

SWT Corporate Scrutiny Committee

Wednesday, 1st December, 2021,
6.15 pm



Somerset West
and Taunton

The John Meikle Room - The Deane
House

[SWT MEETING WEBCAST LINK](#)

Members: Gwil Wren (Chair), Nick Thwaites (Vice-Chair), Ian Aldridge, Benet Allen, Marcus Barr, Sue Buller, Norman Cavill, Simon Coles, Habib Farbahi, Ed Firmin, Barrie Hall, John Hassall, Libby Lisgo, Danny Wedderkopp and Loretta Whetlor

Agenda

1. Apologies

To receive any apologies for absence.

2. Minutes of the previous Corporate Scrutiny Committee

To approve the minutes of the previous meeting of the Committee held on

(Pages 5 - 12)

3. Declarations of Interest

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

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

4. Public Participation

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

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

before Councillors debate the issue.

Temporary measures during the Coronavirus pandemic

Due to the temporary legislation (within the Coronavirus Act 2020, which allowed for use of virtual meetings) coming to an end on 6 May 2021, the council's committee meetings will now take place in the office buildings at the John Meikle Room, Deane House, Belvedere Road, Taunton.

Unfortunately due to capacity requirements the Chamber at West Somerset House is not able to be used at this current moment.

Following the Government guidance on measures to reduce the transmission of coronavirus (COVID-19), the council meeting rooms will have very limited capacity. With this in mind, we will only be allowing those members of the public who have registered to speak to attend the meetings in person at the office buildings, if they wish. (We will still be offering to those members of the public that are not comfortable in attending, for their statements to be read out by a member of the Governance team). Please can we urge all members of the public who are only interested in listening to the debate to view our live webcasts from the safety of their own home to help prevent the transmission of coronavirus (COVID-19).

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|---|------------------------|
| <p>5. Corporate Scrutiny Request/Recommendation Trackers</p> <p>To update the Scrutiny Committee on the progress of resolutions and recommendations from previous meetings of the Committee.</p> | <p>(Pages 13 - 18)</p> |
| <p>6. Corporate Scrutiny Committee Forward Plan</p> <p>To receive items and review the Forward Plan.</p> | <p>(Pages 19 - 20)</p> |
| <p>7. Executive and Full Council Forward Plan</p> | <p>(Pages 21 - 24)</p> |
| <p>8. Corporate Performance Report Quarter 2 2021-22</p> <p>This matter is the responsibility of Executive Councillor Member Ross Henley.</p> <p>Report Author: Malcolm Riches, Business Intelligence and Performance Manager.</p> | <p>(Pages 25 - 46)</p> |
| <p>9. 2021-22 General Fund Financial Monitoring as at Quarter 2</p> <p>This matter is the responsibility of Executive Councillor Henley, Corporate Resources</p> | <p>(Pages 47 - 74)</p> |

Report Author: Kerry Prisco (Management Accounting and Reporting Lead)

10. Draft 2022-23 General Fund Budget Update

(Pages 75 - 86)

This matter is the responsibility of Executive Councillor Henley, Corporate Resources

Report Author: Emily Collacott, Lead Finance Business Partner and Deputy S151 Officer

A handwritten signature in black ink, appearing to read 'A Pritchard', with a horizontal line underneath.

**ANDREW PRITCHARD
CHIEF EXECUTIVE**

Please note that this meeting will be recorded. You should be aware that the Council is a Data Controller under the Data Protection Act 2018. Data collected during the recording will be retained in accordance with the Council's policy. Therefore unless you are advised otherwise, by taking part in the Council Meeting during Public Participation you are consenting to being recorded and to the possible use of the sound recording for access via the website or for training purposes. If you have any queries regarding this please contact the officer as detailed above.

Following Government guidance on measures to reduce the transmission of coronavirus (COVID-19), we will be live webcasting our committee meetings and you are welcome to view and listen to the discussion. The link to each webcast will be available on the meeting webpage, but you can also access them on the [Somerset West and Taunton webcasting website](#).

If you would like to ask a question or speak at a meeting, you will need to submit your request to a member of the Governance Team in advance of the meeting. You can request to speak at a Council meeting by emailing your full name, the agenda item and your question to the Governance Team using governance@somersetwestandtaunton.gov.uk

Any requests need to be received by 4pm on the day that provides 2 clear working days before the meeting (excluding the day of the meeting itself). For example, if the meeting is due to take place on a Tuesday, requests need to be received by 4pm on the Thursday prior to the meeting.

The Governance and Democracy Case Manager will take the details of your question or speech and will distribute them to the Committee prior to the meeting. The Chair will then invite you to speak at the beginning of the meeting under the agenda item Public Question Time, but speaking is limited to three minutes per person in an overall period of 15 minutes and you can only speak to the Committee once. If there are a group of people attending to speak about a particular item then a representative should be chosen to speak on behalf of the group.

Please see below for Temporary Measures during Coronavirus Pandemic and the changes we are making to public participation:-

Due to the temporary legislation (within the Coronavirus Act 2020, which allowed for use of virtual meetings) coming to an end on 6 May 2021, the council's committee meetings will now take place in the office buildings within the John Meikle Meeting Room at the Deane House, Belvedere Road, Taunton. Unfortunately due to capacity requirements, the Chamber at West Somerset House is not able to be used at this current moment.

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Full Council, Executive, and Committee agendas, reports and minutes are available on our website: www.somersetwestandtaunton.gov.uk

For further information about the meeting, please contact the Governance and Democracy Team via email: governance@somersetwestandtaunton.gov.uk

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SWT Corporate Scrutiny Committee - 3 November 2021

Present: Councillor Gwil Wren (Chair)

Councillors Ian Aldridge, Benet Allen, Sue Buller, Norman Cavill, Simon Coles, Ed Firmin, Barrie Hall, Libby Lisgo, Loretta Whetlor and Sarah Wakefield (In place of Habib Farbahi)

Officers: Paul Fitzgerald, Marcus Prouse, Lisa Tuck, Alison Blom-Cooper, Chris Hall, Jessica Kemmish and Sam Murrell

Also Present: Councillors Mark Blaker, Habib Farbahi, John Hassall, Marcus Kravis, Janet Lloyd, Federica Smith-Roberts and Mark Wathen

(The meeting commenced at 6.15 pm)

54. Apologies

An apology was received from Councillor Nick Thwaites.

Cllr Sarah Wakefield was added as a substitute for Cllr Farbahi.

55. Minutes of the previous Corporate Scrutiny Committee

The minutes of the meeting held on 1st September 2021 were approved.

56. Declarations of Interest

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

Name	Minute No.	Description of Interest	Reason	Action Taken
Cllr M Blaker	All Items	Wiveliscombe	Personal	Spoke
Cllr N Cavill	All Items	West Monkton	Personal	Spoke and Voted
Cllr S Coles	All Items	SCC & Taunton Charter Trustee	Personal	Spoke and Voted
Cllr L Lisgo	All Items	Taunton Charter Trustee	Personal	Spoke and Voted
Cllr J Lloyd	All Items	Wellington & Sampford Arundel	Personal	Spoke
Cllr F Smith-Roberts	All Items	Taunton Charter Trustee	Personal	Spoke
Cllr L Whetlor	All Items	Watchet	Personal	Spoke and Voted
Cllr G Wren	All Items	Clerk to Milverton PC	Personal	Spoke and Voted

Cllr Wren further declared that he had a friend who was one of the partners of Cushman & Wakefield following the Portfolio Holder for Asset Management and Economic Development having mentioned Cushman and Wakefield in his introduction.

57. **Public Participation**

There was no Public Participation.

58. **Corporate Scrutiny Request/Recommendation Trackers**

Regarding the Outturn Report which was discussed by the Corporate Scrutiny Committee on 7th July 2021, information in relation to appendix B was requested but had not yet been provided to members. Officers responded that the information had been requested and would be provided once received.

A further response and update on extensions to planning applications as a result of the phosphates issue was requested. Alison Blom-Cooper who was in attendance at the meeting provided an update on progress with resolving the planning backlog as a result of the phosphates issue.

Three requests for information from 1st September 2021 meeting were still outstanding. The Chair asked officers to request that this information be provided.

The Corporate Scrutiny Request and Recommendation Trackers were noted.

59. **Corporate Scrutiny Committee Forward Plan**

Officers advised that the Tower Street Report and the Public Transport Task and Finish Report may both be delayed until the new year.

The Corporate Scrutiny Committee forward plan was noted.

60. **Executive and Full Council Forward Plan**

The Corporate Scrutiny Committee noted the Executive and Full Council forward plans.

61. **To consider reports from Executive Councillors - Cllr Federica Smith Roberts**

The Chair advised that the agenda order had been revised so that item 9, to consider reports from Executive Councillors – Federica Smith-Roberts was discussed ahead of item 8, the Innovation District Update.

Councillor Federica Smith-Roberts was welcomed to the Corporate Scrutiny Committee meeting. The Chair explained that this was an opportunity for councillors to ask questions to the Leader and then opened the debate. During the debate the following comments and questions were raised:

- An explanation of the makeup of the Local Government Reorganisation Joint Committee upon which Cllr Smith-Roberts sits was given. It was encouraged that the views of all councillors would be represented by the Leader on this Joint Committee. It was recognised that a two-way flow of information would be beneficial.
- It was highlighted that a letter from government regarding the draft Structural Change Order had been received and that it was currently with the Council's legal team and would be shared with councillors the next day.
- Concerns were expressed about how long councillors will have to comment upon the draft Structural Change Order. Councillors commenting upon the draft was encouraged.
- Continuing to progress the Council's initiatives and current projects where possible ahead of the new Unitary Authority being implemented was encouraged.
- Concerns were raised about the level of representation for the residents of Somerset West and Taunton and particularly representation for sparsely populated areas following the implementation of the new Unitary Authority.
- It was highlighted that both the Local Government Reform Joint Committee and Local Government Reform Advisory Board meetings are open to all.
- Concerns were raised about the capital and revenue provisions for Local Government Reorganisation, and it was questioned as to whether budgets had been agreed. The Leader responded that budgeting for the set-up costs of the new authority were still being discussed.
- Concerns were raised about the creation of Local Community Networks and the impact of their creation upon parish councils.
- It was questioned why the letter from government regarding the draft Structural Change Order had been circulated to the monitoring officers and legal first and had not yet been provided to councillors.
- It was questioned whether compensation was ever paid to Maggie's Centre. The Leader responded that no compensation had been paid to Maggie's Centre.
- Supporting local business through the impact of Covid-19 was encouraged. It was encouraged that the Leader should consider meeting with local businesses. The efforts of the Council in ensuring Covid grants were paid out promptly to businesses were praised.
- It was questioned what the net return and yield is from the commercial strategy and what the latest progress on the commercial strategy was.
- Concerns were raised about the procedure through which a motion was put forth and adopted at the last Full Council meeting and whether this had set a precedent.
- It was questioned whether the Council has a communications strategy and where information about this could be found. It was asked what resource the Council has to fund communications and what performance management process is in place to track progress against targets.

- It was suggested a survey of councillors to gather views on communications would be beneficial.
- Concerns were raised about the effectiveness of Firmstep in terms of processing enquiries and complaints.
- The Leader continuing to meet with town and parish councils was encouraged.

Councillor Firmin left the meeting at 7:17pm.

