to 88, the total number of SSDC employees has also risen from 411 to 431 therefore the % of staff engaged on LGR remains the same as the previous month at 20%.
LGR2	Average Call Wait Time	Average minutes taken to answer a call from customer	No	4.00 Mins	0.36 Mins	▲	▲	The Connect team are now fully trained and resourced. The voice recognition BOT directing our all other services line is also assisting in managing call volumes through Connect.
LGR5	Council Tax Collection	% of annual Council Tax collected	Yes	72.00%	80.00%	▲	▲	The Council Tax recovery programme remains on track. An increase in the Direct Debit take up following the Energy Payment Scheme earlier in the year continues to assist in maintaining a good collection rate.
LGR7	National Non Domestic Rates (NNDR) Collection	% of annual National Non Domestic Rates (NNDR) collected	Yes	72.00%	79.04%	▲	▲	Not expected to be significantly higher than last year by year end.
LGR9	Housing Benefit – New Claims	Days to process	No	21.00 Days	33.00 Days	▼	▼	The number of days to process has increased for December due to Christmas shut down, we lost 6 days of processing time
LGR10	Housing Benefit - Change of Circumstance	Days to process	No	7.00 Days	5.00 Days	▲	▲	Days to process is above target as we automate the Universal Credit updates from the DWP
LGR11	Council Tax Support – New Claims	Days to process	No	30.00 Days	60.00 Days	▼	▲	The number of days to process has increased in December due to the Christmas break, we lost 6 days of processing time. We outsource the CTS new claims and they have had staffing issues due to sickness which is being resolved
LGR12	Council Tax Support - Change of Circumstance	Days to process	No	7.00 Days	4.00 Days	▲	▲	Days to process is above target as we automate the Universal Credit updates from the DWP

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# Performance Report - Quarter 3 - Local Government Reorganisation



Ref	Title	KPI Description	Cumulative	Q3 Target	Data	Status	Trend	Narrative
LGR13	Planning Applications – Major	The % of Major planning applications determined with 13 weeks or with an extension of time	No	60.00%	66.00%	▲	▲	Continuing a relatively consistent trend for being above target.
LGR14	Planning Applications – Minor	The % of Minor planning applications determined within 8 weeks or with an extension of time	No	70.00%	72.00%	▲	▲	Performance remains slightly above target
LGR16	Planning - Extensions of Time	The % of overall decisions subject to agreed extension of time	No	60.00%	42.00%	▼	▲	The reduced number of instances where an Extension of Time is required indicates that decisions are being made within the original 8 - 13 week target.
LGR17	Planning Validations	The number of days between receipt of application and start of validation – the aim of this measure is to be on or under target	No	10.00 Days	9.00 Days	▲	▲	Report shows continued improvement in turnaround of validation over the past 3 months
LGR18	Planning - Control	% of planning control breaches that are proceeding to formal action	No	10.00%	14.00%	▲	▲	We continue to be ahead of target on % of cases that have moved to formal action. This is set to increase over the next quarter as decisions to move to formal action are being taken more swiftly.
LGR21	Environmental Health - Fly Tip Collections	% of fly tips collected within 5 working days after reporting	No	100.00%	50.00%	▼	▼	49 flytip reported and collected In Dec 2022. 24 have been collected with 5 days 1 being collected in 8 days 24 still outstanding from the christmas period due to staff shortages
LGR22	Environmental Health - Street Cleansing	% of proactive inspections receiving a pass rate	No	70.00%	100.00%	▲	■	All area street cleaning inspections complete
LGR23	Environmental Health - Street Cleansing	Total tonnage of waste disposed of (inc. litterbins, dog bins, fly tipping, litter picks)	Yes	1,511.10	1,600.22	■	■	212.12T collected in December 2022, 148.98T collected in December 2021. This is an increase of 63.14T An increase in household waste being found in public litter and dog waste bins has been observed, along with large volumes of cat litter and dog waste. On going monitoring of this trend will be required to address if this becomes a sustained issue.

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## **Sale of commercial development land at Lufton, Yeovil (Lufton 2000 joint venture)**

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Executive Portfolio Holder: John Clark, Economic Development inc Commercial Strategy  
Ward Member(s) Cllr Barbara Appleby, Cllr Peter Seib, Cllr Jeny Snell  
Strategic Director: Jill Byron, Solicitor and Monitoring Officer  
Service Manager: Robert Orrett, Commercial Property, Land and Development Manager  
Contact Details: [Robert.orrett@southsomerset.gov.uk](mailto:Robert.orrett@southsomerset.gov.uk) or 01935 462075

### **Purpose of the Report**

1. To update the recommendation for the sale of the Council's 50% share in the Lufton 2000 Joint Venture (JV) to its joint venture partner Abbey Manor Developments Limited (AMDL).

### **Forward Plan**

2. This report did not appear on the District Executive Forward Plan. The basis of the proposed sale has been agreed in principle with the other party, subject to District Executive and Full Council decision making. Like most transactions, delay at this stage would reduce the prospect of a successful outcome.

### **Public Interest**

3. The Council owns a 50% share in an area of land intended for commercial development on the west side of Lufton Trading Estate, Yeovil. The proposal was made to Full Council in September 2022, and approved for the Council to sell its share to the joint venture partner in return for an immediate capital receipt reflecting the current value of the Council's interest. The sale was subject to S24 direction approval by Somerset County Council which has been progressed but not concluded.
4. Since the proposal and price were discussed subject to approval factors that impact on price have worsened materially. Due to these changes, the prospective buyer has indicated they would need to pay a reduced price if the matter is to proceed.
5. There are commercially sensitive details with this matter and those are contained in a confidential appendix to protect the commercial position of the buyer and the joint venture partner.

### **Recommendations**



## South Somerset District Council

6. That District Executive recommend that Full Council agree to:-
  - a. Note the contents of this report.
  - b. Members to approve the proposal to sell the Council's share in the Joint Venture in the asset named Lufton 2000 on the terms outlined in the confidential appendix to this report.
  - c. Authorise the Chief Financial Officer to seek the approval of the Somerset County Council to the sale under the S24 direction.
  - d. If proposal is approved, to delegate the power to the Solicitor and Monitoring Officer approval of detail of the sale.

### Background

7. The Background remains the same as set out in the reports to District Executive in August 2022 and to Full Council in September 2022.

### Economic Changes

8. Discussions between council officers and representatives of Abbey Manor Developments Limited involving the potential sale of the Council's 50% share in the Lufton 2000 Joint Venture took place in early 2022. Terms considered acceptable by officers were established in late March 2022. Work was then carried out leading to the reports to District Executive, Full Council and after those to implement the process on the S24 direction approval by Somerset County Council.
9. During this time period, there has been a dramatic increase in the level of inflation, Bank of England base rates have been increased from 0.5% with eight separate increases taking the rate to 4.0%. There was particular economic turbulence around the mini-budget delivered by the Chancellor of the Exchequer. This was followed by exceptional events including the resignation of the Prime Minister after the shortest period in office and the reversing of budget changes and increases in the tax burden. Economic outlook for the UK worsened through this with the outlook being little or no growth in GDP in the next few years.
10. Inevitably, for a property transaction involving paying out capital now against potential proceeds gathered over a considerable number of years, combining increased costs of finance, poorer economy meaning a likely slower rate of disposal and higher Corporation Tax rates, significantly impacts on the appraisal which determines the achievable price.
11. The buyer, Abbey Manor Developments Limited is willing to proceed with the purchase but has reduced the price they are prepared to pay. Officers experienced in this field have assessed the value and concluded that the revised price represents the best price reasonably achievable in the current market. The revised price remains above the book value of the council's asset. Further commentary on this is provided in the confidential appendix.

12. There is a risk involved in any property transaction that either party might change their mind and not proceed, until near certainty is achieved by exchange of contracts. This risk is considered low in the circumstances that both parties already have a high level of understanding. However, major matters of recent years show how major national and world changes can arise quite unexpectedly causing unforeseen impacts on parties.
13. There is also risk in relation to the price that has been discussed. Again, with the level of familiarity this is not considered to be a high risk but detailed preparatory work could reveal an unforeseen issue.
14. The matter will require Somerset County Council approval under the S24 direction, which cannot be guaranteed.

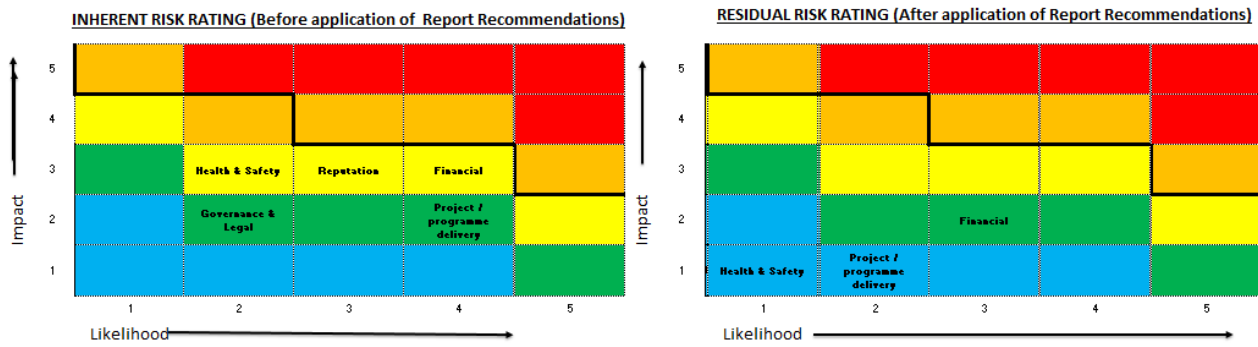
### **Financial Implications**

15. The recommended option will deliver a significant capital receipt to the Council that has not been budgeted for. It is understood this would be completed and received during the current financial year. The receipt would be available to use to fund the existing capital programme and could replace external borrowing. The Chief Finance Officer will set out in the quarter 3 capital budget monitoring report proposals for the use of the receipt.
16. There is no budgeted revenue from this asset and none is anticipated in general.

### **Legal implications (if any) and details of Statutory Powers**

17. If District Executive approves this recommendation, it will be necessary to contract for the sale and complete the transaction. This should be relatively straightforward as both parties have long term involvement with the property. It will also be necessary to ensure that all aspects of the JV are up-to-date and finalised alongside the property transaction.
18. The Council has wide ranging legal powers in relation to this transaction including the General Power of Competence under Section 1 of the Localism Act 2011.
19. S.120 Local Government Act 1972 –
20. Acquisition of land by agreement by principal councils for the purpose of its functions under this or any other enactment, or the benefit, improvement or development of their area the council may acquire by agreement any land, whether situated inside or outside their area.
21. S.145 Local Government Act 1972
22. A local authority may do, or arrange the doing of, or contribute towards the expenses of the doing of, anything (whether inside or outside their area) necessary or expedient for any of the following purposes, that is to say: (a) the provision of entertainment (b) the provision of theatre, concert hall, dance hall or other premises suitable for the giving of entertainment.