- It was encouraged that action be taken to bring about uniformity in terms of parking charges in car parks across the district.
- The process for appointing a new CEO of the Council was outlined.
- The Corporate Scrutiny Committee thanked Cllr Federica Smith-Roberts for attending the meeting.

62. **Innovation District Update**

The Portfolio Holder for Asset Management and Economic Development introduced the report to the Committee. The following points were made by the Portfolio Holder during the introduction.

- A study was commissioned in July 2020 as a commitment of the economic development strategy which was approved by Full Council and undertaken under the delegated authority of the portfolio holder.
- Research has shown that jobs in the technological, innovation or research and development sectors created more jobs in the wider economy and that those jobs tended to be better paid. Companies in those sectors also tended to get more involved in sponsoring things such as education.
- Innovation did not necessarily need to be structured around universities.
- Having a technological or innovation company based on Exmoor or in our coastal communities would have a greater positive impact on the communities around it.
- It was suggested that innovation was vital for the long-term transformation of our area.
- Through consultation we aim to strengthen our relationships with universities around Somerset and other research organisations.
- Seven key points were identified for achieving innovation in the district: the innovation ecosystem, growth of talent for innovation and enterprise, support for information exchange, getting the right infrastructure, establishing leadership and stewardship through an advisory board, having a distinctive brand and creating an attractive and vibrant place to live.
- It was raised that it was important to encourage creative industries and digital industries.
- Our consultants EIBC concluded that there was no case for Somerset West and Taunton Council to promote or invest in a new science park but that there was a case for the creation of an innovation district. There were about twenty

innovation districts currently but Somerset West and Taunton would be one of the first in a rural area.

- Following engagement with members, stakeholders and businesses the summary findings were published in March 2021. The findings were shared with members and the public.
- The next task of the Innovation Leadership Group would be to agree the areas of collaborative focus and address gaps in our innovation district support system. This would be concurrent with looking to create the proposed physical Innovation Centre.

During the debate the following comments and questions were raised:

- It was questioned whether there were strategic aims in place yet from the Innovation District for improving innovation and if so what the details of those aims were.
- It was raised that encouraging more young people to stay in or move to the area would be important in enabling innovation and development.
- Concerns were raised about poor broadband and digital infrastructure in the district hindering innovation and development.
- Setting up strategic partnerships was encouraged.
- The evidence and reasoning for not pursuing a science park in Somerset West and Taunton was questioned and discussed.
- Concerns were raised that the terms of reference for the study were not followed in the EIBC study, and it was questioned why this was the case.
- It was raised that in addition to the terms of reference there was also a scoping brief and a tender document.
- It was requested that the original terms of reference and the terms of reference used for the EIBC report be shared with the committee. Concerns were also raised about members having not been provided with the full report due to confidentiality and non-disclosure agreements. Officers informed the Committee that the release of the full report was not possible due to the confidentiality agreements originally made with businesses who participated in the study. However, the committee was informed by officers that a redacted version would be issued to members.
- It was questioned why the report mentioned an additional employment space review being undertaken for West Somerset to identify more employment land for industrial but then elsewhere in the report it mentioned 54,000 square feet of potential land.
- Concerns were raised about infrastructure being insufficient and this hindering innovation and development.
- It was raised that there are two innovation centres in the district, firstly the Rutherford Diagnostic Centre which would have a MedTech Innovation Centre in future and the Digital Innovation Centre being built at Firepool.
- The planned ratio between manufacturing and service industries as part of innovation and development was questioned and it was asked how sustainable employment opportunities would be created.
- Concerns were raised about EICB's suggestion that an Innovation Centre be built in Watchet given the poor transport links in West Somerset.

- It was questioned whether the aim was to create new employment or attract jobs from elsewhere into the area.
- It was discussed whether an innovation hub would be better than an innovation district.
- It was raised that many of the young people from the district who leave the area to go to university do not come back and that work needs to be done to make the district a desirable place for young people to return to after studying.
- It was questioned whether a different approach is needed in Somerset West and Taunton or whether instead lessons could be learned, and ideas taken from areas where innovation has been successful.
- Bids for grant funding where possible were encouraged.
- It was discussed about what is needed to attract talent and businesses to our area to encourage innovation. It was suggested that West Somerset is less attractive than Taunton to talent and businesses.
- It was raised that having an innovation hub in Taunton initially and then expanding innovation across the district afterwards may be better than immediately looking to establish an innovation district. It was suggested that businesses may be more attracted to Taunton than other parts of the district due to its proximity to the motorway.
- It was suggested that a feasibility study for an innovation hub in Taunton be undertaken.

A motion was moved by Councillor Coles and second by Councillor Wakefield to recommend to the Executive that; A feasibility study is undertaken for the provision of an innovation hub based in Taunton and that the Council brings the results of such a study back through the democratic path when completed. The funding for this proposal is to be found within existing 2021/22 budgets where possible. Proposed by Councillor S Coles and seconded by Councillor S Wakefield.

During the debate on the motion the following comments and questions were raised:

- It was raised that it could be too early to conduct a further feasibility study as the results of the first study were yet to be fully considered.
- It was suggested that the motion was too prescriptive and that this may lead to barriers. It was suggested that it would be better for the committee to make comments to the Executive of the benefits of having an innovation hub in Taunton.
- Concerns were raised that a further feasibility study could cover some of the same areas as the work already in progress.
- Concerns were raised that a feasibility study for an innovation hub in Taunton would not look at the whole district and that an innovation hub in Taunton would not lead to innovation being developed across the district.
- It was questioned whether having an innovation district would be too nebulous an idea and therefore having an innovation hub from which innovation can spread out into the rest of the district would be beneficial.
- It was raised that an innovation hub could potentially be based at Nexus 25.

- It was raised that Taunton is well located within the Southwest to act as a centre for businesses and business meetings.

Corporate Scrutiny Committee Recommended to the Executive that; A feasibility study is undertaken for the provision of an innovation hub based in Taunton and that the Council brings the results of such a study back through the democratic path when completed. The funding for this proposal is to be found within existing 2021/22 budgets where possible. Proposed by Councillor S Coles and seconded by Councillor S Wakefield.

(The Meeting ended at 9.06 pm)

SOMERSET WEST AND TAUNTON COUNCIL
CORPORATE SCRUTINY COMMITTEE RECOMMENDATION TRACKER 2021/22

Date of Cttee	Scrutiny Recommendation	Decision Maker /Directorate Responsible	Final Decision/ Response to recommendation/	Date of response	Implemented?	Officer Comments/Update
03/11/21	<p>Recommended:- SWT Corporate Scrutiny Committee Recommended to the Executive that; A feasibility study is undertaken for the provision of an innovation hub based in Taunton and that the Council brings the results of such a study back through the democratic path when completed. The funding for this proposal is to be found within existing 2021/22 budgets where possible.</p>	The Executive	<p>Executive – 17th November 2021</p> <p>2.1 That the Executive resolve to progress the work identified in the ‘Developing the Innovation Ecosystem in Somerset West and Taunton – Framework for Action’ report and not to carry out an additional feasibility study for an innovation hub in Taunton, however,</p> <p>2.2. As part of SWT’s role as an enabler to deliver the space necessary for research and innovation within the district, the council will as part of the work of enabling the development of innovation assets to the next level, will finance and host a R&I conference in Taunton by or during the summer 2022, bringing together business, academia, developers, investors and the wider industries in order to progress</p>	17 th November 2021		

			development of R&I assets in Taunton and the wider district			
2/06/21	<p>Recommended:- The Corporate Scrutiny Committee reviewed performance against the Commercial Property Investment Strategy (CPIS) and supported the following recommendations to the Executive;</p> <ol style="list-style-type: none"> 1. For transparency, gross and net income from the commercial investments to be made more readily available from the six monthly reviews with a link to be provided in future reports to the SWT website where this information is posted. 2. The communications underpinning the CPIS both internally and externally need to be improved upon considerably, as it was considered important that people understood what the Council was trying to do and why, and how this work inter-linked with the Corporate Priorities of the Council. 3. The Corporate Scrutiny Committee was pleased to be informed that the legacy commercial 	Full Council - Cllr R Henley – PFH Corporate Resources	<p>Full Council – 7th September 2021 –</p> <p>The Corporate Scrutiny Committee reviewed performance against the Commercial Property Investment Strategy (CPIS) and supported the following recommendations to the Executive; [NB this paper did not go to the Executive - therefore these recommendations will be considered by the Commercial Investment Board] For transparency, gross and net income from the commercial investments to be made more readily available from the six monthly reviews with a link to be provided in future reports to the SWT website where this information is posted. The communications underpinning the CPIS both internally and externally need to be improved upon considerably, as it was considered important that people understood what the Council was trying to do and why, and how this work inter-linked with the Corporate Priorities of the</p>	7 th September 2021	Not clear if CIB has considered these recommendations have been adopted.	Report not planned to go to Executive – response to be reported in Full Council report and in introduction by PFH which has indicated the recommendations will be considered by the Commercial Investment Board in due course.

	<p>properties will be incorporated in the next scheduled review paper that is to go to Full Council in December, but in advance of this, a light-touch document is requested to be circulated to the Committee.</p>		<p>Council. The Corporate Scrutiny Committee was pleased to be informed that the legacy commercial properties will be incorporated in the next scheduled review paper that is to go to Full Council in December, but in advance of this, a light-touch document is requested to be circulated to the Committee.</p>			
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Total Recommendations for 21/22:

Agreed:

Agreed in Part:

Not Agreed:

TBD:

SOMERSET WEST AND TAUNTON COUNCIL
CORPORATE SCRUTINY COMMITTEE WRITTEN ANSWERS TRACKER 2021/22

Date of Cttee	Scrutiny Cttee Request for information	Decision Maker /Directorate Responsible	Response to request for information	Date response of	Scrutiny Officer Comments/Update
07/07/21	Q) <i>Outturn Report - Can the Finance team provide a comparison with this year's outturn and last years on debts written off?</i>	Cllr Ross Henley/Finance			Understood this information can be provided.
07/07/21	Q) <i>Performance Report – Extensions to Planning applications due to phosphates – further detail on how many had had multiple extensions?</i>	Cllr Mike Rigby / Planning	We don't hold that information and I am not clear of the relevance of whether they have had multiple extensions. The more pertinent information is the number of applications which are currently held in abeyance due to the need to provide measures to mitigate the impact of development on the Somerset Levels and Moors Ramsar site. As Rebecca reported to Planning Committee we currently have approximately 100 applications equating to approximately 2,300 dwellings and 13 sites awaiting the	01/09/21	A verbal update was given to the Corporate Scrutiny Committee by Alison Blom-Cooper during the committee meeting on 3/11/21.

			discharge of conditions equating to approximately 450 dwellings.		
01/09/21	<i>2021/22 General Fund Financial Monitoring as at Qtr1</i> Q) Collation of parking income was requested along with the projected shortfall with comparison to pre pandemic levels.	Cllr R Henley & Cllr M Rigby / Finance/ Parking	Awaiting response. <i>(Check details of Qtr2 monitoring)</i>	10/11/21	Finance Business Partner currently checking with Stuart Noyce (may be a delay due to leave commitments)
01/09/21	<i>2021/22 General Fund Financial Monitoring as at Qtr1 –</i> Q) Appendix A compared to the budget agreed in February was considered, with a requested for further information in comparison to the detail of the variances.	Cllr R Henley / Finance	Paul Maclean has asked Cllr Buller to contact him direct so that he can fully understand the query and provide a satisfactory response. - First email was 07/09/21 - To be followed up.		Paul Maclean – can provide a detailed written response. Email fwd on. Emily Collacott and Paul Maclean.
01/09/21	<i>2021/22 – HRA Financial Monitoring as at Q1</i> - There had been a revenue forecast overspend of £610k, with the recommendation setting out £869k, information relating to the variance in the figures was requested.	Cllr F Smith / Housing	The amount of £869k has been moved from HRA earmarked reserves to the HRA general reserves therefore increases the level of general reserves – this figure is not included in the Q1 year-end forecast	10/11/21	Information provided by Emily Collacott and confirmed by Kerry Prisco. Email dated 10/11/21
3/11/21	<i>Innovation District Update</i> – A request was made for the full report from the EIBC study. During the meeting Chris Hall agreed to supply a redacted version due to commercial sensitivity.	Cllr M Kravis/ Development & Place	Chris Hall will redact the report and then make it available to members.	8/11/21	The redacted version of the report was published as part of the Executive Committee report for the Executive meeting held on 17 th November.

CORPORATE SCRUTINY

Meeting	Draft Agenda Items	Lead PFH/ Lead Officer
1st December 2021	Financial Performance 2021/22 Q2	Cllr R Henley / P. Fitzgerald
SRD = 19 November	Corporate Performance Report Q2	Cllr R Henley / M. Riches & R. Sealy
Informal Exec RD = 2 Nov	General Fund 2022/23 Draft Budget Update	Cllr R Henley / P. Fitzgerald
SMT RD = 20 October		
5th January 2022	Reports from Executive PFH - Cllr M Rigby (TBC)	
SRD = 17 December	Infrastructure Funding Statement	Cllr M Rigby & A. Blom-Cooper
Exec RD = 7 January	Employment Land Feasibility Study West Somerset	Cllr M Kravis / Robert Downes
Informal Exec RD = 30 Nov		
SMT RD = 17 November		
26th January 2022	General Fund Revenue Budget and Capital Estimates 2022/23	Cllr R Henley / P. Fitzgerald
Budget Special	Council Tax Setting 2022/23	
SRD = 14 January		
Exec RD = 28 January		
Informal Exec RD = 4 Jan		
SMT RD = 8 December		
2nd February 2022	Reports from Executive PFH - tbc	
SRD = 21 January	Tower Street	N. Kirbyshire & Cllr M Rigby
Exec RD = 4 February	Public Transport Task and Finish Report	Cllr L Whetlor / M Prouse
Informal Exec RD = 4 Jan		
SMT RD = 8 December		
2nd March 2022	Financial Performance 2021/22 Q3	Cllr R Henley / P. Fitzgerald
SRD = 18 February	Capital Investment and Treasury Strategy 2022/23	Cllr R Henley / P. Fitzgerald
Exec RD = 4 March	Corporate Performance Report Q3	Cllr R Henley / M. Riches
Informal Exec RD = 1 Feb	Reports from Executive PFH - tbc	
SMT RD = 19 January		
6th April 2022	Reports from Executive PFH - tbc	
SRD = 25 March		
Exec RD = 6 April		
Informal Exec RD = 8 March		
SMT RD = 23 February		
TBC	July 2022 - 2021/22 Financial Outturn	Cllr R Henley / P. Fitzgerald

EXECUTIVE

Executive Meeting	Draft Agenda Items	Lead Officer
17 November 2021	Voluntary and Community Sector Grants Review	Scott Weetch
venue =	Public Realm Design Guide for Taunton Garden Town – Feedback	Fiona Webb
Exec RD = 5 November	Somerset West and Taunton Districtwide Design Guide	Fiona Webb
Informal Exec RD = 5 October	North Taunton CPO	Chris Brown/Jane Windebank
SMT RD = 22 September		
15 December 2021	GF Financial Performance 2021/22 Q2	Emily Collacott
	HRA Financial Performance 2021/22 Q2	Emily Collacott
venue =	Corporate Performance Report Q2	Malcolm Riches
Exec RD = 3 December	Housing Revenue Account 2022/23 Draft Budget Update	Emily Collacott
Informal Exec RD = 2 November	General Fund 2022/23 Draft Budget Update	Emily Collacott
SMT RD = 20 October	Lease of Monkton Heathfield Country Park Report	Sally Stark
19 January 2022	Housing Revenue and Capital Budget Setting 2022/23 including Dwelling Rent Setting 2022/23 and 30 Year Business Plan Review	Paul Fitzgerald
venue =	Employment Land Feasibility Study in West Somerset	Robert Downes
Exec RD = 7 January	SWP Business Plan	Stuart Noyce/Mickey Green
Informal Exec RD = 30 November	Litter Strategy	Vicky Lowman/Stuart Noyce
SMT RD = 17 November	External Litter Enforcement One Year Trial	Vicky Lowman/Stuart Noyce
	NO MORE ITEMS	
Budget - 9 February 2022	General Fund Revenue Budget and Capital Estimates 2022/23	Paul Fitzgerald
venue =	Council Tax Setting 2022/23	Paul Fitzgerald
Exec RD = 28 January	NO MORE ITEMS	
Informal Exec RD = 4 January	Special Meeting	
SMT RD = 8 December		
16 February 2022	Tower Street	Natalie Kirbyshire
venue =	Longforth Masterplan	Sarah Povall
Exec RD = 4 February		
Informal Exec RD = 4 January		
SMT RD = 8 December		

16 March 2022	Financial Performance 2021/22 Q3	Emily Collacott
venue =	Capital, Investment and Treasury Strategy 2022/23	Paul Fitzgerald
Exec RD = 4 March	Corporate Performance Report Q3	Malcolm Riches
Informal Exec RD = 1 February	CCTV	Sally Parry/Scott Weetch
SMT RD = 19 January		
20 April 2022		
venue =		
Exec RD = 6 April		
Informal Exec RD = 8 March		
SMT RD = 23 February		
Items to be Confirmed	RIPA Policy	Amy Tregellas
	Marina Lease (November 2022)	Andrew Pritchard/New AD
	Firepool Design Guidance and Masterplan	Graeme Thompson/Tim Bacon
Officer/Portfolio Holder Key Decision	Title	Lead Officer/PFH
31/08 - 28/09 - decision on 29/09/21	Award of construction contract for affordable housing development at Seaward Way Minehead	James Barraah/ Cllr F. Smith

FULL COUNCIL

Meeting	Report Deadline	Draft Agenda Items	Lead Officer
7 December 2021	25 November 2021	Voluntary and Community Sector Grants Review	Scott Weetch
		North Taunton CPO	Chris Brown/Jane Windebank
		Public Realm Design Guide for Taunton Garden Town – Feedback	Fiona Webb
		Somerset West and Taunton Districtwide Design Guide	Fiona Webb
		Council Tax Support Scheme 2022/23	Mark Antonelli
		To consider a proposal for a Local Government Reorganisation Joint Scrutiny Committee	Kevin Williams
		NO MORE ITEMS	
18 January 2022	6 January 2022	Asset Management Strategy	Chris Hall
Special Meeting		Commercial Investment Review	Joe Wharton
		Commercial Investment Strategy	Joe Wharton
		NO MORE ITEMS	
8 February 2022	27 January 2022	Full COUNCIL	Paul Fitzgerald
		External Audit Arrangements	Paul Fitzgerald
		Employment Land Feasibility Study in West Somerset	Robert Downes
		Statement of Licensing and Gambling Policy	John Rendell
		Community Governance Review - Options	Kevin Williams
		Constitution Update	Kevin Williams
24 February 2022	14 February 2022	General Fund Revenue Budget and Capital Estimates 2022/23	Paul Fitzgerald
Budget Only		Council Tax Setting 2022/23	Paul Fitzgerald
		NO MORE ITEMS	
29 March 2022	17 March 2022	Capital, Investment and Treasury Strategy 2022/23	Paul Fitzgerald
		Longforth Masterplan	Sarah Povall
		SWT Pay Policy	Sean Papworth

		Tower Street	Natalie Kirbyshire
		CCTV	Sally Parry/Scott Weetch
10 May 2022	28 April 2022	Annual Council Meeting	
		Council Committees for 2021/2022 and their Terms of Reference	Amy Tregellas
		Appointment of Representatives on Outside Bodies	Amy Tregellas
		To authorise the sealing or signing of documents to give effect to any decisions taken	Amy Tregellas
ITEMS TO BE CONFIRMED		Marina Lease (December 2022)	Andrew Pritchard/Jonathan Steve
		Firepool Design Guidance and Masterplan	Graeme Thompson/Tim Bacon

Somerset West and Taunton Council

Corporate Scrutiny Committee – 1st December 2021

Corporate Performance Report, Quarter 2 2021/22

This matter is the responsibility of Executive Councillor Member Ross Henley.

Report Author: Malcolm Riches, Business Intelligence and Performance Manager.

1. Executive Summary / Purpose of the Report

This paper provides an update on the council's performance for the first half of the 2021/22 financial year (1st April 2021 – 30th September 2021). The report includes information for a range of key performance indicators and also provides an update on progress against the council's annual plan commitments for the year. The report also includes the key business risks for the council.

2. Recommendations

This report is to be noted as the Council's performance report for quarter 2.

3. Risk Assessment

Failure to regularly monitor performance could lead to the council not delivering on some of its corporate priorities or key services.

4. Background and Full details of the Report

As part of the Council's commitment to transparency and accountability this report provides an update on performance. The Covid pandemic continues to have an impact and the Council's response is being achieved in addition to the regular day-to-day responsibilities. Specifically, the report provides:

- A progress update against the actions to deliver the Council's Annual Plan at the end of the first six months of the financial year;
- The position in respect of our key performance indicators at the end of quarter 2 of the financial year; and
- A summary of the Council's key business risks and issues together with the current status of the actions being taken to respond to them.

4.1 Summary of Performance

The Council's Corporate Strategy contains four priority strategic themes. Each year the Council produces a plan (the Annual Plan) to identify actions to assist in the delivery of the four strategic priorities. The plan for this year identifies 31 actions.