## Risk Matrix



Risk Re	Risk Category	Inherent Risk Rating	Residual Risk Rating
1	Project / programme delivery	10	3
2	Financial	15	9
3	Delivery of Services	0	0
4	Staffing & Capacity	0	0
5	Reputation	14	3
6	Health & Safety	13	1
7	Governance & Legal	8	1

Risk Description	Mediation / Controls
Commitment of officer resources on a frequent and regular basis to work on the JV	Recommendation would involve short term additional work but none following sale
Uncertain capital costs and receipts in terms of timings and amounts.	Need to secure transaction including price. Risk that issue might come forward that impacts AMDL offer
0	0
0	0
Possible conflicts between commercial objectives of JV, planning or other public priorities	Sale of JV share not expected to impact reputation and risk removed thereafter
Ownership of large area of land may involve risks to third parties.	Sale of JV share expected to remove risk from SSSC
Need to deliver or contribute to JV governance,	Sale of JV share expected to remove risk from SSSC

## Council Plan Implications

23. This project contributes positively across the Council Plan themes – Protecting Core Services and Economy.

## Carbon Emissions and Climate Change Implications

24. There will be no impact on Carbon Emissions and Climate Change Implications if the recommendation is approved.

## Equality and Diversity Implications

25. There are no specific implications in these proposals.

## Privacy Impact Assessment

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

## Background Papers

- Full Council Report - 15th September 2022 - Sale of commercial development land at Lufton, Yeovil (Lufton 2000 joint venture)



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

Document is Restricted

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## 2022/23 Quarter 3 Capital Budget Monitoring Report for the Period Ending 31st December 2022

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Executive Portfolio Holder: Peter Seib, Finance and Legal Services  
SLT Lead: Nicola Hix, Director – Strategy, Support Services & Environmental Services  
Report Lead: James Griffin, Capital Finance Specialist  
Contact Details: James.Griffin@southsomerset.gov.uk or 01935 462308

### Purpose of the Report

1. The purpose of this report is to provide District Executive with the current spend against the Council's approved capital budget and the forecast position at year end ("outturn") together with an explanation of estimated variations against budget. This report should be read alongside the Revenue Budget Monitoring Report also on District Executive's agenda.

### Forward Plan

2. This report appeared on the District Executive Forward Plan with an anticipated Committee date of 3<sup>rd</sup> March 2023.

### Public Interest

3. Capital expenditure is expenditure on assets such as land, property, ICT equipment, and the refurbishment of existing assets that will prolong the useful life of the asset (such as replacing a roof). Lending to third parties is also capital expenditure in many cases.

### Recommendations

4. That District Executive:
  - a) Notes the expenditure on the capital programme as at 31st December 2022 as given in table five.
  - b) Notes the amount remaining the Corporate Capital Contingency Budget, as detailed in table four.
  - c) Approves the revised estimate for the 2022/23 capital budget of £21.258m as detailed in table one.

### Background

5. Full Council approves the capital budget in February each year. Monitoring of the agreed programme has been delegated to District Executive and is undertaken on a quarterly basis. District Executive can agree to vire money from the Corporate Capital Contingency Budget to existing approved projects if required. In urgent cases, the Chief Executive Officer has delegated authority, in consultation with the S151 Officer, to vire amounts from the Corporate Capital Contingency Budget into the schemes previously approved by Full Council in the capital programme.

### Quarter Three Capital Budget Position for 2022/23

6. The year-end forecast position as reported at quarter two, was £28.801m. This report proposes that a revised budget is agreed for 2022/23 of £21.258m which is a reduction of £7.543m (or 26%). A summary of the proposed changes is shown in table one.
7. Most of the £7.543m proposed reduction is due to reprofiling (slippage) of budget into the next and future financial years. This is detailed in table two.
8. The capital programme for this budget year and beyond is shown in detail in Appendix A and in summary form, by service area, in table three. A quarterly variance report with commentary is shown on Appendix B.
9. The remaining unallocated balance in the 2022/23 Corporate Capital Contingency budget of £0.734m is shown in Table Four.
10. The quarter three spend to date (to 31<sup>st</sup> December 2022) is summarised in table five by service area.

**Table One: Revised 2022/23 Capital Programme (excluding any virements between approved budgets)**

	£000s
<b>Agreed capital budget as at Quarter Two</b>	<b>28,801</b>
<b>Proposals made in this report:</b>	
- Increase in Area Committees' budget for S106 Funded Projects listed in Table Eight	33
- Recycle More Containers added to the Capital Programme	349
- Area grants awarded in year for 2023/24 projects listed in Table Seven	(42)
- Loan to Somerset Waste Partnership for Vehicles	(46)
- Reprofiling (Slippage) of Projects identified in Table Two into future years	(7,837)
<b>Subtotal</b>	<b>(7,543)</b>
<b>Revised 2022/23 Capital Programme Budget</b>	<b>21,258</b>

**Table Two: Detail of reprofiled project budgets**

Project	Q2	Q3	Q3	Revised	Future	Total
	Approved Budget 2022/23 £000's	Changes 2022/23 £000's	Slippage 2022/23 £000's	Budget 2022/23 £000's	Spend 2023-26 £000's	Budget £000's
Affordable Housing - Passivhaus South Petherton	1,010		(110)	900	300	1,200
Barnabus House	22		(11)	11	11	22
Car Park Improvement Works	41		22	63	-	63
Chard Business Park, Roadway Adoption	125		(110)	15	110	125
Chard Regeneration	574		(110)	464	1,810	2,274
Decarbonisation of Operational Buildings - Phase 1	2,420		(859)	1,560	1,161	2,722
Disabled Facilities Grants	1,721		(488)	1,233	1,579	2,812
Footbridge Assessment & Works	40		(25)	15	25	40
Grant to Milborne Port Rec	99	(14)	(40)	45	40	85
High Ham Play Installation	9		(9)		9	9
Kingsdon Playing Field	12		(10)	2	10	12
Kirkham Street Community Trust	13		(13)		13	13
Langport Memorial Ground New Changing Facilities	4		(4)	-	4	4
Lufton 2000, Yeovil - All Phases	15		1	16	198	214
Lufton Depot Surfacing and Drainage Works	39		(19)	20	45	65
Lyde Road Pedestrian & Cycle Way, Yeovil	379	150	(316)	63	466	529
Muchelney Church All Ability Accessible Toilet	13		(13)		13	13
Old Kelways Play Area, Langport	13		(13)		13	13
Refurbishment and accessibility improvements to public toilets at Ham Hill and Yeovil Recreation Centre	55		(15)	40	40	80
Renewal of Skate Park provision in Area South	340		(240)	100	240	340
South Petherton Cricket Club	5		(5)	-	5	5
West Hendford Car Park Crime Reduction Improvements	33		3	36	28	65
Westlands Events Hall Boiler Replacement and Improvements	976		(959)	17	959	976
Westlands Sports Hall Roof Repairs	100		(100)	-	100	100
Wincanton Regeneration	562		(365)	197	1,902	2,099
Wyndham Park Play Area Equipment	1		(1)		149	149
Yarlington Village Hall	13		(13)		13	13
Yeovil Bus Station Toilet Refurbishment	50		(50)	-	50	50
Yeovil Crematorium Refurbishment	1,085		(385)	700	3,752	4,452
Yeovil Refresh	6,005	821	(3,580)	3,246	17,052	20,298
<b>Total</b>	<b>15,774</b>	<b>957</b>	<b>(7,837)</b>	<b>8,743</b>	<b>30,097</b>	<b>38,842</b>

**Table Three: Summary of revised 2022/23 capital budget position and future years' estimates (Corporate Capital Contingency included in Service Area where applicable)**

Service Area	Approved Q2 Budget 2022/23 £000's	Q3 Budget Updates 2022/23 £000's	Q3 Revised Budget 2022/23 £000's	Future spend 2023-26 £000's	Total Budget £000's	Actuals to Date 2022/23 £000's
Commercial Services & Income Generation	9,057	(2,449)	6,608	11,258	17,866	4,580
Service Delivery	2,680	(810)	1,870	2,862	4,732	1,006
Place, Recovery & Arts and Entertainment	10,195	(3,334)	6,861	49,389	56,250	3,355
Strategy & Support	4,647	28	4,675	1,048	5,723	2,197
Area Committees	568	(58)	510	101	611	217
<b>Subtotal</b>	<b>27,147</b>	<b>(6,623)</b>	<b>20,524</b>	<b>64,658</b>	<b>85,182</b>	<b>11,355</b>
<b>Corporate Capital Contingency</b>	<b>1,654</b>	<b>(920)</b>	<b>734</b>	<b>-</b>	<b>734</b>	<b>-</b>
<b>Total</b>	<b>28,801</b>	<b>(7,543)</b>	<b>21,258</b>	<b>64,658</b>	<b>85,916</b>	<b>11,355</b>

**Table Four: 2022/23 Corporate Capital Contingency Budget amount remaining.**

Detail	Approvals 2022/23 £000's
Corporate Capital Contingency Opening Balance	4,000
Decarbonisation of Operational Buildings – May 22 DX Report	(350)
Digital Capital Reserve Programme 2022/23 – March 23 DX Report	(40)
Isuzu - Dog waste collection vehicle – March 23 DX Report	(49)
Leisure Centre Capital Works – May 22 DX Report	(665)
Market Towns Vision – March 23 DX Report	(10)
Millers Garage – August 22 DX Report	(203)
Sherwood Road, Bromsgrove (Commercial Investments) SLT	(52)
Wincanton Regeneration Public Realm – July 22 DX Report	(260)
Wincanton Regeneration Public Realm – September 22 DX Report – return of amount back to Corporate Capital Contingency Budget	260
Yeovil Crematorium Refurbishment – August 22 DX Report	(165)
Yeovil Refresh – August 22 DX Report	(891)
Yeovil Refresh – January 23 DX Report	(821)
Yeovil Small Business Centre Roof Renewal – made under Chief Executive delegation as emergency works	(20)
Subtotal of Corporate Capital Contingency Drawdowns	(3,266)
<b>Corporate Capital Contingency amount remaining</b>	<b>734</b>

**Table Five: Summary of spend by Quarter**

Service Area	Q1 Actuals	Q2 Actuals	Q3 Actuals
	2022/23 £000's	2022/23 £000's	2022/23 £000's
Commercial Services & Income Generation	2,320	1,889	4,580
Service Delivery	(64)	591	1,006
Place, Recovery & Arts and Entertainment	272	1,533	3,355
Strategy & Support	(385)	(489)	2,197
Area Committees	50	(14)	217
<b>Total</b>	<b>2,193</b>	<b>3,510</b>	<b>11,355</b>

11. Total expenditure as at 31st December 2022 was £11,355, which represents 53% of the revised capital programme budget for 2022/23.

## Summary of progress on Key Capital Projects

12. The projects in table six below make up 64% of this revised 2022/23 capital programme budget and over the next four years these projects make up 81% of the total capital programme.

**Table Six: Key capital projects - Quarter 3 Budget Position and future years' estimates**

Service Area/Project	Q2 Approved Budget	Q3 Budget Changes	Q3 Revised Budget	Revised Future Budget	Total Budget	In year Actuals	In year Percentage Complete	In Year Budget Left to spend
	2022/23 £000's	2022/23 £000's	2022/23 £000's	£000's	£000's	2022/23 £000's	2022/23 £000's	2022/23 £000's
<b>Commercial Services &amp; Income Generation</b>								
Yeovil Crematorium Refurbishment	1,085	(385)	700	*3,752	4,452	161	23%	(539)
Decarbonisation of Operational Buildings (PSDS)	2,420	(859)	1,561	1,161	2,722	1,228	79%	(333)
Yeovil Refresh	6,005	(2,759)	3,246	18,228	21,474	2,162	67%	(1,084)
Wincanton Regeneration	562	(365)	197	*1,902	2,099	13	7%	(184)
Somerset Cultural Flagship Venue (Octagon Redevelopment)	1,058	-	1,058	27,148	28,206	640	60%	(418)
Chard Regeneration	574	(110)	464	1,810	2,274	335	72%	(129)
Affordable Housing	1,796	(110)	1,686	300	1,986	7	<0%	(1,679)
Disabled Facilities Grants	1,721	(488)	1,233	1,579	2,812	945	77%	(288)
Leisure Centre Capital Works	3,563		3,563	384	3,947	1,521	43%	(2,042)
<b>Total</b>	<b>18,784</b>	<b>(5,076)</b>	<b>13,708</b>	<b>56,264</b>	<b>69,972</b>	<b>7,012</b>	<b>65%</b>	<b>(6,696)</b>

\*Requires a new Business Case

## Commercial Services & Income Generation

13. **Yeovil Crematorium Refurbishment** – The revised budget for 2022/23 is £0.700m with an actual to the end of December 22 of £0.161m. The remaining budget will be used for the final instalments to the cremator, committed costs on the construction project, planned works to provide for capacity needs in the Garden of Remembrance and limited short term repair needs with the main building project.