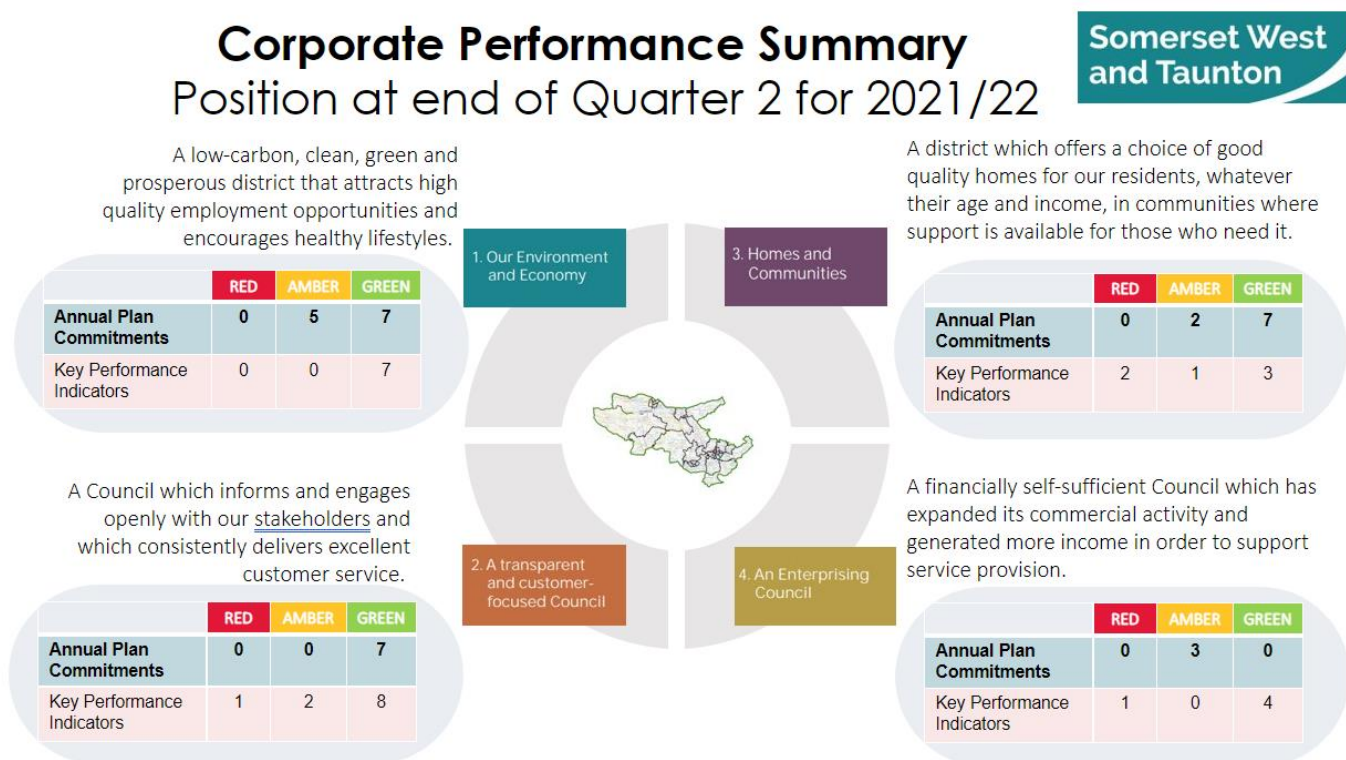
In addition, we monitor progress against a range of Key Performance Indicators (KPI's). These KPI's are used to monitor progress in delivering key services and to enable us to quickly identify and rectify any problem areas. We have also linked each of these KPI's to the four corporate priorities to indicate where they support the delivery of those priorities.

The graphic below provides an overview of performance as at 30 September 2021 against the 31 commitments in the Annual Plan and our Key Performance Indicators.

Each commitment has been rated as either Red, Amber or Green to indicate whether we are on schedule.

Full details of the progress to date against each of the KPIs and the Annual Plan actions can be found in appendices 1 & 2 below.

In summary this indicates that of the 31 Annual Plan commitments, 21 are Green, 10 are Amber, and none are Red. Of the Key Performance indicators, 22 are Green, 3 are Amber and 4 are Red.



4.2 Key Performance Indicators

The table in Appendix 1 includes the councils Key Performance Indicators and shows how the council has performed for the first half of the 2021/22 financial year. The table includes a “direction of travel” arrow to show whether performance has improved, worsened, or stayed the same, since the end of Quarter 1.

For the majority of indicators the target has either been met or, in many cases, has been exceeded. Overall there are 4 ‘Red’ and 3 ‘Amber’ indicators, which are being monitored closely. More information is provided below regarding the red and amber indicators.

Percentage of complaints responded to in 10 working days:

The percentage of complaints responded to in 10 days for the first half of this year is 83%, which is below the target of 90%. Although below target, 83% still represents a significant improvement on the position at this time last year. This demonstrates that the focussed work we are undertaking to address the way complaints are managed continues to be mostly successful.

The monthly figures indicate a stabilisation of this years downward trend in response rates between April and September (April: 89%, May: 86% and June: 83%, July 77%, August 77%, September 77%). Clearly this is still of concern and it’s worth briefly covering the reasons for this as detailed in last quarter’s report.

The number of complaints received has increased significantly from those received in the previous financial year. Higher volumes of complaints present challenges in some areas in being able to respond within the target time. We are also receiving a number of more complex complaints, where, due to their complexity, it is not realistic for us to be able to respond within the timeframe. Customer expectations are also increasing and there is growth in complaints being registered, this is a trend reported sector wide and also by the Housing Ombudsman (April-June 2021, 21% increase in volume of enquiries and complaints and 230% increase compared to complaints received April-June 2020).

Additionally, we now operate a two-stage complaints process in line with Local Government Ombudsman guidance and the Housing Ombudsman Complaints Code. 65 complaints received so far this year are second stage ‘appeals’, which we would not previously have received under the single stage process in previous years.

The increase in the number is also reflective of the ongoing issues we experienced with waste collection between May and September and in response to our resuming full debt recovery processes for unpaid debts and taxes. These issues generated increased numbers of telephone calls and an increased number of resultant complaints where we were unable to answer those calls in a timely manner.

We reviewed our complaints process last year, introduced changes, provided training and have continued to maintain a focus on complaints response times. Over 70 staff within the Housing Directorate have Page 27 Training by the Housing Quality Network

to improve the quality of responses. Overall these changes and focus on complaints continues to deliver significantly improved response times.

Average call wait times:

The aim is to answer calls within 60 seconds, but for September, the average call answering time was 177 seconds.

This results from an increased number of calls, the challenging nature of the calls and an increase in the duration of those calls. Much of this is attributed to the unprecedented issues faced by Somerset Waste Partnership and the contractor Suez over the last five months. We have also resumed normal recovery processes for Council Tax, Business Rates and miscellaneous income which has also influenced call volume and duration. Call performance has also been impacted by the reopening of the Customer Hubs. This has drawn Customer Champions away from call handling in order to staff the hubs. Whilst footfall in the hubs is low, we have to maintain a minimum staffing level to ensure we can deal with customers when they do visit our offices.

Recruitment to fill existing vacancies and of additional temporary agency staff has been completed and our new team members are now trained and able to handle calls. This has had the desired effect and our performance targets have been achieved for the beginning of October 2021. This improvement will take some time to affect the overall results.

Forecast budget variance for Housing Revenue Account.

Detailed commentary for this indicator is included in the separate Budget Monitoring Report.

Cumulative percentage of the amount of Business Rates collected.

The cumulative figure at the end of Quarter 2 is 52.79% which is down 6.7% (£3.5 million) compared to the same period last year. However, a like for like comparison between this year and last is impossible because the amount of Business Rates being collected rose significantly from £23 million last year to this year's £49 million. This significant in-year increase in debit skews our collection forecasts. The in-year debit increase is due to the ending of the Covid related 100% Retail Relief. We anticipate collection rates improving steadily over the next 6 months with an increase in our recovery actions and businesses starting to return to a sense of normality.

The Council is in a much better position compared to last year. Automated monthly reminders and regular Summonses are both being issued increasing cashflow. We are actively encouraging people and businesses who are having trouble in making payments to contact us in order that we can agree affordable payment arrangements with them. Shown below is a snapshot of our recovery stages to show case

progression from Quarter 1 to Quarter 2. It should be noted that in year collection is monitored daily by the Income Specialist and Revenue managers.

Recovery Stage	End of June	End of September
Bill	26 million	17 million
Reminder	4.8 million	3.6 million
Final Notice	631k	2.3 million
Liability Order/Pre-Bailiff	431k	109k
With Bailiff	0	171k
Bailiff Return	0	8k

Number of families in B&B for over 6 weeks.

The performance indicator reports on the position as at the end of the quarter. On the 30 September 2021 there was one family that had been in B&B for more than 6 weeks. This is the only time during the past quarter that a family has been in this situation and for the whole of July and August, this did not happen at all. Temporary accommodation was identified for the family, but their ability to occupy was delayed due to a significant amount of work being required before it could be let.

In order to avoid this happening again we have put in place a change of focus in the weekly meetings designed to identify those cases where we may need to look at alternative solutions if temporary accommodation is not available. We have also focused an officer entirely on moving-on those in temporary accommodation in order to free this up for those either in B&B or ideally for customers to move straight into when required. Currently we have a huge pressure on two bed properties and so we are particularly focusing on these. In order to assist in the quicker turn-around of properties we have started regular inspections of temporary accommodation properties to ensure tenants are keeping them to a good standard.

Average re-let times.

The average re-let time for council properties over the past quarter was 52.7 days, which exceeded our target of 44 days. This is a particularly challenging time for void management and conversations with directors across the Somerset Housing sector have shown that all Housing Providers are struggling with increasing void times. Common factors include scarcity of key tradespeople (such as electricians), both in-house and through external contractors, many of whom have been attracted to other work such as Hinkley; and lack of availability of some materials, which inevitably holds up work. For SWT, we have also noted a higher proportion of Major Voids (compared to Minor Voids) which skews our turnaround times higher. That said, we are working on a plan to improve void turnaround times. The plan includes:

- Strengthening our approach with departing tenants to ensure they leave the property clean and tidy
- Providing decoration packs for able-bodied tenants, rather than undertaking full redecoration to let the property quicker
- Investigating how we streamline the asbestos process to reduce delays due to surveys and works

- Implementation of the voids module on Open Housing which will allow improved performance management of the overall voids process
- Look to undertake major capital works as part of the capital programme where possible, after the tenant moves in, rather than during the void. This will also be more cost effective through economies of scale.
- We will undertake a ‘deep dive’ review with Homes in Sedgemoor to compare approaches and share best practice
- Explore voids inspections and scheduling software that can lead to a more efficient inspection and scheduling of trades staff into the properties and flag up capacity issues to allow earlier resolution.

Performance for the indicator which measures the “Income collected as a percentage of rent owed, excluding arrears brought forward” is above the target, and is rated as green. The performance is slightly over 100% because tenants have paid more than is due in the period i.e. they are paying towards their rent arrears as well as paying the current rent due in the period – in setting the target the formula assumes arrears balances brought forward are being excluded but the income tenants have actually paid towards their arrears is not being excluded.

Completion of emergency housing repairs in 24 hours.

The target is to complete 100% of emergency repairs within 24 hours. Our performance of 99.9% represents one emergency repair in the last six months that took 15 minutes longer to complete than the 24 hour target.

4.3 Annual Plan Commitments

Progress against the actions contained in the Annual Plan is reported every six months. This report provides an update on the position as at 30 September 2021.

In total, 21 of the 31 commitments are rated as Green, meaning that progress was as anticipated at the start of the financial year. There are 10 commitments which are rated as Amber, meaning that there has been some slippage. None of the commitments are rated as Red. A more detailed update on each individual commitment is included in Appendix 2.

4.4 Risk Management update

As outlined in the separate report on Risk Management in May, the quarterly Corporate Performance Reports will include an update on the key business risks and issues for the Council.

Processes are in place within each directorate to regularly review existing and identify any new risks and issues. As new risks and issues are identified they are included on

the risk register or issues log and mitigations are identified and planned. A target date is set as to when the mitigations should be in place, and a lead officer is appointed.

The risks are all scored based on their probability and potential impact. The Risk Scoring Matrix used to score the risks is attached at Appendix 5. Risks with a higher score are likely to have a more detailed mitigation plan. Issues are things which have already happened, so they are not scored in the same way as risks, but they have a RAG status which relates to the severity of the issue.

As of the end of September there were 4 Key Business Risks (with a score of 15 or higher) on the risk register which are shown in Appendix 3.

As of the end of September the Corporate Issues Log contained 2 Issues which are shown in Appendix 4.

Appendices 3 and 4 provide a summary of the key risk or issue together with the current status of the development and delivery of any mitigation plans required to address them.

The risk register and issues log are updated as necessary and new risks/issues can be added at any point. They are routinely reviewed each month through the regular cycle of meetings. The lead officer is responsible for updating the risk register with progress made regarding mitigations, and this is reported back to Directorate performance meetings, and to the Corporate Performance Board where SMT review the key risks monthly.

5. Links to Corporate Strategy

This performance report provides an update on Corporate Performance which is fundamental to the implementation of the Corporate Strategy.

6. Finance / Resource Implications

The detailed financial position is available in a separate budget monitoring report.

Democratic Path:

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

Reporting Frequency: Once only Ad-hoc Quarterly

Twice-yearly Annually

List of Appendices (delete if not applicable)

Appendix 1	Key Performance Indicators Report for Q2
Appendix 2	Annual Plan Commitments update
Appendix 3	Corporate Risk Register – Key Business Risks
Appendix 4	Corporate Issues
Appendix 5	Risk Scoring Matrix

Contact Officers

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SWT Performance report 2021/22

Link to Corporate Strategy	Full definition	Target 2021/22	Quarter 1	Year to date Quarter 2	Direction of Travel since Q1	Denominator	Year to date	Numerator	Year to date
Transparent & Customer Focused	% of complaints responded to in 10 working days	90%	86%	83%	↓	Total number of complaints received each month	664	Number of complaints responded to within 10 working days	548
	% of FOI requests responded to in 20 working days	75%	97%	92%	↓	Total number of FOI requests received each month	198	Number of FOI responded to within 20 working days	183
	% of calls to Deane Helpline answered in < 60 seconds	90%	94%	95%	↑	Total number of calls to Deane Helpline in the month	182936	Number of calls answered in under 60 seconds	173711
	Average call wait time (secs) for the last month	60 secs	113	177	↓				
	Cumulative percentage of the amount of Council Tax collected*	97%	34.08%	61.22%	↑	Total amount of Council Tax to be collected by the 31st March	£109,813,363	Amount of Council Tax collected in the year so far	£57,050,022
	Cumulative percentage of the amount of Business Rates collected*	95%	25.98%	52.79%	↑	Total amount of Business Rates to be collected by the 31st March	£49,067,050	Amount of Business Rates collected in the year so far	£20,837,012
	Average processing times of new Housing Benefit claims	19 dys	17.11	15.40	↑	Number of new Housing Benefit claims received	377	Total number of days	5804
	Average processing times for changes in circumstances for Housing Benefit claims	9 dys	4.76	4.71	↑	Number of new Housing Benefit Change of Circumstances received	5340	Total number of days	25140
	% of Licensing applications process within required timescales	90%	89%	90%	↑	Number of licensing applications processed	738	Number of licensing applications responded within timescales	663
	Sickness Absence	7.2 dys	1.28	3.27	↑	Total working days lost for all employees in the month	1907.5	Number of FTE staff	3481
Staff Turnover	< 12	2.42	5.35	↑	Total number of staff	583	Total number of leavers	31	
An Enterprising Council	Forecast budget variance for General Fund (net of potential carry forwards).	£0	£237k	0	↑				
	Forecast budget variance for Housing Revenue Account	£0	£610k	£566k	↔				
	Forecast level of uncommitted reserves for General Fund.	£2.4m	£5.556m	£4.793m	↔				
	Forecast level of reserves for Housing Revenue Account.	£2m	£2.273m	£2.493m	↔				
	On target for Commercial Income Generation	£2.9m	Yes	Yes	↔				

Link to Corporate Strategy	Full definition	Target 2021/22	Quarter 1	Year to date Quarter 2	Direction of Travel since Q1	Denominator	Year to date	Numerator	Year to date
Environment & Economy	% of reported fly tipping incidents responded to within 5 working days	80%	75%	81%	↑	Number of fly tipping incidents	447	Number of fly tipping incidents repoded to within 5 days	361
	% of service requests for street cleansing actioned within 5 working days	85%	93%	91%	↓	Number of service requests for street cleansing	572	Number of service requests actioned within 5 working days	523
	% of major planning applications determined within 13 weeks (or within agreed extension of time)	75%	100%	100%	↔	Total number of major planning applications received	10	Total number of major planning applications determined within 13 weeks or agreed extension	10
	% of minor planning applications determined within 8 weeks or agreed extension of time	65%	80%	81%	↑	Total number of minor planning applications received	162	Total number of minor planning applications determined within 8 weeks	131
	% of other planning applications determined within 8 weeks or an agreed extension of time.	80%	90%	88%	↓	Total number of other planning applications received	506	Total number of other planning applications determined within 8 weeks or an agreed extension	447
	% of planning appeals that have had the decision overturned	33%	42%	33%	↑	Number of appeals received	42	Number of appeals where the decision is overturned	14
	% Play area inspections completed to schedule	100%	100%	100%	↔	Play areas to be inspected	882	Inspections carried out	882
Homes and Communities	Income collected as a % of rent owed excluding arrears brought forward	98.30%	102.97%	100.05%	↓				
	Number of families in B&B over 6 weeks (position at end of Quarter)	0	0	1	↓				
	Average re-let time in calendar days (key to key)	44 dys	52.1	52.7	↔	Total Number of dwellings let following void process	154		
	% of housing dwellings with a valid gas safety certificate (LGSR)	100%	100%	100%	↔	Total number of dwellings requiring a valid gas safety certificate	4480	Total number of dwellings without a valid gas safety certificate	0
	% of communal areas with a Fire Risk Assessment (FRA) in place and FRA Review complete (where applicable)	100%	100%	100%	↔				
Completion of housing emergency repairs within 24 hours	100%	100%	99.9%	↓	Total number of emergency housing repairs	1409	Total number of emergency housing repairs completed in 24hrs	1408	

* The current figures appear well below target, but these are cumulative totals.

The column titled Direction of Travel, shows whether performance has improved, worsened or is similar to the last report for the end of July.

- ↑ Performance has improved
- ↓ Performance has got worse
- ↔ Performance is similar

Corporate Priority Area	Ref	Annual Plan Commitments 2021/22 https://www.somersetwestandtaunton.gov.uk/your-council/annual-plan/	Update on position at the end of September 2021	RAG
Our environment and economy	1	Continue to deliver projects that work towards making ours a carbon neutral district by 2030 through our Carbon Neutral Climate Resilience Action Plan.	<p>Our climate change delivery team continues to deliver projects as set out in our CNCR 10 year plan. In the first year we delivered actions identified as 'immediate' such as</p> <ul style="list-style-type: none"> •Provided climate change training to all our staff and elected members •Started the transition of our pool car fleet to electric vehicles •Installed Electric Vehicle Charging Units at Blackbrook Leisure Centre in Taunton, Alexandra Road car park in Minehead and Exmoor House car park in Dulverton •Been awarded OZEV funding to install Electric Vehicle Charging Points within our SWT owned car parks across the district •Launched our free tree scheme for parish and town councils •Supported parish and town councils with grant funding to install Electric Vehicle Charging Points •Worked with Wessex Water to install water refill stations in Taunton, Wellington and Minehead •Retrofitted waterless urinals within our public toilets •We are leading on the 'Recycling on the Go' project for Somerset Waste Partnership •Approved to take part in the Department for Transport EScooter trials and have launched schemes in Taunton and Minehead <p>Work is now underway to identify priority projects from year 2 and year 3 of the plan to deliver from 2022 onwards.</p>	Green
	2	Deliver Recycle More, the expanded household recycling service, to make it easier for everyone to increase the amount they recycle.	<p>Phase 3 (Taunton Deane) is currently in delivery stage with the first leaflet being sent out in Sept and the second leaflet and blue bag delivery in WC 18/10. Route changes and staffing have been put in place. Additional staff at SWT call centre have been recruited. A comms plan has been agreed and being delivered. New collections are due to commence on WC 1/11. Transfer Station building works are due to be completed end of Oct but contingency plans in place if any delays.</p> <p>Phase 4 (West Somerset & Sedgemoor) Now at planning stage for start in Feb/March 2022.</p> <p>National driver shortage and contractor performance issues continue to put project at risk. Material delivery issues due for building works for phase 4 may also cause a further delay.</p>	Amber
	3	Deliver a programme of creative initiatives to support the recovery and growth of our town centre businesses.	<p>Following the launch of the £535k SWT Town Centre Recovery Fund in July 2020, and the Welcome Back Fund in June 2021 an extensive range of creative activities and events have been delivered across Taunton, Wellington, Minehead, Watchet, Porlock, Dulverton, Dunster and Wiveliscombe. Each town centre has recorded an increase in footfall and the overall vibrancy and reputation of the towns that has encouraged first time and repeat visits. A full list of the creative initiatives funded are available from the Economic Development Team.</p>	Green
	4	Complete the redevelopment of one of our prime riverside quarters, Coal Orchard in Taunton.	<p>Scheme has been delayed due to national material and labour shortage, and Covid19 related impacts on programme.</p>	Amber
	5	Progress individual planning applications on Firepool, for Block 1 (Firepool South, next to the Viridor building) as well as Block 3 (Firepool North next to Trenchard Way) with a view to starting work on site in late 2021 and start on site of the Digital Innovation Centre at Block 6 (Firepool North).	<p>Block 1 is caught by phosphates indefinitely, so will not progress until this is resolved. Block 3 and Infrastructure / drainage and levels submitted in October</p> <p>Digital Innovation Centre started on site October 21</p>	Amber

Corporate Priority Area	Ref	Annual Plan Commitments 2021/22 https://www.somersetwestandtaunton.gov.uk/your-council/annual-plan/	Update on position at the end of September 2021	RAG
	6	Increase opportunity for new jobs and businesses in Minehead and West Somerset by completing an employment land sites feasibility study.	A feasibility study was carried out in Summer 2021, which reviewed a wide range of sites, as well as assessed business demand. The development appraisal concluded that one specific site and another location both offered potentially viable options for investment and development. A decision was made to further explore these sites in more detail (rather than bring forward business cases for the Council to consider), and in particular firm up some of the key variable costs, which in turn would lead to more robust business cases. Significant work has been going on to investigate costs and issues associated with each site, and it is currently very likely that reports will be bought forward to Council in Feb 2022.	Green
	7	Present a full business case to open a train station in Wellington (if given the go-ahead from the 'Restoring Your Railway Panel')	The Strategic Outline Business Case is now complete was submitted to the Restoring Your Railways panel on 12 February 2021. We are now waiting on a final funding decision from the Department for Transport and HM Treasury which is due by November. A brief for the next phase of work (PACE 1) to achieve an Outline Business Case has been agreed with Network Rail. This can commence once the funding is in place.	Green
	8	Continue to gather evidence to support the review of the Council's Local Plan. The Local Plan is a very important set of policies that will set out how the district will develop over the next 20 years, such as where new housing will go and what we expect from developers in terms of affordable housing, infrastructure, how biodiversity will be improved and how our landscapes and heritage will be protected.	Continue to gather evidence to support a Local Plan as we transition to a Unitary Council. SWT Local Plan timetable unable to be completed prior to becoming a Unitary.	Amber
	9	Keep delivering our new Garden Communities toward delivery.	Delivery is ultimately in the hands of landowners, land promoters and developers - however SWT as LPA has dedicated Development Management resource facilitating approvals, legal queries, assisting project management and engagement with local communities in order to move matters forward. The 'phosphates issue' remains a overarching problem which will hamper delivery, viability and commercial confidence in the sites moving forward. Comeytrowe - Circa 380 homes with reserved matters or resolution to approve with phosphate mitigation, show home open, and first occupations expected Q1 2022 Staplegrove East - Resolution to approve outline consent now implicated by the 'phosphates issue' and therefore delayed without a timescale for resolution. Staplegrove West - Outline consent granted, reserved matters now implicated by the 'phosphate issue' and therefore delayed, however a 'integrated constructed wetland' is being pursued as mitigation. Monkton Heathfield Phase 2 - Hybrid application expected Nov 2021, phosphate mitigation will be required prior to determination.	Amber