14. The 2022/23 budget has been re-profiled by £0.385m which have been reallocated to the 2023/24 budget. Implementation Executive for the new Somerset Council has decided in its budget work to pause the main building extension and refurbishment project subject to an updated business case being submitted to the Somerset Council next year for implementation 2024/25 and beyond. The sum of £3.367m which was allocated for 2023/24 has therefore been re-profiled to 2024/25.



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15. Principal work this year has been the total renewal of the cremators and installation of Mercury Abatement equipment. The installation is now complete and fully functional with minor ancillary work being completed.
16. **Decarbonisation of Operational Buildings (PSDS) – Phase 1**- The revised budget for 2022/23 is £1.561m with an actual spend to the end of December 2022 of £1.228m.
17. £0.859m has been reprofiled in to 2023/24 due to the delay in the RIBA stage 4 designs and work not yet started on these sites
18. Salix have confirmed grant funding of £2.612m which is £0.457m more favourable than our predicted worst-case situation reported in June. Salix have also extended the practical completion date to 31 December 2023 based on the uncertainty of the Sottish and Southern Electricity Networks power upgrade as they have yet to confirm their lead time regarding final commissioning.
19. Due to the increase to the anticipated grant funding from Salix we have used the additional £0.457m to reduce the borrowing requirements to fund the project by the same amount.
20. The PSDS RIBA stage 4 designs have now been approved are awaiting final costs.

### Regeneration and Place

21. **Yeovil Refresh Refurbishment** – The revised budget for 2022/23 is £3.246m with an actual spend to the end of December 2022 of £2.162m. The programme of works for this project is scheduled to be completed in 2024.
22. Due to utility company delays, discovery of unmapped services, contaminated materials, requirement for night time working due to road closure restrictions, £2.759m from the 2022/23 budget has been reprofiled to 2023/24.
23. District Executive on the 5th of January 2023 agreed to reallocate £1.2m from the Yeovil Refresh Transport workstream to the Yeovil Refresh Public Realm Workstream, additional grants of £1.176m had been secured for the Active Travel element of the Transport workstream, so the funding was no longer required. District Executive also agreed to allocate £0.821m from the corporate contingency fund to the Yeovil Refresh budget. These changes were required to fund unforeseen costs relating to the public realm works including utility works and subsequent delay costs and the removal of contaminated materials.
24. The major risks continue to be the inflationary pressure on the construction industry and the potential loss of FHSF (Future High Streets Funding) grant. We continue to monitor the contracts closely to identify any potential savings that could help to mitigate the rising cost of materials. We have also submitted a change request to DLUHC, which if successful, would help to secure the funding.



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25. **Wincanton Regeneration** –The total budget for 2022/23 is £0.197m with an actual spend to the end of December 2022 of £0.013m.
26. The Project has been deferred for a year pending a new business case that will be reviewed by Somerset Council. The remaining budget of £1.902m has been reprofiled into 2024/25.
27. **Octagon Redevelopment** – The total budget for 2022/23 is £1.058m with an actual spend to the end of December 2022 of £0.640m. If the final business case is approved, the project is expected to be completed in 2025.
28. The development of Somerset's Flagship Arts Venue represents one of the largest cultural venue construction projects undertaken in Somerset. During quarter three the work was undertaken to produce the RIBA Stage 4 report. The planning application for the building was also submitted.
29. District Executive on the 5th of January 2023 agreed that the project should move to the next stage, which is to tender for the construction works.
30. Key milestones for the remainder of 2022/23:
  - Secure Planning Permission.
  - Agree updated outline business case with DCMS Investment Sub Committee and subsequently secure agreement to tender the works.
  - Issue tender documentation.
  - The final business case will be coming forward in 2023/2024 once greater costs certainty has been obtained.
31. **Chard Regeneration** - The total budget for 2022/23 is £0.464m with an actual spend to the end of December 2022 of £0.335m, it is anticipated there will be a further £0.1m of capital expenditure in 2022/23. The two elements relate to Chard HSHAZ (High Street Heritage Action Zone) and Boden Mill site regeneration.
32. The Building Repair & Shop Front Improvement Grant Scheme launched in January 22. Due to the uncertainty around the country's current economic situation, businesses have taken longer than first envisaged to secure the quotes and permissions that are required for the building improvement grants, therefore £0.110m has been reprofiled into 2023/24.
33. Progress is being made to find a sustainable use for the Boden Mill site and an interested party has submitted a PID (Project Initiation Document) for external funding.
34. **Affordable Housing** – The total budget for 2022/23 is £1.686m with an actual spend to the end of December 2022 of £0.007m.
35. Passivhaus South Petherton - planning application expected to be determined in the coming months. If planning permission is approved, then £1.200m of funding will be allocated towards the development. It is anticipated the likely spend in year





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will be £1.010m and therefore £0.190m has been reprofiled into 2023/24. The Registered Housing Provider is aiming to start construction in March 23 and we are currently working on a legal agreement for the funding.

### SERVICE DELIVERY

36. **Disabled Facilities Grants (DFG's)** - The revised budget for 2022/23 is £1.233m with an actual spend to the end of December 2022 of £0.945m. This is an ongoing project funded by Central Government's Better Care Fund and will continue to be live until such time Central Government ends this scheme.
37. The budget has been reprofiled from 2022/23 to 2023/24 by £0.488m due to the continued resource and contractor availability problem which is being felt across the entire Capital Programme. There is an SLA (Service Level Agreement) in place with Somerset Independence Plus to help try and address this. They are also engaged in helping SSDC align procedures and processes for Somerset Council which should help aid a smoother transition.
38. Work is in progress to address this and demand for DFGs continues to be high.

### Support Services & Strategy

39. **Leisure Centre Capital Works** - The revised budget for 2022/23 is £3.563m with an actual spend to the end of December 2022 of £1.521m. Works are expected to be completed in March 2023; this is behind schedule due to the knock-on effects caused by the delay to the start of the PSDS decarbonisation works which were due to be completed in March 2022.
40. Due to retention requirements, there will be a continued financial obligation up to 2024/25 which totals £0.384m which is shown in Appendix A.
41. These works consist of introducing new gym equipment into the leisure centres alongside remodelling of the internal lay outs of the centres to increase exercise studio space and improve customer experience with the essential M&E replacements and upgrades that are required with the works being carried out.

### Area Committees and Area Funding

42. The Area Committee updates for Q3, are shown in table seven.
43. There were eleven new projects awarded totalling £0.081m, these have been funded from the Unallocated Budgets for the Area Committees.
44. Four projects were completed, and the remaining budgets returned to the Unallocated Budgets totalling £0.010m.

45. The Unallocated budgets were approved in the February 2022 Budget Report and therefore have no impact on the overall capital programme total.

**Table Seven: Area Committee Additions and Unallocated Budgets for 2022/23**

Area / Project	Forecast 2022/23 £000's	Forecast 2023/24 £000's	Total
<b>Area North</b>			
Q2 Unallocated Budget	27	-	27
- Ash Village Hall Car Park	4		4
- East Lambrook School Room Renovations		11	11
- Support of Economic Vitality in Area North (Signage for marketing programme)	(3)		(3)
Q3 Remaining Unallocated Budget	26	11	15
<b>Area South</b>			
Q2 Unallocated Budget	134	-	134
- West Coker Commemoration Fund (WCCF)	(0)		(0)
- West Coker Solar Panels		12	12
Q3 Remaining Unallocated Budget	134	12	122
<b>Area East</b>			
Q2 Unallocated Budget	29	-	29
- Castle Cary Pavilion	4		4
- Chilthorne Domer Play Equipment	8		8
- Queen Camel Old School Toilet Conversion	3		3
- Wincanton Men's Shed Extension		12	12
Q3 Remaining Unallocated Budget	14	12	2
<b>Area West</b>			
Q2 Unallocated Budget	23	-	23
- Ashill Village Hall Project		6	6
- Combe St Nicholas Primary School Running Track	6		6
- George Reynolds Centre Project	5		5
- Hinton St George Pre-School Appeal	(6)		(6)
- North Perrott Cricket Club	(0)		(0)
- West & Middle Chinnock Play Equipment Project	10		10
Q3 Remaining Unallocated Budget	8	6	2
<b>Total</b>	<b>31</b>	<b>41</b>	<b>72</b>

46. Eight additional projects have been identified in Q3 for 2022/23 which will be funded from Section 106 contributions and one project with a reduced budget.

**Table Eight: S106 Additions for 2022/23**

Area / Project	Forecast 2022/23 £000's
<b>Area North</b>	
- Stoke Sub Hamdon Floodpitch	13
- Cricket Ground Water St Martock	6



<b>Sub-Total</b>	<b>19</b>
- Hardington Mandeville Rec Group	1
- Keinton Mandeville Changing Rm	18
<b>Sub-Total</b>	<b>19</b>
<b>Area East</b>	
Grant to Milborne Port Rec	(14)
<b>Sub-Total</b>	<b>(14)</b>
<b>Area West</b>	
- Grants for Parishes Play Areas	0
- Grants to Youth Dev Facilities	5
- Henhayes Recreation Ground	2
- Henson Park Chard	2
<b>Sub-Total</b>	<b>9</b>
<b>Total</b>	<b>33</b>

## Financing of the Capital Programme

**Table Nine: Financing of the Capital Programme**

<b>Funding Stream</b>	<b>Q2 Approved 2022/23 £000's</b>	<b>Q3 Updates 2022/23 £000's</b>	<b>Q3 Revised 2022/23 £000's</b>	<b>2023/24 £000's</b>	<b>2024/25 £000's</b>	<b>2025/26 £000's</b>	<b>Funding Stream Total £000's</b>
Grants & Contributions	8,599	(1,775)	6,824	21,360	3,846	325	<b>32,355</b>
S106 Contributions	(48)	365	317	340	-	400	<b>1,057</b>
Usable Capital Receipts	1,718	(411)	1,307	1,609	411	-	<b>3,327</b>
CIL Funding	1,335	(1,335)	-	1,335	-	-	<b>1,335</b>
Use of Loan Repayment	1,438	1,555	2,993	-	-	-	<b>2,993</b>
Prudential Borrowing	15,759	(5,942)	9,817	22,593	12,141	298	<b>44,849</b>
<b>Yearly Total</b>	<b>28,801</b>	<b>(7,543)</b>	<b>21,258</b>	<b>47,237</b>	<b>16,398</b>	<b>1,023</b>	<b>85,916</b>

### Increasing Interest Rates

47. The Bank of England have increased interest rates from 0.75% at the start of the 2022/23 financial year to the current rate of 4.00% as at 6 February 2023. The Council's treasury management advisors released their economic and interest rate forecast after the latest Monetary Policy Committee at which the Bank of England increased interest rates by 0.50% to the current rate.
48. The advisors are forecasting a further rise in the bank rate to 4.25% in March 2023. The advisors are currently expecting the MPC to cut interest rates in the first quarter of 2024 with a rate of in the region of 3% expected by 2025. It should be noted that the timing and the extent of the rates cut remains highly uncertain.
49. The impact of the increase in the bank rate affects both the council's interest payable on debt and the interest income it receives on its investment. In terms of interest payable, this is dependent on the level of current and future external debt of the council. This in turn depends largely on the amount of expenditure incurred



## South Somerset District Council

on the capital budget. The latest forecast is that external borrowing will be in the region of £149m at the end of the 2022/23 financial year.

50. Based on the projected interest rates provided by the Council's advisors and the estimated external borrowing requirement, the interest payable on external debt for 2022/23 is projected to be in the region of £1.460m. The 2022/23 revised revenue budget for interest payable is £1.856m.