Corporate Priority Area	Ref	Annual Plan Commitments 2021/22 https://www.somersetwestandtaunton.gov.uk/your-council/annual-plan/	Update on position at the end of September 2021	RAG
	10	Enable development by finding a long-term solution to manage the phosphates issue on the Somerset Levels and Moors while finding a way to unblock stalled sites as soon as possible.	<p>SWT Interim phosphate programme considered at SWT Full Council on the 5th October 2021. Interim programme of measures allows some of the planning applications currently held in abeyance to be determined. As at 5th Oct 2021 this involved circa 113 applications and circa 3,016 homes. The interim programme aims to unlock between 700 to 1,350 homes in the River Tone Catchment area.</p> <p>All recommendations approved as drafted. Key recommendations:</p> <ul style="list-style-type: none"> • Approval of a capital budget of £2m for the purchase and creation of phosphate credits on a financially recoverable basis. • Governance and delegated authority arrangements for the interim programme. • Production of the Appropriate Assessment of the interim programme of measures and its sign off by Natural England. • Support use of legal powers (e.g. CPO's) to deliver cost- effective phosphate solutions. • All new residential developments (Council/private) to include water efficiency measures (110 litres per person per day) and to be a material consideration in determining proposals. 	Green
	11	Maximise the benefits from the decommissioning of the Hinkley Point B power station for local business and employment.	Sedgemoor, SWT and County are developing proposals in discussion with the Nuclear Decommissioning Agency to draw down funding to support Sedgemoor and West Somerset coastal areas and implement the recent Minehead development strategy. The collective pitch to Government to host the Nuclear Fusion R and D prototype facility on EDF land and Gravity was ongoing with Nuclear South West at the end of September, but subsequent announcements have confirmed the site did not make the Governments shortlist.	Green
	12	Complete decontamination and structural repairs at Toneworks, Wellington, to help preserve this place of significant historic interest.	Phase 1 decontamination works completed in Summer 2021. Phase 2 planning underway for further structural repairs to the heritage asset from Jan 2022 onwards.	Green

Corporate Priority Area	Ref	Annual Plan Commitments 2021/22 https://www.somersetwestandtaunton.gov.uk/your-council/annual-plan/	Update on position at the end of September 2021	RAG
A Transparent and Customer Focused Council	13	Deliver a Customer Experience Programme to get a clearer picture of our customers and identify ways in which we can improve their experience of the Council.	The programme is underway. Customer insight survey complete. New complaints policy and process introduced. Analysis of 'General enquiries' undertaken and opportunities for improvement identified. External review of the ease of finding 'do it online' services complete and improvements identified and in development. Various tactical opportunities identified for improving the customer experience.	Green
	14	Commence a Service Efficiency and Improvement Programme to improve our internal processes to increase productivity and efficiency.	The programme vision, strategy & plan to deliver exist and are worked upon. 8 projects have started and a majority is planned to be completed by the end of the current financial year April 22. Financial and non-financial benefits start to be visible.	Green
	15	Deliver a new system to manage of programmes and projects within the Council to ensure better efficiency and effectiveness.	The process is in place, with the monthly PMO report presented to SMT. Further stakeholder liaison is taking place to promote process, refine benefits reporting and realise cashable savings.	Green
	16	Launch the newly elected Tenants' Strategic Group.	Launched in April 2021, already had 3 meetings	Green
	17	Update and distribute our housing tenancy handbook and new tenant's welcome pack.	Team have recommitted to undertaking this task as follows: Review existing handbook to be completed by end of November 2021 and; reviewed handbook to be checked by Housing Quality Network (newly appointed consultants) at November 2021.	Green
	18	We will carry on live streaming our public meetings in order to continue to make them accessible and inclusive for residents who want to participate but who are unable, or do not wish to, attend in person.	All SWT Committee meetings are live webcast or live-streamed (depending on the location of the meeting)	Green
	19	We will work to make the most of the talents that disabled people can bring to our workplace, with specific focus on how we can adapt to best support our current and prospective neurodivergent employees.	Highly commended award received for Neurodiversity project at MJ Awards. Disability confident employer status achieved. Neurodiversity project now ingrained with Equalities working group as a standard agenda. Work continuing on training for managers and staff on Neurodiverse conditions to embrace inclusivity and diversity in the workplace.	Green

Corporate Priority Area	Ref	Annual Plan Commitments 2021/22 https://www.somersetwestandtaunton.gov.uk/your-council/annual-plan/	Update on position at the end of September 2021	RAG
Homes and Communities	20	Start building 47 new low carbon Council homes and a new community facility at North Taunton.	NTWP Phase A commenced on site July 2021 and will deliver 47 new low carbon affordable Council homes. The homes will be 2050 zero carbon ready. The first homes will be complete July 2022 and all by May 2023. Future phases are planned to overlap. Phase A bringing forward more low carbon affordable council homes by 2025. A programme to build 61 Zero carbon Council homes has been delayed due to the need to create a phosphate mitigation strategy. The service believes it now has a mitigation strategy and is proposing this to Natural England in Oct 2021 and also submitting a planning application in Oct 2022 including the mitigation strategy in Taunton.	Green
	21	Acquire planning consent and start on site at Seaward Way, Minehead for the construction of 54 zero carbon homes.	Planning granted 14 July 2021 for 54 units. Tender via Westworks framework undertaken for Contractor. Contractor appointed and PCSA entered into 4th October 21. JCT contract to be entered into for main building works as soon as possible with build programme approx. two years.	Green
	22	Complete an options appraisal for Oake. This will identify the investment needed and timescales to manage the Council's defective non-traditional Woolaway homes in Oake, and any contribution to new affordable housing in that area.	A PID has been approved for Oake woolawys and the scheme has been submitted as part of SWT/consortium Social Housing Developmen Funding Wave One. Consultation has commenced with customers and delivery will commence Spring 2022.	Green
	23	Complete a Housing Strategy Demand Study which allow the Council to develop a joined-up approach to affordable housing investment focusing on where it's most needed.	This has been subject to some delay. The demand study will be presented to HSMT in October and Housing Briefing in Novemeber 2021.	Amber
	24	Deliver a Homelessness Improvement Plan designed to minimise homelessness, promote prevention and lead to reduced bed and breakfast costs.	Significant progress has been made in this area working in a very competitive housing market which is hampering prevention opportunities in the private sector and challenging affordability. The cost of commercial B&B has escalated due to demand and so focus is on early intervention and ensuring timely move-on from temporary accommodation to avoid increased use of B&B. Improvements to access to the service is being developed with an expected roll-out date of November 2021.	Amber
	25	Approve, and commence delivery, of an accommodation strategy to meet the housing and support needs of single homeless people within the District.	The Single Homeless and Rough Sleeper Accommodation Strategy, together with the associated delivery plan, was approved by Full Council on October 5th 2021. Delivery is progressing. We are now having detailed conversations with accommodation providers. The coordination of support services is being developed through the Better Futures Programme and the Somerset Homelessness Reduction Board.	Green
	26	As part of the move to a new IT system for Homefinder Somerset, we will introduce a new and improved form for applying for social housing within the district, that is as easy as possible for people to complete.	The new online application form went live on 2nd August. The new form has been developed following consultation with partner local authorities and landlords, and wider stakeholders including applicants.	Green
	27	Introduce at least two community pantry schemes into the District offering subsidised food for communities affected by Covid-19.	The first pantry has gone live in Rowbarton, Taunton. A second and third are anticipated to be online early in the new year 2022, being in Wellington and possibly Watchet	Green
	28	Review and improve the Council's CCTV to provide a more effective service and better value for money.	This review is underway and savings have been identified and incorporated into the budget setting process. There is further work to be done on overall improvement of the estate, such as digital upgrade and linking the existing scheme in West Somerset to the monitoring service at Sedgemoor. These will come forward fully during 2022 and 2023.	Green

Corporate Priority Area	Ref	Annual Plan Commitments 2021/22 https://www.somersetwestandtaunton.gov.uk/your-council/annual-plan/	Update on position at the end of September 2021	RAG
An Enterprising Council	29	Complete our programme of commercial property acquisitions that generate additional income.	Likely to be 77% complete by end of October, aiming for fully complete by year end 2021.	Amber
	30	Deliver an asset management plan so we can make informed decisions on the investment or disposal of our land and property assets to maximise future income.	Asset Review Project has assembled information, pending provision of Asset Database for data collation and analysis (joint procurement with SCC, live 2022-2023).	Amber
	31	Form a dedicated delivery company, owned by the Council, to deliver Town Centre Regeneration projects in addition to those brought forward by the private sector.	Work continues on the formation of the delivery company, as the business case has been affected by phosphates. Once the implications on the commercial delivery have been appraised the delivery company model can be updated and progressed.	Amber

Appendix 3 Key Business Risks

REF	Risk details			Current score			Action summary		
	Name	Summary of the risk (cause) / What is the impact?	Date added	Imp.	Prob.	Total	Owner	Mitigation plan development status	Mitigation plan implementaton status
CR11	Cyber attack	Cause - Cyber Attack Impact - Potential for financial, legal and reputational damage or that we are targeted and locked out of essential systems.	Jun-20	4	4	16	Sean Papworth	G	G
CR15	Civil Contingencies and Organisational resilience	Cause: The Council is not able to assure a system approach to preparedness as a Category 1 Responder Impact (risk): The council would not meet its statutory duties as specified in the Civil Contingencies Act 2004	Oct-20	5	3	15	Stuart Noyce	G	G
CR23	Landlord Safety Checks	Cause: Failure to comply with Landlord Property Safety Compliance requirements. Impact (risk): Regulatory failure, failure to comply with the law, incident causing injury or death, negative PR, and financial loss (compensation and / or fine)	Mar-21	4	4	16	Ian Candlish	G	A
CR29	Delay in Recycle More	Cause: Delay in rollout of Recycle More Impact (risk): Significant financial risk as savings delivered by the scheme would not be made	Jun-21	5	3	15	Stuart Noyce	G	G

Green = key actions identified & mitigation plan in place	Green = mitigation actions on target or completed
Amber = key actions identified but plan not fully developed	Amber = mitigation actions behind target, but impact not significant
Red = key actions NOT identified & NO plan in place	Red = mitigation actions significantly behind target

Appendix 4 Corporate Issues

REF	Issue details					
	Name	Summary of the issue	Date added	Owner	Mitigation plan development status	Mitigation plan implementaton status
CI 9	Phosphates	Management of phosphate levels in Tone catchment, particularly regarding impact on planning applications.	Nov-20	Alison Blom Cooper	G	A*
CI 14	Health and Safety Improvement Programme	Low maturity health and safety management systems leading to increased risk of injury, reputational damage, legal challenge and financial loss.	Sep-21	Sean Papworth	G	A

Green = key actions identified & mitigation plan in place	Green = mitigation actions on target or completed
Amber = key actions identified but plan not fully developed	Amber = mitigation actions behind target, but impact not significant
Red = key actions NOT identified & NO plan in place	Red = mitigation actions significantly behind target

* Further information is available here:

<https://www.somersetwestandtaunton.gov.uk/planning/phosphates-on-the-somerset-levels-and-moors/>

APPENDIX 5

Risk Scoring Matrix

Impact

Risk Impact/Severity The impact of the threat being realised is defined as:

	Score	Impact	Definition
Very Low	1	No impact	No notable impact identifiable
Low	2	Minor	Affects only one group of stakeholders, with minimum impact
Medium	3	Significant	Affects more than one group of stakeholders, with widespread but short-term impact. May attract the short-term attention of legislative/regulatory bodies
High	4	Major	Affects more than one group of stakeholders with widespread medium-term impact. Attracts the medium-term attention of legislative/regulatory bodies
Very High	5	Catastrophic	Medium to long term impact on performance and delivery of services. Affects all groups of stakeholders, with a long-term impact. National impact with the rapid intervention of legislative/regulatory bodies

Risk Likelihood

The likelihood of the threat being realised is expressed on a scale of 1-5, using the definitions below

	Score	Likelihood	Definition
Very Low	1	Rare	May occur in exceptional circumstances
Low	2	Possible	Risk may occur in the next 3 years
Medium	3	Likely	The risk is likely to occur more than once in the next 3 years
High	4	Almost certain	The risk is likely to occur this year
Very High	5	Certain	The risk has occurred and will continue to do so without action being taken

Report Number: SWT 100/21

Somerset West and Taunton Council

Corporate Scrutiny – 1 December 2021

2021/22 General Fund Financial Monitoring as at Quarter 2 (30 September 2021)

This matter is the responsibility of Executive Councillor Henley, Corporate Resources

Report Author: Kerry Prisco (Management Accounting and Reporting Lead)

1 Executive Summary

- 1.1 This report provides an update on the projected outturn financial position of the Council's General Fund (GF) for the financial year 2021/22 (as at 30 September 2021 forecast).
- 1.2 The position this year continues to be significantly affected by the ongoing impact of COVID and the pace of economic recovery; and is relying heavily on the reserves prudently set aside to mitigate budget volatility and risk. A thorough analysis of additional risks and uncertainties facing the Council have been identified and careful monitoring of these will continue for early indications of emerging financial pressures.
- 1.3 The Council remains financially resilient and continues to forecast adequate reserve balances at this stage. This is important as reserves provide added security when risks are high, the financial strategy relies on reserves to help balance the budget in 2022/23, and further financial pressures are expected in respect of the transition to a unitary authority (see 1.8 below).
- 1.4 The General Fund **Revenue Budget** forecast is a currently projecting an underspend of £437k for the current year.
- 1.5 Although services are now projecting some underspends within the General Fund there are items that budget holders have identified where the budget is still required but the work will slip into 2022/23. Therefore £437k of budget carry forwards are proposed and if these are approved the underspend would reduce to a nil variance.
- 1.6 The total approved **Capital Budget** is £164.1m. Of this, the profiled budget spend for 2021/22 is £78.5m with a current forecast net underspend of £242k being reported.
- 1.7 The unearmarked **General Reserves** balance is currently £5.793m. If the underspend remains as currently projected and the proposed carry forwards are approved the projected uncommitted balance at year end would remain at £5.793m. The 2022/23 budget proposals include a contribution of £1m leaving an uncommitted balance of £4.793m, which is £2.393m above the current recommended minimum balance.

1.8 As set out within the General Fund Budget Update report included in this meeting's agenda there are expected to be additional costs related to implementation of the new unitary council for Somerset. The estimate will be finalised and included within the 2022/23 Final Budget report to Full Council in February, but at this state Members are advised that an indicative £1.375m may be required from General Reserves to meet this cost.

1.9 The General Fund **Earmarked Reserves** closing balance is currently projected to be approximately £21m.

2 Recommendations

2.1 This report is to be noted as the Council's forecast financial performance and projected reserves position for 2021/22 financial year as at 30 September 2021.

3 Risk Assessment

3.1 Financial forecasts are based on known information and projections based on assumptions. As such any forecast carries an element of risk. The current forecasts included in this report are considered reasonable given the extra element of risk around COVID and based on experience it is feasible the year end position could change. It is common for underspends to emerge during the last quarter, reflecting an optimism bias within previous forecasting.

3.2 Salient in year budget risks are summarised in section 9 in this report. The Council manages financial risk in several ways including setting prudent budgets, carrying out appropriate monitoring and control of spend, operating robust financial procedures, and so on. The Council also holds both general and earmarked reserves which include contingencies to manage budget risk.

4 Background and Full details of the Report

4.1 This report provides the Council's General Fund forecast end of year financial position in March 2022 for revenue and capital expenditure, as at 30 September 2021.

4.2 The regular monitoring of financial information is a key element in the Council's Performance Management Framework. Crucially it enables remedial action to be taken in response to significant budget variances, some of which may be unavoidable. It also provides the opportunity to assess any consequent impact on reserves and the Council's Medium Term Financial Plan.

4.3 Members will be aware from previous experience that the position can change between 'in-year' projections and the final outturn position, mainly due to demand-led service costs and income levels and where actual costs and income can vary from initial estimates and assumptions. The budget monitoring process involves a detailed review of the more volatile budgets and a proportionate review of low risk/low volatility budget areas. Budget Holders, with support and advice from their finance business partners, update their forecasts on a monthly basis based on currently available information and knowledge of service requirements for the remainder of the year. As with any forecast there is always a risk that some unforeseen changes could influence the position at the

year-end, and several risks and uncertainties are highlighted within this report. However, the following forecast is reasonable based on current information.

5 General Fund Revenue Budget 2021/22 Forecast Outturn

- 5.1 The Council's General Fund is currently forecasting an overall net underspend of £437k (2.3% of £18.7m Net Budget). The main reasons for this are shown in table 2 below. The forecast shows an improved financial position compared to the Q1 forecast which was an overspend of £237k, after withdrawing £1.145m from the Budget Volatility and Risk Reserve. The forecast net expenditure has therefore reduced by £674k since Q1.
- 5.2 The forecast remains volatile and subject to change. It includes a significant number of assumptions about demand for services and the timing of planned spend to meet service objectives. The level of uncertainty is still increased this year as the continuing impact of COVID and the pace of economic recovery is not yet certain. There has been an immediate impact on service costs and income, for example a significant reduction in parking income due to lock down measures. The Government has so far provided emergency additional funding of £813k, which is included in our budget. We are also able to claim grant to partly offset the loss of income from fees and charges for the first quarter of the year.
- 5.3 As previously reported, despite the reported pressures and uncertainties summarised in this report, the Council is currently resilient to estimated losses this year. This financial strength is a direct result of the being able to reallocate reserves last year to support economic recovery in this financial year.
- 5.4 The following table presents a summary of the revenue budget and current forecast outturn for the year by directorate.

Table 1: General Fund Revenue Outturn Summary 2021/22

	Current Budget	Outturn Forecast	Variance	
	£'000	£'000	£'000	%
Development and Place	3,051	2,624	-427	-14.0%
External Operations & Climate Change	9,570	10,286	716	7.5%
Housing & Communities	3,273	3,289	16	0.5%
Internal Operations	9,922	9,946	25	0.2%
Senior Management Team	554	558	4	0.7%
Provision for staff pay award (not yet agreed)	0	303	303	100.0%
Net Cost of Services	26,370	27,006	636	2.4%
COVID General Grants	0	-550	-550	0.0%
Investment Properties	-4,662	-4,602	60	-1.3%
Interest and Investment Income	243	22	-221	-90.9%
Expected Credit Losses	0	0	0	0.0%
Transfers from Earmarked Reserves	355	-162	-517	145.5%
Transfers from General Reserves	-2,071	-2,071	0	0.0%
Capital and Other Adjustments	-1,522	-1,328	194	-12.7%
Net Budget	18,714	18,316	-398	-2.1%

	Current Budget	Outturn Forecast	Variance	
	£'000	£'000	£'000	%
Funding	-18,714	-18,753	-39	0.2%
Variance	0	-437	-437	-2.3%
Proposed Carry Forwards (Not yet approved) – See Section 6			437	
Forecast Variance Net of Proposed Carry Forwards			0	

5.5 A summary of the forecast outturn position is summarised per directorate below.

Development & Place:

5.6 The Development and Place directorate has a net expenditure budget of £3.051m in 2021/22, which plans to deliver a range of services and projects including:

- Strategy and policy development
- Planning services including Local Plan development, planning applications processing and enforcement
- Economic development
- Town centre regeneration
- Heritage projects
- Major Capital Projects for regeneration purposes and where possible to generate a return to the Council
- Commercial investment (investment properties budget is reported 'below the line')

5.7 The directorate's budget volatility and forecast has been managed via robust contract and financial / budget management by budget holders. The directorate is currently forecasting a net underspend of £427k for the year.

Table 2: Development & Place Forecast Variances as at Q2

Department Notes	Q2 Variance £000	Q1 Variance £000
Strategy and Policy: Primarily driven by £95k of local plan fee underspend (spend budgeted for in 22/23), £22.4k fees/hired services underspend, £50.4k vacancy savings and £0.4k of subsistence/subscriptions underspends. Partially offset by unbudgeted spend/forecast spend of £6.3k on job adverts, £4.5k on IT equipment for new starters, £2.5k for professional subscriptions.	-155	-55
Planning Obligations: CIL Contributions received higher than budgeted.	-100	
Phosphates: Savings due to 2 x FTC staff employment c6 months into the budget period. One vacancy in the process of being resourced. The remainder of the 3 contract costs are budgeted in 22/23.	-82	

Department Notes	Q2 Variance £000	Q1 Variance £000
Planning: The service has struggled to recruit to vacant posts resulting in higher agency backfill costs (£50k). This variance also relates to budgeted grant income (£20k) that is not expected and other overspends on operational costs (mainly IT equipment & licences and Somerset Ecology fees).	90	59
Major & Special Projects: Following a review of establishment, vacancy savings have been included in the forecast of £83.6k. In addition, there are expected consultancy fee savings of £57.3k. This has been partially offset by spend on Heritage boards of £0.8k, purchase of IT equipment for new staff £0.9k, legal fees of £0.4k, general staff costs of £0.3k and premises insurance £0.8k.	-138	
Other Minor Variances	-42	-7
Total	-427	-3

External Operations and Climate Change:

- 5.8 The External Operations and Climate Change directorate has reported net expenditure budget of £9.57m in 2021/22, which plans to deliver a range of services and projects including:
- Climate change strategy development and Carbon Neutrality and Climate Resilience (CNCR) action plan implementation
 - Asset and property management for general fund assets
 - Regulatory services such as environmental health and licensing
 - Service resilience and emergency planning
 - Open spaces and street scene
 - Client for major contracts including waste, building control, leisure, street cleansing
 - Harbours, coastal protection, and flood management
 - Cemeteries and crematorium
 - Car parks
- 5.9 The directorate has reported a current forecast net overspend for the year of £716k as at the end of quarter 2.
- 5.10 The headline for the Directorate is to look beyond the car park income figure to the improved performance in most of the other business areas of the Directorate. Specifically, income from the Assets team and Bereavement services. The net position would be an underspend of £1.27m. As a team we continue to manage our workforce and ensure we adapt to provide resources at the point of need. The Directorate Plan for 2021/22 is both a reflection of new ambition for the year and a catch up from a pandemic hit 2020/21; that programme of work will inevitably draw on our ability to take on new tasks. As we better understand our legacy assets, we better understand our financial liabilities. Those liabilities will manifest in year and in future years as new costs.
- 5.11 The overspend position is created by car parking usage continuing to fall well below historic budgeted levels, with income projected to be almost £2m below budget. This

budget line was kept at previous levels when the Council approved the 2021/22 budget in February 2021. However, it was also recognised that there was a high risk that income would remain low and there was limited additional government grant support, which was reflected in the Budget through the provision of a £2.4m Budget Volatility and Risk Reserve for the year. The Executive agreed to allocate £1.145m from this reserve through the Q1 report (shown against the earmarked reserves budget). The Q2 position assumes that only £517k of this is needed and that the remainder of the car park income loss can be covered from in-year underspends across the authority. There is also £390k of parking income loss funding included within the COVID General Grants forecast, which further offsets the projected income shortfall.