### **Legal Implications**

51. Full Council approves any in-year increases to the capital budget unless the proposed project delivers a corporate priority and/or is an emergency decision. In such circumstances District Executive, under delegation, can approve an increase in the capital budget as long as the increase does not total more than 5% of useable reserves in any one year. Any new capital commitments (i.e contracts) over £1m may need approval by Somerset County Council's S151 Officer or Executive under the S24 Direction, depending on whether the commitment has already been given a general up-front consent by the Executive or not.

### **Financial Implications**

52. These are covered in the report.

Q3 Projects	2022/23 Revised Est £000's	2023/24 Revised Est £000's	2024/25 Revised Est £000's	2025/26 Revised Est £000's	Total £000's
<b>COMMERCIAL SERVICES &amp; INCOME GENERATION</b>					
Birchfield Leachate Pumping Station	£0.00	£0.17	£0.00	£0.00	£0.17
Capital works budget for investment property	£341.50	£1,615.00	£288.00	£0.00	£2,244.50
Capital Works to Council Portfolio	£0.00	-£0.18	£0.00	£0.00	-£0.18
Car Park Improvement Works	£62.84	£0.00	£0.00	£0.00	£62.84
Chard Business Park, Roadway Adoption	£14.86	£110.14	£0.00	£0.00	£125.00
Chard Reservoir Dam	£12.00	£9.00	£0.00	£0.00	£21.00
Decarbonisation of Operational Buildings - Phase 1	£1,560.46	£1,161.07	£0.00	£0.00	£2,721.53
Decarbonisation of Operational Buildings - Phase 2	£13.50	£947.00	£0.00	£0.00	£960.50
DELETTI EV Charger Project	£250.00	£0.00	£0.00	£0.00	£250.00
Digital Upgrade of Yeovil Town Centre CCTV Cameras	£65.00	£0.00	£0.00	£0.00	£65.00
Enhancement to SSDC Bldgs	£0.00	£30.00	£0.00	£0.00	£30.00
Environmental Services Fleet Vehicles Arboriculture & Operations	£264.48	£0.00	£0.00	£0.00	£264.48
Environmental Services Fleet Vehicles Horticulture	£172.00	£0.00	£0.00	£0.00	£172.00
Environmental Services Fleet Vehicles Nursery and Lufton Depot	£30.00	£0.00	£0.00	£0.00	£30.00
Environmental Services Fleet Vehicles Street Scene	£0.00	£35.00	£0.00	£0.00	£35.00
Environmental Services Fleet Vehicles Workshop & MOT	£55.00	£0.00	£0.00	£0.00	£55.00
Fleetmaster Replacement - Fleet Management Software	£57.00	£0.00	£0.00	£0.00	£57.00
Footbridge Assessment & Works	£15.00	£25.00	£0.00	£0.00	£40.00
Gas Control System - Birchfield	£46.00	£394.00	£0.00	£0.00	£440.00
Ham Hill	£0.00	£1,169.56	£259.60	£194.50	£1,623.66
Huish Park Land Acquisition	£2,605.00	£0.00	£0.00	£0.00	£2,605.00
Innovation Centre Automatic Door Replacement	£17.00	£0.00	£0.00	£0.00	£17.00
Isuzu - Dog waste collection vehicle	£48.70	£0.00	£0.00	£0.00	£48.70
Lufton Depot Surfacing and Drainage Works	£20.00	£45.00	£0.00	£0.00	£65.00
Refurbishment and accessibility improvements to public toilets at Ham Hill and Yeovil Recreation Centre	£39.51	£40.49	£0.00	£0.00	£80.00
Riverside Park Planting Scheme	£0.00	£6.00	£0.00	£0.00	£6.00
Rowan Way Embankment Landslip	£9.52	£40.00	£0.00	£0.00	£49.52
Turners Barn Lane Changing Rooms Demolition	£30.00	£0.00	£0.00	£0.00	£30.00

Q3 Projects	2022/23 Revised Est £000's	2023/24 Revised Est £000's	2024/25 Revised Est £000's	2025/26 Revised Est £000's	Total £000's
West Hendford Car Park Crime Reduction Improvements	£36.39	£28.25	£0.00	£0.00	£64.65
Westlands Building Improvement Works	£17.21	£958.79	£0.00	£0.00	£976.00
Westlands Fire Alarm	£37.00	£0.00	£0.00	£0.00	£37.00
Westlands Sports Hall Roof Repairs	£0.00	£100.00	£0.00	£0.00	£100.00
Works to Chard Reservoir Dam & Outlets	£3.00	£0.00	£0.00	£0.00	£3.00
Yeovil Bus Station Toilet Refurbishment	£0.00	£50.00	£0.00	£0.00	£50.00
Yeovil Crematorium Refurbishment	£700.00	£385.06	£3,366.78	£0.00	£4,451.84
Yeovil Small Business Centre Roof Renewal	£85.00	£0.00	£0.00	£0.00	£85.00
<b>Total for Commercial Services &amp; Income Generation</b>	<b>£6,608</b>	<b>£7,149</b>	<b>£3,914</b>	<b>£195</b>	<b>£17,866</b>
<b>SERVICE DELIVERY</b>					
Barnabus House	£11.00	£11.00	£0.00	£0.00	£22.00
Careline Product Development	£15.62	£0.00	£0.00	£0.00	£15.62
Caryford Community Hall	£0.00	£88.86	£0.00	£0.00	£88.86
Castle Cary and Ansford various projects	£0.00	£100.00	£0.00	£0.00	£100.00
Cricket Ground Water St Martock	£5.90	£0.00	£0.00	£0.00	£5.90
Disabled Facilities Grants	£1,233.18	£1,578.82	£0.00	£0.00	£2,812.00
Empty Property Grants	£28.00	£0.00	£0.00	£0.00	£28.00
Grant for Youth Facilities	£5.00	£0.00	£0.00	£0.00	£5.00
Grant to Milborne Port Rec	£44.80	£40.40	£0.00	£0.00	£85.20
Green Homes Grant LAD	£0.00	-£0.22	£0.00	£0.00	-£0.22
HMO Grants	£41.00	£0.00	£0.00	£0.00	£41.00
Home Farm, Somerton	£298.00	£0.00	£0.00	£0.00	£298.00
Home Repairs Assistance 2021-22	£47.00	£0.00	£0.00	£0.00	£47.00
Ilminster Cricket Club. Pavilion, New nets, Pitch improvements	£35.00	£0.00	£0.00	£0.00	£35.00
Ilminster Recreation Ground	£0.00	£0.25	£0.00	£0.00	£0.25
Jarman Way, Chard - Play Area Equipment	£0.00	£0.10	£0.00	£0.00	£0.10
Jocelyn Park Play area	£0.00	£0.00	£0.00	£0.00	£0.00
Langport Memorial Ground New Changing Facilities	£0.00	£4.00	£0.00	£0.00	£4.00
Old Kelways Play Area, Langport	£0.00	£13.00	£0.00	£0.00	£13.00

Q3 Projects	2022/23 Revised Est £000's	2023/24 Revised Est £000's	2024/25 Revised Est £000's	2025/26 Revised Est £000's	Total £000's
Renewal of Skate Park provision in Area South	£100.00	£240.00	£0.00	£0.00	£340.00
South Petherton Cricket Club	£0.00	£5.00	£0.00	£0.00	£5.00
ST Johns Yeovil Play Area Equipment	£0.00	£0.23	£0.00	£0.00	£0.23
West Coker Pavilion and Play Projects	£1.16	£0.00	£0.00	£0.00	£1.16
Wyndham Park Community Facilities	£0.00	£0.00	£0.00	£400.00	£400.00
Wyndham Park Play Area Equipment	£0.40	£148.96	£0.00	£0.00	£149.35
Yeovil Country Park Play Area	£3.37	£216.63	£0.00	£0.00	£220.00
Yeovil Rec Flagship Play Area	£0.00	£15.00	£0.00	£0.00	£15.00
<b>Subtotal for Service Delivery</b>	<b>£1,869</b>	<b>£2,462</b>	<b>£0</b>	<b>£400</b>	<b>£4,731</b>
<b>Place, Recovery &amp; Arts and Entertainment</b>					
Affordable Housing - 4 Properties Chard Working Mens Club (Stonewater)	£54.00	£0.00	£0.00	£0.00	£54.00
Affordable Housing - Bought not Built Allocation	£408.64	£0.00	£0.00	£0.00	£408.64
Affordable Housing - New Housing Project (Jan G need new name)	£15.00	£0.00	£0.00	£0.00	£15.00
Affordable Housing - North Street, Crewkerne	£260.00	£0.00	£0.00	£0.00	£260.00
Affordable Housing - Passivhaus South Petherton	£900.00	£300.00	£0.00	£0.00	£1,200.00
Affordable Housing - The Link Day Centre	£6.50	£0.47	£0.00	£0.00	£6.97
Affordable Housing - Unallocated	£41.50	£0.00	£0.00	£0.00	£41.50
Chard Regeneration	£464.13	£1,810.07	£0.00	£0.00	£2,274.20
Market Towns Vision	£210.31	£0.00	£0.00	£0.00	£210.31
Somerset Cultural Flagship Venue (Octagon Redevelopment)	£1,058.22	£16,192.00	£10,528.00	£428.00	£28,206.22
Wincanton Regeneration	£197.00	£0.00	£1,902.00	£0.00	£2,099.00
Yeovil Refresh	£3,246.00	£18,228.41	£0.00	£0.00	£21,474.41
<b>Subtotal for Place, Recovery &amp; Arts and Entertainment</b>	<b>£6,861</b>	<b>£36,531</b>	<b>£12,430</b>	<b>£428</b>	<b>£56,250</b>
<b>SUPPORT SERVICES, STRATEGY &amp; COMMISSIONING</b>					
Digital Capital Reserve Programme	£4.05	£0.00	£0.00	£0.00	£4.05
Digital Capital Reserve Programme 2022/23	£197.69	£0.00	£0.00	£0.00	£197.69
E5 Upgrade	£0.64	£0.00	£0.00	£0.00	£0.64
ICT Replacement	£1.06	£0.00	£0.00	£0.00	£1.06
Leisure Centre Capital Works	£3,563.00	£330.53	£53.51	£0.00	£3,947.04

Q3 Projects	2022/23 Revised Est £000's	2023/24 Revised Est £000's	2024/25 Revised Est £000's	2025/26 Revised Est £000's	Total £000's
Loan to Somerset Waste Partnership for Vehicles	£480.68	£0.00	£0.00	£0.00	£480.68
Lufton 2000, Yeovil - All Phases	£16.48	£197.77	£0.00	£0.00	£214.25
Lyde Road Pedestrian & Cycle Way, Yeovil	£63.00	£466.00	£0.00	£0.00	£529.00
Recycle More Containers	£348.43	£0.00	£0.00	£0.00	£348.43
<b>Subtotal for Strategy &amp; Support</b>	<b>£4,675</b>	<b>£994</b>	<b>£54</b>	<b>£0</b>	<b>£5,723</b>
<b>AREA COMMITTEES</b>					
<b>AREA NORTH</b>					
Ash Village Hall car park	£3.75	£0.00	£0.00	£0.00	£3.75
Curry Rivel Village Hall	£47.24	£0.00	£0.00	£0.00	£47.24
East Lambrook School room renovations	£0.00	£11.64	£0.00	£0.00	£11.64
High Ham Play Installation	£0.00	£9.48	£0.00	£0.00	£9.48
Kirkham Street Community Trust	£0.00	£12.50	£0.00	£0.00	£12.50
Landmark Langport, Ridgway Hall heating upgrade	£2.59	£0.00	£0.00	£0.00	£2.59
Langport Transport Group	£6.00	£0.00	£0.00	£0.00	£6.00
Long Sutton Cricket Club	£0.66	£0.00	£0.00	£0.00	£0.66
Muchelney Church All Ability Accessible Toilet	£0.00	£12.50	£0.00	£0.00	£12.50
Norton Sub Hamdon play area	£12.48	£0.00	£0.00	£0.00	£12.48
Petherton Arts Trust	£8.88	£0.00	£0.00	£0.00	£8.88
South Petherton Bowls Club	£2.25	£0.00	£0.00	£0.00	£2.25
Stoke Sub Hamdon Parish Council - Youth and Family Centre	£17.25	£0.00	£0.00	£0.00	£17.25
Stoke Sub Hamdon Floodpitch	£13.24	£0.00	£0.00	£0.00	£13.24
Support of Economic Vitality in Area North (Signage for marketing programme)	£0.00	£0.00	£0.00	£0.00	£0.00
<b>Unallocated Budget North</b>	<b>£15</b>	<b>£0.00</b>	<b>£0.00</b>	<b>£0.00</b>	<b>£15.15</b>
<b>AREA SOUTH</b>					
East Coker Paddock Path Renewal	£4.17	£0.00	£0.00	£0.00	£4.17
<b>Unallocated Budget South</b>	<b>£122</b>	<b>£0.00</b>	<b>£0.00</b>	<b>£0.00</b>	<b>£122.49</b>
West Coker Commemoration Fund (WCCF)	£0.00	£0.00	£0.00	£0.00	£0.00
West Coker Solar Panels	£0.00	£12.44	£0.00	£0.00	£12.44
<b>AREA EAST</b>					



Q3 Projects	2022/23 Revised Est £000's	2023/24 Revised Est £000's	2024/25 Revised Est £000's	2025/26 Revised Est £000's	Total £000's
Brewham Village Hall Restoration Project	£10.56	£0.00	£0.00	£0.00	£10.56
Bruton Town Council - Weather Resistant Path	£4.41	£0.00	£0.00	£0.00	£4.41
Castle Cary Pavilion	£4.20	£0.00	£0.00	£0.00	£4.20
Chilthorne Domer play equipment	£7.64	£0.00	£0.00	£0.00	£7.64
Hardington Mandeville Rec Group	£1.70	£0.00	£0.00	£0.00	£1.70
Jubilee Park Playground Project	£12.34	£0.00	£0.00	£0.00	£12.34
Keinton Mandeville Changing Rm	£36.01	£0.00	£0.00	£0.00	£36.01
Kingsdon Playing Field	£1.58	£10.36	£0.00	£0.00	£11.94
Parish Infrastructure Fund	£3.50	£0.00	£0.00	£0.00	£3.50
Queen Camel Old School toilet conversion	£3.51	£0.00	£0.00	£0.00	£3.51
Retail Support Initiative Schemes	£1.21	£0.00	£0.00	£0.00	£1.21
<b>Unallocated Budget East</b>	£2	£0.00	£0.00	£0.00	£2.46
Wincanton Memorial Hall Toilet Facilities	£6.12	£0.00	£0.00	£0.00	£6.12
Wincanton Men's Shed Extension	£0.00	£11.50	£0.00	£0.00	£11.50
Wincanton Sports Ground	£5.99	£0.00	£0.00	£0.00	£5.99
Wincanton-Pedestrian/Cycle Link Common Lane	£4.65	£0.00	£0.00	£0.00	£4.65
Yarlington Village Hall	£0.00	£12.50	£0.00	£0.00	£12.50
<b>AREA WEST</b>					
Ark at Egwood Indoor Activity Space	£12.50	£0.00	£0.00	£0.00	£12.50
Ashill Village Hall project	£0.00	£5.95	£0.00	£0.00	£5.95
Broadway play area	£4.25	£0.00	£0.00	£0.00	£4.25
Chard Town Centre Gateway and Seating Area.	£51.88	£0.00	£0.00	£0.00	£51.88
Combe St Nicholas Primary School Running Track	£5.92	£0.00	£0.00	£0.00	£5.92
East Chinnock Parish Council - Play Area Upgrade	£5.77	£0.00	£0.00	£0.00	£5.77
George Reynolds Centre project	£4.68	£0.00	£0.00	£0.00	£4.68
Grants for Parishes Play Areas	£0.60	£0.00	£0.00	£0.00	£0.60
Grants to Youth Dev Facilities	£5.00	£0.00	£0.00	£0.00	£5.00
Guildhall air conditioning	£5.00	£0.00	£0.00	£0.00	£5.00
Henhayes Recreation Ground	£0.00	£2.26	£0.00	£0.00	£2.26

Q3 Projects	2022/23 Revised Est £000's	2023/24 Revised Est £000's	2024/25 Revised Est £000's	2025/26 Revised Est £000's	Total £000's
Henson Park Chard	£2.47	£0.00	£0.00	£0.00	£2.47
Hinton St George Pre-School Appeal	£0.00	£0.00	£0.00	£0.00	£0.00
Horton Parish Council Playing Field Project	£8.18	£0.00	£0.00	£0.00	£8.18
Ilminster Sports Club - New Play Area	£12.50	£0.00	£0.00	£0.00	£12.50
Merriott Village Hall - Kitchen Refurbishment	£5.48	£0.00	£0.00	£0.00	£5.48
North Perrott Cricket Club	£0.00	£0.00	£0.00	£0.00	£0.00
The Guildhall Chard	£11.60	£0.00	£0.00	£0.00	£11.60
<b>Unallocated Budget West</b>	£2	£0.00	£0.00	£0.00	£2.38
West & Middle Chinnock play equipment project	£10.00	£0.00	£0.00	£0.00	£10.00
<b>Subtotal for Area Committees</b>	<b>£510</b>	<b>£101</b>	<b>£0</b>	<b>£0</b>	<b>£611</b>
<b>CORPORATE</b>					
<b>Capital Contingency</b>	£4,000.00	£0.00	£0.00	£0.00	£4,000.00
Capital Contingency - Capital works budget for investment property	-£51.50	£0.00	£0.00	£0.00	-£51.50
Capital Contingency - Decarbonisation of Operational Buildings - Phase 1	-£350.00	£0.00	£0.00	£0.00	-£350.00
Capital Contingency - Digital Capital Reserve Programme 2022/23	-£40.28	£0.00	£0.00	£0.00	-£40.28
Capital Contingency - Isuzu - Dog waste collection vehicle	-£48.70	£0.00	£0.00	£0.00	-£48.70
Capital Contingency - Leisure Centre Capital Works	-£665.50	£0.00	£0.00	£0.00	-£665.50
Capital Contingency - Market Towns Vision	-£10.36	£0.00	£0.00	£0.00	-£10.36
Capital Contingency - Millers Garage	-£203.00	£0.00	£0.00	£0.00	-£203.00
Capital Contingency - Yeovil Crematorium Refurbishment	-£165.00	£0.00	£0.00	£0.00	-£165.00
Capital Contingency - Yeovil Refresh	-£821.00	£0.00	£0.00	£0.00	-£821.00
Capital Contingency - Yeovil Refresh	-£891.00	£0.00	£0.00	£0.00	-£891.00
Capital Contingency - Yeovil Small Business Centre Roof Renewal	-£20.00	£0.00	£0.00	£0.00	-£20.00
<b>CORPORATE</b>	<b>£734</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>	<b>£734</b>
<b>Total Gross Capital Programme</b>	<b>£21,258</b>	<b>£47,238</b>	<b>£16,398</b>	<b>£1,023</b>	<b>£85,916</b>



## **2022/23 Revenue Budget Monitoring Report for the Period Ending 31 December 2022**

Executive Portfolio Holder: Peter Seib, Finance and Legal Services  
SLT Lead: Nicola Hix, Director – Support, Strategy & Environmental Services  
Lead Officer: Paul Matravers, Lead Specialist - Finance  
Contact Details: paul.matravers@southsomerset.gov.uk or 01935 462275

### **Purpose of the Report**

1. The purpose of this report is to provide Members with the current projection of the forecast spending and income (“outturn”) against the Council’s approved Revenue Budget for the financial year, and to explain projected variations against budget.

### **Forward Plan**

2. This report appeared on the District Executive Forward Plan with an anticipated Committee date of 2 March 2023.

### **Public Interest**

3. This report gives a forecast of the revenue budget variations for the 2022/23 financial year and provides explanations in respect of the significant variances.
4. Maintaining the financial health and resilience of the organisation is important to ensure the ongoing delivery of priority services within our community. The Council also has a legal obligation to set and maintain a balanced revenue budget position.

### **Recommendations**

5. That the District Executive:
  - a. Notes the variances being forecast against the 2022/23 revenue budget as set out in Table One.
  - b. Notes the forecast year-end reserves position shown in Appendix A.

### **Background**

6. The 2022/23 original net budget of £19.714m was approved by Council in February 2022. This represents the financial plans that the Executive manages, under their delegated authority and in accordance with the Financial Procedure Rules. All the Council’s income and expenditure has a responsible budget holder.
7. The first quarter’s budget monitoring report advised District Executive that there were budget pressures totalling an estimated £1.6m arising from the National Pay



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Award, increasing interest rates, increasing cost of living pressures, and a projected overspend in the commercial property budget.

8. The projected position has changed significantly since the initial forecast was reported and the quarter two budget monitoring process included a review by finance and management on focused areas of the budget. The reviews resulted in the identification of areas of the budget which were under pressure and required budget increases and areas where savings could be made and/or alternative sources of finance can be applied.
9. The budget pressure identified as part of the review was £3.023m, this budget gap was fully funded by underspends on budgets across all directorates with a small amount of earmarked reserve usage required (£66,950 – MTFP Support Fund). Full Council approved the revised budget on 15 December 2022.
10. There is no proposal to revise budgets in quarter three, but budget holders have forecast the year end variance for their respective areas based on the 2022/23 revised budgets approved at Full Council in December.

### Summary of the Current Financial Position and Forecast Outturn

11. A summary of the budget position is shown below in Table 1, the budget is analysed by categories of expenditure and income and provides a forecast outturn for 2022/23.
12. As at the end of December 2022 the forecast revenue budget position is an underspend at year end of £417,460, which is a 2.11% variance. The year-to-date position suggests an overspend of some £0.073m

	Year to date - April to December 2022			Forecast Outturn 2022/23		
	Budget	Actual	Variance	Approved	Forecast	Variance
<b>Expenditure</b>						
Employees	£16,466,642	£15,810,362	(£656,280)	£21,835,080	£21,357,970	(£477,110)
Premises	£3,442,627	£3,007,291	(£435,337)	£4,366,660	£4,189,800	(£176,860)
Transport	£488,105	£551,893	£63,788	£725,220	£804,020	£78,800
Supplies & Services	£6,899,066	£7,629,544	£730,477	£9,879,250	£10,525,350	£646,100
Third Party Payments	£16,092,337	£15,278,741	(£813,596)	£18,358,850	£18,258,040	(£100,810)
Housing Benefits payments	£20,511,113	£18,683,431	(£1,827,681)	£27,348,150	£27,348,150	£0
Capital Financing	£1,392,615	£234,095	(£1,158,520)	£1,951,210	£1,691,980	(£259,230)
Revenue Reserve transfers	(£1,606,835)	(£1,187,291)	£419,544	(£1,077,260)	(£421,870)	£655,390
	£63,685,670	£60,008,065	(£3,677,605)	£83,387,160	£83,753,440	£366,280
<b>Income</b>						
Government grants	(£31,425,050)	(£25,230,438)	£6,194,612	(£38,619,920)	(£38,687,040)	(£67,120)
Other grants and contributions	(£359,360)	(£555,504)	(£196,144)	(£1,159,240)	(£1,656,840)	(£497,600)
Sales	(£1,673,567)	(£2,565,516)	(£891,950)	(£2,182,830)	(£2,182,830)	£0
Fees and charges	(£14,234,182)	(£15,487,882)	(£1,253,700)	(£19,066,120)	(£18,670,010)	£396,110
Investment income	(£1,212,459)	(£1,314,621)	(£102,163)	(£2,577,780)	(£3,192,910)	(£615,130)
	(£48,904,618)	(£45,153,962)	£3,750,656	(£63,605,890)	(£64,389,630)	(£783,740)
<b>Net Budget</b>	<b>£14,781,052</b>	<b>£14,854,103</b>	<b>£73,051</b>	<b>£19,781,270</b>	<b>£19,363,810</b>	<b>(£417,460)</b>

(Variance column: bracketed figures = underspend / surplus income, unbracketed figures = overspend / income shortfall)



13. Table 2 below reflects the current and forecast budget position, analysed by service directorate.

Table 2	Year to date - April to December 2022			Forecast Outturn 2022/23		
	Budget	Actual	Variance	Approved	Forecast	Variance
Chief Executive	£872,383	£942,579	£70,197	£1,948,130	£2,062,710	£114,580
Commercial Services	£1,620,051	(£211,546)	(£1,831,597)	£2,078,190	£2,418,970	£340,780
Place & Recovery	£739,542	£784,455	£44,912	£546,750	£544,630	(£2,120)
Strategy & Support Services	£8,516,378	£5,997,260	(£2,519,118)	£10,903,430	£9,829,120	(£1,074,310)
Service Delivery	£3,032,699	£7,340,820	£4,308,121	£4,304,770	£4,508,380	£203,610
<b>Net Budget</b>	<b>£14,781,052</b>	<b>£14,853,568</b>	<b>£72,515</b>	<b>£19,781,270</b>	<b>£19,363,810</b>	<b>(£417,460)</b>

(Variance column: bracketed figures = underspend / surplus income, unbracketed figures = overspend / income shortfall)

14. Managers have provided a forecast of expenditure and income for the year, in order that any potential variances are identified and reported, the key variances are outlined below.

15. At the February District Executive meeting, the committee consented to the request from the Council's partly owned company, SSDC Opium Power Limited, to distribute the half-year profit generated in 2022/23 as a dividend. The projected year underspend of £417k includes the Council's share of this dividend.

### Employees

16. The budget is currently showing a significant underspend due to several posts remaining vacant across the authority. With a quarter of the financial year remaining the number of vacant posts is expected to remain at a similar level. Any posts that become vacant will be reviewed in line the with LGR recruitment protocol.

17. The spend on agency staff has increased during the year due to challenges of recruiting due to LGR. The underspend to date, and the year end figure is the variance after taking account of the additional cost incurred when using agency staff.

### Premises

18. There is anticipated to be a small underspend in respect of premises insurances at year end. The budgets in respect of utilities were revised due to the increasing costs which were widely anticipated, the spend to date and the forecast for the year is expected to remain within the allocated budget.

### Transport

19. The budgets are currently showing an overspend and the year end position assumes that the budget will be exceeded. With the cost of fuel remaining high, the spend in this area is difficult to predict due to the ongoing price fluctuations.

20. However additional expenditure has been incurred in respect of purchase of equipment, these purchases cannot be capitalised due to the low value but in this budget will be exceeded at year end.

#### Supplies and Services

21. This category of expenditure covers a wide range of costs and the current overspend of £646k shown at the end of the third quarter is a combination of several factors including:

- There are running costs in respect of the elections in May 2022 of £309k, however the income to offset this overspend has been received from Somerset County Council and the relevant Parish Councils so the net position is nil.
- There is additional spend in respect of consultants and legal fees.
- There is additional spend in respect of network charges, software and hardware maintenance. An element of the additional costs has been partially offset by underspends on rental and copy charges, and telephony related costs.
- Additional costs have been incurred in respect of the 2020/21 external audit of accounts. The final audit fee has been reviewed and agreed by the Public Sector Audit Appointments board and the additional costs have been included in the figures being reported.
- Funding from earmarked reserves (£235k) has also reduced the overspend further.

#### Third Party Payments

22. Although the position as at 31 December shows an underspend, this is a timing issue related to Council Tax Rebate payments. In total, the Council has received £9.3m funding for these payments and to date has a spend of £8.5m.

23. Other spend in this group relates to the contractual payments to the Leisure facilities contractor and payments in respect of Somerset Waste Partnership.

24. The budget in respect of Waste and Recycling was revised as part of the quarter two budget review. The budget was revised to incorporate the projected underspend for the Council as advised by the waste partnership. Based on the figures provided in December, there is an anticipated increase in the spend for the year which has resulted in a projected overspend of in the region of £117k.

#### Housing Benefit payments

25. As at 31 December the budget is showing an underspend of £1.828m, which is likely to be caused by timing issues, the forecast position is in line with the budget at year end.

#### Capital financing

26. There is currently an underspend on the capital financing budgets as at 31 December, this is due to the profiled budget being incorrect. The budget profile will be revised to reflect the anticipated expenditure for the remaining part of the financial year.
27. The budget in respect interest payable on external borrowing was increased to reflect the interest in increase rates and the level of external borrowing that is required to fund an element of the capital programme. Whilst higher rates of interest are being incurred, the level of external borrowing is less than anticipated.

#### Revenue Reserve transfers

28. The approved budget included a significant amount of funding from earmarked reserves to fund various expenditure items. These would generally be to fund employee costs or project expenditure. The required funding from the various reserves is less than anticipated due to posts being vacant or the project work not progressing as anticipated. The unused funding will remain in the earmarked reserve and will transfer to the new authority from 1 April 2023.

#### Government Grants

29. The budget variance to date of £6.1m relates to Housing Benefits Subsidy that the Council receives towards the Housing Benefit payments. The subsidy is paid based on an estimate of the value of housing payments that will be made during the year. Any shortfall in income received during the year will be recouped at the end of the financial year once the final claim is submitted.

#### Other grants and contributions

30. Much of the year end variance in this area is in relation to the grant received to the fund the spend on the cost of elections held in May 2022.

#### Fees and charges

31. The year end variance in respect of fees and charges relates to a shortfall of income from planning application fees and the income receivable in respect of the contract for maintenance of housing association land.

#### Investment income



## South Somerset District Council

32. The investment income is anticipated to be higher than the budget with a surplus of £615k. Most of the additional income is in respect of the share of the dividend payment from the Council's partly owned company (see paragraph 15).

### Budget Pressures – Interest Rates and Pay Inflation

33. There continues to be a number of budget pressures that are known, the review of the revenue budgets as part of quarter two budget monitoring identified the anticipated additional budget requirements for these areas. The Senior Leadership Team and budget holders have continued to monitor these areas and variances have been forecast where an additional pressure is anticipated over and above the approved budget.
34. Additional narrative on each of these areas of pressure are described further below.

#### Increasing Interest Rates

35. The Bank of England have increased interest rates from 0.75% at the start of the 2022/23 financial year to the current rate of 4.00% as at 3 February 2023. The Council's treasury management advisors released their economic and interest rate forecast after the latest Monetary Policy Committee at which the Bank of England increased interest rates by 0.50% to the current rate.
36. The advisors are forecasting a further rise in the bank rate to 4.25% in March 2023. The advisors are currently expecting the MPC to cut interest rates in the first quarter of 2024 with a rate of in the region of 3% expected by 2025. It should be noted that the timing and the extent of the rates cut remains highly uncertain.
37. The impact of the increase in the bank rate affects both the council's interest payable on debt and the interest income it receives on its investment. In terms of interest payable, this is dependent on the level of current and future external debt of the council. This in turn depends on the amount of expenditure incurred on the capital budget. The latest forecast is that external borrowing will be in the region of £149m at the end of the 2022/23 financial year.
38. Based on the projected interest rates provided by the Council's advisors and the estimated external borrowing requirement, the interest payable on external debt for 2022/23 is projected to be in the region of £1.460m. The 2022/23 revised revenue budget for interest payable is £1.856m.

#### Local Government Pay Award

39. The 2022/23 pay award has been agreed and implemented, the budget pressure was included in the revised budgets approved in December 2022. The 2022/23 approved revenue budget included an assumption that the pay award would be 2%. The agreed pay award was structured differently and included a £1,925 increase on all points in the pay scales. The financial impact of this proposal was an estimated budget pressure of £0.696m.



## Budget Virements

40. District Executive has delegated authority to approve virements between activities/services/projects within the overall approved net budget total and have further delegated this authority as set out in the table below which is included in section 3.4 of the Financial Procedure Rules.

Authoriser	Limit	Finance advice required from
Budget Holder	£25,000	Specialist – Finance
SLT Member	£50,000	Lead Specialist Finance
Portfolio Holder	£100,000	S151 Officer
District Executive	Greater than £100,000	S151 Officer

41. All budget virements above £50,000 will be reported to District Executive in the quarterly budget monitoring reports for information and transparency.
42. There are no virements greater than £100,000 requiring District Executive approval in the October to December 2022 period. There were no budget virements greater than £50,000 that require noting in the same reporting period.

## Council Tax Support and Council Tax

43. The Council Tax Support Scheme (CTS) provides for discounted tax charges to households with lower incomes. The Authority has set an estimate for 2022/23 of £10.918m within the Council Tax Base for annual CTS discounts, and total of £10.232m has been allocated as at the 31 December 2022. The cost of the CTS is allocated through the Council Tax Collection Fund and is shared between the preceptors in proportion to their relative shares of council tax due for the year (SSDC share is 14.13% for 2022/23).
44. The Hardship Scheme is in place for extreme circumstances with a budget of £36,600 for the year. By the end of December 2022, SSDC had processed 141 successful requests and the amount awarded was £32,330.
45. The in-year collection rate for Council Tax for this time period is 80% for 2022/23 compared to 80.60% for the same period last year. At the end of December 2022, the total of £16.807m outstanding debt relating to previous years had been reduced by £3.97m.

## Non-Domestic Rates

46. The in-year collection rate for Non-Domestic Rates for this time period is 79.4% for 2022/23 compared to 73.15% for the same period last year. At the end of December 2022, the total of £7.089m outstanding debt relating to previous years had been reduced by £2.89m.



47. Non-Domestic Rates income that the Council collects is distributed between Central Government, SSDC, Somerset County Council and the Fire and Rescue Authority under the Business Rates Retention funding system. The shares for 2022/23 are Central Government 50%, SSDC 40%, SCC 9%, Fire 1%.

### Earmarked Reserves

48. The Council holds earmarked revenue reserves for a variety of good financial management reasons. Some reserves are for specific expenditure that will occur in the future, some reserves are held to mitigate possible risk, and others are reserves specifically built up over the past to help support the Medium-Term Financial Plan. We also hold reserves for each Area Committee. Earmarked reserves are either revenue reserves (which can be used to fund both revenue and capital expenditure) or capital reserves which, unless the Secretary of State gives the council a specific dispensation, can only be used to fund capital expenditure.

49. The new authority's implementation Executive recently requested that all 5 Councils look to protect the revenue resources where possible. Therefore, a detailed review of the revenue resources being funded from earmarked reserves has been undertaken. This has resulted in an additional £2m of revenue reserves and £4m of earmarked reserves, which are used for funding the capital programme, being protected for use by the new authority.

50. Table 3 below shows all the transfers that have been actioned for the year to date either under the delegated authority given in the Financial Procedure Rules or by Full Council when the budget was set in February 2022. A detailed breakdown is given in Appendix B.

Table 3

Reserve Type	Balance as at 01/04/2022 £'000	Transfers		Estimated balance as at 31/03/2023 £'000
		To £'000	From £'000	
Capital	(5,184)	(500)	1,456	(4,228)
Revenue	(25,093)	(3,550)	7,679	(20,964)
<b>SSDC useable Reserves</b>	<b>(30,277)</b>	<b>(4,050)</b>	<b>9,135</b>	<b>(25,192)</b>
S31 Grant Reserve	(6,513)	0	3,310	(3,203)
<b>Total Earmarked Reserve Balances</b>	<b>(36,790)</b>	<b>(4,050)</b>	<b>12,445</b>	<b>(28,395)</b>

(Bracketed figures = balance or transfer into reserve, unbracketed figures = transfer from reserve)

51. The S31 Grant reserve is identified separately because the balances are needed to fund forecast shortfalls in Business Rates income in 2022/23 and future years and therefore cannot be used for any other purpose.

52. A transfer to the LGR earmarked reserve of £1m was approved in February 2022 as part of the 2022/23 annual budget. This amount was set aside in the reserve to fund the spending pressure associated with the staffing capacity gaps anticipated during 2022/23.

53. The committed spend to date is £800k meaning there is a balance remaining on the reserve of £200k. Minimal spend is anticipated to the end of the financial year, the balance remaining will transferred to the new authority.

### General Fund Balance

54. The General Fund Balance comprises of an unallocated revenue reserve available to fund unforeseen emergencies and costs. The balance held at 1 April 2022 was £6.556m.
55. The current assessment of the minimum balance requirement is £2.8m. It is advisable to continue to hold a balance above this minimum to provide headroom and flexibility to manage risk and to avoid falling below recommended levels.

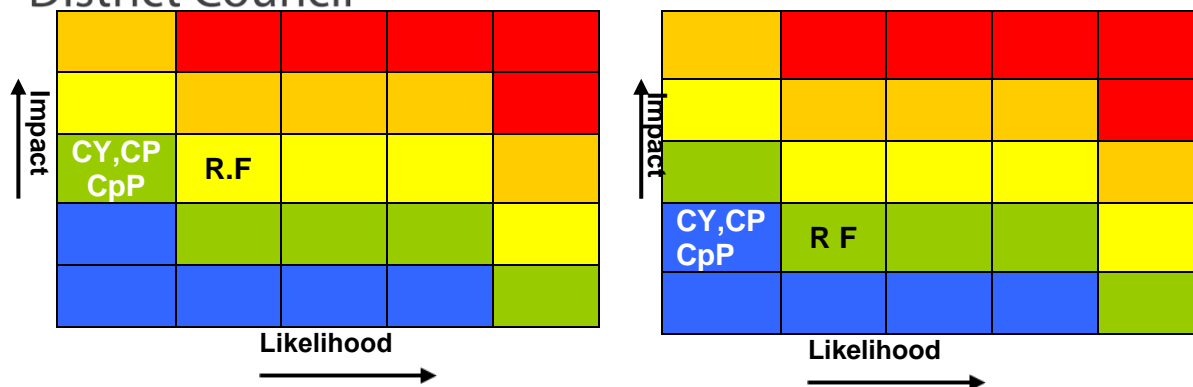
### Financial Implications

56. As part of monitoring, an assessment of risk has been made and details of the current key financial risks are listed in the table below with an update from the responsible officer.

Current Risk	Responsible Officer	Officer's Update
Interest Rates	S151 Officer	Interest rates are anticipated to continue to increase for the remaining part of the financial year as explained in this budget monitoring report. A rise in interest rates increases the cost of borrowing but a positive impact will be seen on the return on the Council's investments.
Cost of living and inflation	S151 Officer	We continue to review the potential impact of the cost of living crisis on our budgets and services.
Business Rate Income	Director-Service Delivery	The collection rate is up by 6.25% compared to the same period in the previous year quarter 3. This is a volatile measure affected by the timing of summonses and payments made by large businesses.
The Council Tax Support Scheme	Director-Service Delivery	The original budget for 2022/23 is £10.918m and a total of £10.232m has been awarded as at 31 December 2022. If costs exceed the assumption in the Council Tax Base this recovery risks a deficit in the Collection Fund to be paid in subsequent years in proportion to precept totals.
Housing Benefit Subsidy	Director-Service Delivery	Current predictions are for the housing benefit subsidy to be on budget at the year-end but the outcome will not be confirmed until the subsidy claim is externally audited in autumn 2023.

### Risk Matrix

**Risk Profile before officer recommendations    Risk Profile after officer recommendations**



**Key**

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

**Council Plan Implications**

57. The budget is closely linked to the Council Plan and maintaining financial resilience and effective resource planning is important to enable the Council to continue to fund its priorities for the local community.

**Carbon Emissions and Climate Change Implications**

58. There are no implications currently in approving this report.

**Equality and Diversity Implications**

59. When the budget was set any growth or savings made included an assessment of the impact on equalities as part of that exercise.

**Privacy Impact Assessment**

60. There is no personal information included in this report.

**Background Papers**

61. Budget setting report to Full Council in February 2022 and Quarter 2 Revenue Budget Monitoring and Revised Estimates report to Full Council in December 2022.

Appendix A

Reserves	Balance as at 01/04/2022 £'000	Transfers		Forecast balance as at 31/03/2023 £'000	Reason for transfers
		To £'000	From £'000		
<b>Capital</b>					
Usable Capital Receipts	(5,035)	(500)	1,307	(4,228)	To fund capital expenditure in 2022/23 (£1.718m) and to set up earmarked reserve for Millers Garage (£413k). £2m is earmarked in 2023/24 as a funding source for the Octagon Theatre redevelopment as agreed by Full Council in December 2021.
Internal Borrowing Reserve (Vehicle Purchases)	(149)	0	149	0	Using to fund 2022/23 capital expenditure
<b>Capital Reserve Balance</b>	<b>(5,184)</b>	<b>(500)</b>	<b>1,456</b>	<b>(4,228)</b>	
<b>Revenue</b>					
Regeneration Fund	(3,243)	(1,234)	249	(4,228)	Pooling Gains arising from SSDC being in the Somerset Business Rates Pool are transferred into the Fund. Transfers out are to fund the revenue costs and some of the capital costs of the Regeneration Programme. An amount of £1.108m to fund the capital programme has been switched to borrowing as per the Q2 capital budget report recommendations.
Capital Reserve	(151)	(7)	0	(158)	As this is a revenue reserve we are not using it to fund the 2022/23 capital budget as per the proposal in Q2 capital monitoring report
Cremator Replacement Capital Reserve	(549)	0	0	(549)	This will not be used to fund capital expenditure, borrowing will be undertaken as per the recommendations in the Q2 capital budget monitoring report.
IT Replacement Reserve	(10)	0	10	0	This will be used in 2022/23 to part fund the relevant projects within the 2022/23 approved capital programme
Ticket Levy Reserve	(252)	(77)	94	(235)	Ticket levies to reserve movement. This is available for Octagon projects (revenue or capital)
Commercial Investment Risk Reserve	(6,719)	0	2,000	(4,719)	£2m of the balance has been transferred into the General Fund Balance in 2022/23 as per Full Council approval in December 2021. It is proposed that works on investment properties will be funded from external borrowing instead of this earmarked reserve, see Q2 capital budget monitoring report.
Sports Facilities Reserve	(10)	0	0	(10)	
Yeovil Athletic Track Repairs Fund	(216)	(19)	10	(225)	This reserve is needed for funding capital in 2024/25 and beyond.
Artificial Grass Pitch Reserve	(177)	(15)	4	(188)	This reserve is needed for funding capital in 2024/25 and beyond. £4k required in year for Hockey Infrastructure.
YIC Maintenance Reserve	(60)	(20)	0	(80)	
Somerset LGR Reserve	0	(1,234)	1,000	(234)	The reserve is to fund staffing pressures arising from LGR in 2022/23, to date £538k has been approved by SLT under delegation. It is assumed that the balance on the reserve will be spent by year end. The £234k for 2023/24 relates to SSDC's contribution to the overall LGR implementation programme.
Medium Term Financial Plan Support Fund	(8,862)	0	2,240	(6,622)	Expenditure funded by the reserve includes: £1,234k into the LGR reserve, £900k for Leisure contract, £350k transfer to Treasury to manage interest rate risk, £71k for the Kick Start Project and £64k for a Planning Policy A303 project. £67k to fund the in year 2022/23 budget gap.
Area Committee Reserves	(113)	0	0	(113)	
Election Reserve	(254)	(40)	0	(294)	Budgeted annual contribution to reserve
Waste Reserve	(100)	0	100	0	
Community Initiatives Reserve	(382)	0	382	(0)	This has been transferred to 2022/23 revenue budget for use to fund the Somerset Families Programme.
Treasury Management Reserve	(750)	(350)	0	(1,100)	There will be £350k transferred from the Medium Term Financial Plan Support Fund in 2022/23 to manage interest rate risk.
Revenue Grants Reserve	(399)	0	106	(293)	Funding of Localities projects in year (£12k) and funding of the MTIG project £31k.
Revenues and Benefits Reserve	(1,240)	(72)	713	(599)	Funding for transitional resources less new burdens grant received transferred to reserve
Business Support Scheme (Flooding)	(82)	0	38	(44)	Transfer to fund the cost associated with the River Parrett trail
Community Housing Fund	(18)	0	18	0	Used to fund spend in Community Housing budgets in 22/23.
Community Safety Reserve	(25)	0	25	0	Used to fund spend on the Public Space Protection Orders & Safe Space Project
Housing & Homelessness Reserve	(537)	0	318	(219)	Funding of temporary staff in 2022/23.
Spatial Policy Reserve	(141)	(28)	132	(37)	Transfer of Neighbourhood Planning Grant into reserve, less funding for planning post.
Climate Change Fund	(266)	0	204	(62)	Funding of staff involved in this climate change initiative.
Community Resilience Reserve	(91)	0	72	(19)	Social mobility project.
COVID Recovery Reserve	0	(454)	178	(276)	
Business Rates S31 Grants Collection Fund	(6,513)	0	3,310	(3,203)	This reserve holds the S31 grant provided by Government to compensate the Council for the reduced business rates income following the introduction of Retail Discount Relief in 2020/21. The transfer from reserves offsets the forecast NDR deficit in the 2021/22 accounts. The transfer to reserves is S31 grant received in 2021/22 that will be used to offset any future year deficits. £3m of the balance will be used in 2022/23.
MRP Reserve	(444)	0	0	(444)	Transfer to reserve to cover potential additional MRP
<b>Revenue Reserves Balance</b>	<b>(31,606)</b>	<b>(3,550)</b>	<b>11,203</b>	<b>(23,953)</b>	
<b>General Fund Balance</b>	<b>(6,556)</b>	<b>(2,000)</b>	<b>0</b>	<b>(8,556)</b>	Increase in reserve by transfer from Commercial Risk reserve as agreed by December 21 Full Council

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## Urgent Decision of the Chief Executive relating to the provision of Hostel Accommodation

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Executive Portfolio Holders: Val Keitch, Strategy  
Nicola Clark, Housing  
Strategic Director: Jane Portman, Chief Executive  
Contact Details: Jane.portman@southsomerset.gov.uk

### Decision Record

Under paragraph 4 of Section 6 of part 3 of the Constitution (Functions Delegated to Officers), the Chief Executive has delegated authority from Council to take urgent decisions in relation to Executive matters in consultation with the Leader (or Deputy Leader) of the Council and the relevant Portfolio Holder, providing that action is reported to the next appropriate meeting of Executive. An urgent decision is one that is considered by the Chief Executive to be necessary to protect the interests of, or advance the business of, the Council.

Under paragraph 4 of Section 6 of part 3 of the Constitution (Functions Delegated to Officers), the Chief Executive has delegated authority from Council to take urgent decisions in relation to Executive matters in consultation with the Leader (or Deputy Leader) of the Council and the relevant Portfolio Holder, providing that action is reported to the next appropriate meeting of Executive. An urgent decision is one that is considered by the Chief Executive to be necessary to protect the interests of, or advance the business of, the Council.

Having consulted the Leader of the Council and the relevant Portfolio Holder, I am exercising the delegated authority set out in **paragraph 4 of Section 6 of part 3 of the Constitution (Functions Delegated to Officers)**, to take the following urgent decision, which I consider to be necessary to protect the interests of, or advance the business of, South Somerset District Council. The reasons for my decision are set out in the Appendix.

This is a key decision within the meaning of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012. For the reasons set out in the Appendix, I am satisfied that regulation 11 (cases of special urgency) applies.

### Decision

Subject to the consent of Somerset County Council under the section 24 Direction issued by the Secretary of State on 10 May 2022, to vire £219,829 from the Housing & Homelessness Reserve (X8380) to the revenue housing budget to fund a 10-bed space hostel with support for single homeless people and rough sleepers for 2023/24.

**Jane Portman, Chief Executive**  
Date: 21<sup>st</sup> February 2023

## Confirmation

I, Val Keitch, Leader of the South Somerset District Council, have been consulted by Jane Portman on the above urgent decision, which she considers necessary to protect the interests of, or advance the business of, South Somerset District Council. I have had the opportunity to read her reasons and concur with her decision.

**Val Keitch, Leader of the South Somerset District Council**

Date: 21<sup>st</sup> February 2023

I, Nicola Clark, the relevant Portfolio Holder, have been consulted by Jane Portman on the above urgent decision, which she considers necessary to protect the interests of, or advance the business of, South Somerset District Council. I have had the opportunity to read her reasons and concur with her decision.

**Nicola Clark, Portfolio Holder for Housing**

Date: 21<sup>st</sup> February 2023

I, Gerard Tucker, Chair of the Scrutiny Committee, have been consulted by Jane Portman on the above urgent decision, which she considers necessary to protect the interests of, or advance the business of, South Somerset District Council. I have had the opportunity to read her reasons and I agree that the making of the decision is urgent and cannot reasonably be deferred.

**Gerard Tucker, Chair of the Scrutiny Committee**

Date: 21<sup>st</sup> February 2023

**Appendix**

**Article 13 – Decision Making**

<b>Principle</b>	<b>Response</b>
Proportionality Article 13.02(a)	<p>This action is proportionate to the desired outcome because of the Council's duties under the Homelessness Reduction Act and the likely adverse impact on the Council's ability to fulfil those duties, to vulnerable individuals and the wider community.</p> <p>It ensures that the interests of all stakeholder groups are protected and that the council can properly exercise its functions in a cost-effective way.</p>
Due consultation and the taking of professional advice from officers Article 13.02(b)	This decision is an urgent decision and the Leader of Council and relevant Portfolio Holders have been consulted. Professional advice has been taken from the Monitoring Officer and the relevant Specialists in Housing and Finance.
Respect for human rights Article 13.02(c)	-
Presumption in favour of openness Article 13.02(d)	This decision record is a public document
Clarity of aims and desired outcomes Article 13.02(e)	These are set out in the reasons for the decision
<b>Reasons for decision</b> Article 13.02(f)	<p><b>Background</b></p> <p>Provision of hostel accommodation and associated support forms a key part of SSDC's responsibilities in preventing homelessness and rough sleeping, supporting vulnerable people in our community and delivering our requirements under the Homelessness Reduction Act. The service forms a key part of our/partners role in helping people move on from rough sleeping, through our accommodation pathway and into independent living.</p> <p>It is a high priority for all the Somerset Councils, and we have a joint Somerset Homelessness &amp; Rough Sleeping Strategy. Most of our services for homeless prevention and rough sleeper outreach support (apart from the hostel itself) are funded through DLUHC (Department for Levelling Up, Housing and Communities) grants.</p> <p>In October 2022, BCHA (Bournemouth Churches Housing Association) the current provider running Pathways hostel gave 6 months' notice on their 5-year contract (2022-25) to provide hostel accommodation and support. Pathways 30 bed hostel at Newton Road</p>





Yeovil will close on 31 March 23, the reasons for the notice was due to the extremely poor condition of the building.

Since receiving notice, the Housing Team have been sourcing alternative accommodation, and have now found a licenced HMO which suits the needs of the client group. Due to the size of the unit the cost of managing the accommodation is significantly more than the costs of running Pathways.

Following direction from Members we are proposing the use of smaller units of accommodation to provide more appropriate accommodation for the client group and reduce the impact on the local communities.

The accommodation proposed utilises an existing House of Multiple Occupation, but ensuring we have office space for staff. The accommodation will be staffed 24/7. Staff will provide support to the residents to enable them to use other services with the aim of moving onto more permanent accommodation.

#### **Reasons for Decision**

Without hostel supported accommodation the Council will be forced to rely on Bed and Breakfast accommodation.

The cost of operating the HMO annually will be £379,829, the potential cost for the same number of households in Bed and Breakfast accommodation could be as much as £360,480 per year.

There is an additional cost due to the reduction BCHA will receive in Housing Benefit, Pathways is a 30-bed space hostel, whilst the new hostel is only 10 bedspaces. Both hostels have the same staffing costs to ensure the building is run in a safely and proactive way to support the residents.

The cost to the public purse is also likely to increase, since the decommissioning of Pathways we have had to place a larger number of clients into B&B accommodation, which has put additional demand on the Police and NHS.

The accommodation will provide a proactive, multi-agency support, which will reduce the demand for other public services for example the Police and NHS. Failure to provide the accommodation will also likely cause an increase in rough sleepers, street drinking and antisocial behaviour within the town centre.

To achieve this benefit, we will need the on-going support of BCHA. BCHA are due to serve redundancy notices to all the staff employed to deliver the South Somerset contract on 22 February 2023 unless we can



	<p>confirm that funding is in place to support the activities they support under the contract.</p> <p>The current accommodation is funded partly by housing benefit and partly from SSDC, due to the reduction in the number of units in the new property there will be a drop in income for BCHA. Unfortunately, there is no reduction in costs as the same number of staff are required to safely and effectively run the unit and ensure there is cover 24/7.</p>
Is this a Key Decision?	<p>Yes – it is an executive decision which, is likely to</p> <p>(a) result in the local authority incurring expenditure which is, or the making of savings which are, significant having regard to the local authority's budget for the service or function to which the decision relates; and</p> <p>(b) be significant in terms of its effects on communities living or working in an area comprising two or more wards or electoral divisions in the area of the local authority.</p> <p>In accordance with regulation 11 (cases of special urgency) of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012, the Chair of the Council's Scrutiny Committee has agreed that the making of the decision is urgent and cannot reasonably be deferred.</p>



## Executive Forward Plan

Executive Portfolio Holder: Val Keitch, Leader, Strategy  
Strategic Director: Jill Byron, Monitoring Officer  
Lead Officer: Angela Cox, Democratic Services Specialist  
Contact Details: angela.cox@southsomerset.gov.uk or (01935) 462148

## Purpose of the Report

1. This report informs Members of the current Executive Forward Plan, provides information on Portfolio Holder decisions and on consultation documents received by the Council that have been logged on the consultation database.

## Public Interest

2. The Executive Forward Plan lists the reports due to be discussed and decisions due to be made by the Council. The Consultation Database is a list of topics which the Council's view is currently being consulted upon by various outside organisations.

## Recommendations

3. That District Executive agree to:
  - a) approve the updated Executive Forward Plan for publication as attached at Appendix A
  - b) note the contents of the Consultation Database as shown at Appendix B.

## Executive Forward Plan

4. The latest Forward Plan is attached at Appendix A. The reports listed will be presented to Full Council on 30 March 2023.

## Consultation Database

5. The Council has agreed a protocol for processing consultation documents received by the Council. This requires consultation documents received to be logged and the current consultation documents are attached at Appendix B.

## Background Papers

6. None.

## Appendix A - SSDC Executive Forward Plan – March 2023

Date of Decision	Decision	Portfolio	Service Director	Contact	Committee(s)
30 March 2023	Lufton 2000 Joint Venture	Portfolio Holder - Economic Development including Commercial Strategy	Monitoring Officer	Robert Orrett, Commercial Property. Land & Development Manager	South Somerset District Council
30 March 2023	Presentation on the Kickstart Scheme	Portfolio Holder - Strategy	Director Service Delivery	Trevor Green, Case Officer, Service Delivery	South Somerset District Council
30 March 2023	2021/22 External Auditors' Annual Report (from Audit Committee)	Portfolio Holder - Area North, Licensing & Environmental Health	Director Strategy, Support & Environmental Services	Nicola Hix, Director (Strategy, Support & Environmental Services)	South Somerset District Council
30 March 2023	External Audit Value For Money (VFM) Audit	Portfolio Holder - Finance, Legal & Democratic Services	Director Strategy, Support & Environmental Services	Nicola Hix, Director (Strategy, Support & Environmental Services)	South Somerset District Council

## APPENDIX B - Current Consultations – March 2023

Purpose of Document	Portfolio	Director	Response to be agreed by	Contact	Deadline for response
<p><b>Levelling-up and Regeneration Bill: reforms to national planning policy</b></p> <p>This consultation seeks views on our proposed approach to updating to the National Planning Policy Framework. We are also seeking views on our proposed approach to preparing National Development Management Policies, how we might develop policy to support levelling up, and how national planning policy is currently accessed by users.</p> <p><a href="https://www.gov.uk/government/consultations/levelling-up-and-regeneration-bill-reforms-to-national-planning-policy">Levelling-up and Regeneration Bill: reforms to national planning policy - GOV.UK (www.gov.uk)</a></p>	Protecting Core Services	Director – Service Delivery	Officers in consultation with the Portfolio Holder	John Hammond, Lead Specialist – Built Environment	02 March 2023
<p><b>Council tax valuation of Houses in Multiple Occupation (HMOs)</b></p> <p>A consultation on the council tax valuation of Houses in Multiple Occupation, including the government’s proposal of possible changes.</p> <p><a href="https://www.gov.uk/government/consultations/council-tax-valuation-of-houses-in-multiple-occupation-hmos?utm_medium=email&amp;utm_campaign=govuk-notifications-topic&amp;utm_source=c5b882a8-ceb1-4b22-9c2b-cf584fa89595&amp;utm_content=daily">https://www.gov.uk/government/consultations/council-tax-valuation-of-houses-in-multiple-occupation-hmos?utm_medium=email&amp;utm_campaign=govuk-notifications-topic&amp;utm_source=c5b882a8-ceb1-4b22-9c2b-cf584fa89595&amp;utm_content=daily</a></p>	Finance and Legal Services	Director – Service Delivery	Officers in consultation with the Portfolio Holder	Karen Case, Specialist, Revenues	31 March 2023

Purpose of Document	Portfolio	Director	Response to be agreed by	Contact	Deadline for response
<p><b>Late Night Levy</b></p> <p>The Home Office need to fulfil a public commitment to consult on the level of charge to be applied to late night refreshment premises. This is in order to commence legislative changes made to the late night levy.</p> <p>The consultation seeks views on the level of the levy to be applied to late night refreshment providers.</p> <p><a href="https://www.gov.uk">Late night levy - GOV.UK (www.gov.uk)</a></p>	<p>Area North, Licensing &amp; Environmental Health</p>	<p>Director – Service Delivery</p>	<p>Officers in consultation with the Portfolio Holder</p>	<p>Michelle James, Principal Licensing Specialist</p>	<p>04 April 2023</p>

## **Exclusion of Press and Public**

The District Executive is asked to agree that the following Agenda item be considered in Closed Session by virtue of the Local Government Act 1972, Schedule 12A under paragraph 3:

“Information relating to the financial or business affairs of any particular person (including the authority holding that information).”

It is considered that the public interest in maintaining the exemption from the Access to Information Rules outweighs the public interest in disclosing the information.

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## **Briefing on Local Government Reorganisation (Confidential)**

Executive Portfolio Holder:	Val Keitch, Strategy
Chief Executive:	Jane Portman
Strategic Director:	Jan Gamon, Place and Recovery
Lead Officer:	Jan Gamon, Director – Place and Recovery
Contact Details:	Jan.gamon@southsomerset.gov.uk or 01935 462095

The Chief Executive and Director for Place and Recovery will provide Members with a verbal update on any matters relating to the future of Local Government in Somerset.