- 5.12 Car Parking income is significantly down on the 2019/20 pre-pandemic level used to benchmark the income figure for 2021/22. In tracking income, it is broadly one third down on where it was pre-pandemic. That activity will be tracked through the year, in setting a budget for 2022/23 the income figure for car parking will need to reflect the known activity for 2021/22.

Table 3: External Operations and Climate Change Forecast Variances as at Q2

Department Notes	Q2 Variance £000	Q1 Variance £000
Major Contracts: The underspend relates to the introduction of a new fleet contract and a thorough audit of all fleet costs. This saving is for 2021/22 only and review of future years is currently being undertaken.	-147	0
Street Scene / Open Spaces: Cost savings within the service such as a reduction in budget required for contractor costs and a predicted reduction in fuel. A budget carry forward of £100k was approved for Hankridge Pond. Works have been programmed, however cannot take place during winter meaning that the spend will fall into next financial year.	-306	-47
Asset Management: This favourable variance includes additional income, new lettings and completion of leases earlier than expected. Due to an ongoing audit of legacy budgets, and the review of the maintenance programme, there is a forecast underspend across several budget headings.	-598	-247
Public Health: A budget carry forward of £15k was approved for the Seagull Control programme for 2021/22 however this has been postponed for a further year creating an underspend. The cost of staff re-directed (and not backfilled) onto COVID-19 activities has been fully funded through the Community Outbreak Management fund creating an underspend.	-35	-54
Licensing: Updated projections for income evidence related to both general and taxi licensing have identified a likely shortfall for this year.	47	47
Bereavement Services: This is a demand led service where the income budget is estimated each year. The current forecast shows better than budgeted levels of income.	-151	-184

Department Notes	Q2 Variance £000	Q1 Variance £000
Parking: The parking income baseline budgets were maintained at historic levels as part of budget process, with a known risk. The current forecast income loss for the year is £1.989m. This has been calculated using both 2020/21 and 2019/20 data and reflects a 30% reduction in income. We have claimed £390k through the COVID Income Compensation Scheme for 71% of losses for April to June 2021. The Executive also supported withdrawing £1.145m from the Budget Volatility and Risk Earmarked Reserve through the Q1 report to help mitigate the shortfall. The Q2 position assumes that only £517k of this is needed and that the rest can be offset from corporate underspends.	1,911	1,937
Other Minor Variances	-5	46
Total	716	1,498

Housing & Communities:

- 5.13 The Housing and Communities directorate has a net expenditure budget of £3.273m in 2021/22, which plans to deliver a range of services and projects including:
- Housing options include accommodation and support for homelessness and rough sleepers including the 'everyone in' priority due to COVID
 - Housing strategy development
 - Housing enabling, including affordable and rural housing
 - Community resilience services such as CCTV, public safety and community engagement
 - The service also manages council housing and supported housing services through the Housing Revenue Account which is accounted for separately.
- 5.14 The directorate has reported a current forecast net overspend of £16k at the end of quarter 2.
- 5.15 Whilst we are currently reporting a very small variance, we are expecting some volatility particularly in our homelessness service as a legacy of the COVID restrictions and in the knowledge that patterns of substantial community hardship are already starting to become apparent. We have some ability to manage the financial impacts of this by using earmarked reserves of specific Government funding, however we will need to keep this under close review. There is also substantial pressure on our resources to deliver our ambitions for single homeless customers and our need to decant the Canonsgrove facility.

Table 4: Housing & Communities Forecast Variances as at Q2

Department Notes	Q2 Variance £000	Q1 Variance £000
Minor Variances	16	5

Total	16	5
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Internal Operations:

- 5.16 The Internal Operations directorate has a net expenditure budget of £9.922m in 2021/22. This delivers a range of support services and corporate projects, as well as budgets for a range of centrally held corporate costs. The main services and projects delivered within this directorate include:
- Customer Services including call-handling, front of house, Deane Helpline and Emergency Response Team
 - Council Tax and Business Rates administration and income collection services
 - Housing benefits and local council tax support administration
 - Income control and collection from customers ('Accounts Receivable')
 - Payments to suppliers ('Accounts Payable')
 - Corporate strategy, corporate performance, and business intelligence
 - Operational support and digital mailroom
 - Finance and procurement services
 - Corporate Services including Communications and Engagement, People Management including HR and Payroll, Corporate Health and Safety, ICT services
 - Corporate governance including Committee administration and Elections services
 - Internal Change programmes and projects
- 5.17 The directorate is currently forecasting a net underspend of £146k at the end of quarter 2. This includes additional resources identified as needed to meet service requirements over and above existing approved budgets.
- 5.18 The organisation is facing significant change through the implementation of Unitary. Governance & Democratic Services and supporting our staff will be fundamental. It is anticipated additional costs will be funded through savings and in year vacancies where possible. However, it should be noted that pressures on all services will grow as the unitary transition plan comes into force and full budget savings may not be possible giving rise to the potential need to seek approval for additional allocation from reserves. Monthly budget monitoring through the Directorate Performance Board will ensure close monitoring and identification of savings.
- 5.19 There may be opportunities to mitigate some of this reported pressure, for example through:
- Surplus balances if released from the review of earmarked reserves
 - In year receipt of new burdens grant funding
 - Vacancy savings exceeding expectations
 - Capitalising IT equipment costs
 - Managed control of spend in remainder of the year.

Table 5: Internal Operations Forecast Variances as at Q2

Department Notes	Q2 Variance £000	Q1 Variance £000
<p>ICT: The service has managed to identify savings of c£29k to date from rationalising ICT network circuits at the West Somerset House site, replacement of equipment and removing third party support costs and migration of the Mobile Device Management solution. In addition salary savings due to in year vacancies and further underspends have been identified where budget allocations are not required in the current financial year. This position takes into account that we have already incurred non budgeted £20k spend due to new starters above existing establishment (at approximately £1k per starter for laptop, licences etc) and have estimated another £10k until a system is in place for these costs to be picked up by the relevant service.</p>	-99	-53
<p>Benefits: The position at the end of Q1 is showing a potential underspend at year-end. This underspend largely results from receiving a greater amount of administration grant from DWP for administering Housing Benefit than we had originally budgeted for. The grant from DWP is to ensure we have sufficient funding to adequately resource the administration of Benefits on their behalf. DWP are also requiring us to undertake an increased amount of review work on claims this year. We may need to utilise some or all of this budget later in the year to ensure that we have sufficient resourcing to deliver to the required DWP standards.</p>	-134	-87
<p>Revenues: Due to the pandemic we tailored our approach to recovery and no court hearing took place in the 2020/21 financial year. Not issuing court summonses meant that no court costs (£67 per account) were raised last year. By contrast in 2021/22 we have summonsed both this year and last year's caseload to catch up hence an increase in revenue generated from the raising of in year court costs.</p>	-125	0
<p>Governance: The service has requested to draw upon in-year underspends to fund the Community Governance Review for Taunton and additional staffing to cover a significant increase in workload.</p>	87	266
<p>Customer Services: We're forecasting a £60k overspend across the Customer Services areas. This is due to a correction in enhancement payments to staff in Deane Helpline following a review of their entitlements. This is partially offset by an increase in income of £10k. The Customer Services function is due to meet budget. The Agency costs to cover additional call volumes due to the Waste disruption and the increase in demand due to Recycle More has been covered by existing vacancies. The Taunton Visitor Centre has experienced a significant reduction in income over the last six months. As this is based on commission sales this loss in income comes with a corresponding reduction in expenditure.</p>	60	0

Department Notes	Q2 Variance £000	Q1 Variance £000
People / HR: The base budget had an expectation of a £100k vacancy saving target. Whilst this is for vacancies across all directorates the budget is held within HR but with various vacancy savings being reported in various staff budgets. As the scale of forecast vacancy savings has increased since Q1 it is anticipated that the savings target will be dispersed across services for the Q3 report.	73	92
Shared Support Service Charges: the proportion of shared support staff servicing the Housing Revenue Account (HRA) has been reviewed and updated to reflect current allocation of time.	170	0
Other Minor Variances	-7	-9
Total	25	209

Senior Management Team (SMT)

- 5.20 The SMT has a net expenditure budget of £554k in 2021/22. This budget line holds the costs of the Chief Executive and four directors, a contingency to support strategic priorities in-year, and funding approved to support Stronger Somerset business case development and related costs.
- 5.21 A very minor variance to budget is forecast at the end of quarter 2.

Pay Award 2021

- 5.22 The staff pay award has been estimated at 1.75%, reflecting the employers' final offer. The pay award has not yet been accepted by the unions, and therefore not yet implemented. The 2021/22 approved budget assumed a 0% pay award, consistent with the Government's proposals for civil service pay, therefore any pay increase presents a budget pressure in year. A provision for estimated costs of £303k across General Fund services based on 1.75%. Following feedback at Corporate Scrutiny Committee on the Q1 report this has now been shown as a separate line (rather than against SMT) in the summary table 1 above, and will be reflected across all service budgets once settlement is reached and implemented.

Other Costs, Income and Reserve Transfers

- 5.23 As well as budgets allocated to directorates for the delivery of services, several budgets are reported 'below the line' as centrally held/corporate items.
- 5.24 For 2021/22 this includes accounting for additional emergency COVID grant funding that has been received to mitigate additional costs and income losses due to national and local restrictions. This area also includes items such as:
- Investment properties net income
 - Other interest costs and income

- Accounting provisions for Expected Credit Losses (commonly known as bad debt provisions)
- Capital accounting adjustments including capital debt repayment, revenue financing of capital costs, and transfers to and from capital reserves
- Transfers to and from general and earmarked revenue reserves

5.25 A net underspend / income surplus of £1.073m is currently forecast as at the end of quarter 2, predominantly due to proposed transfers from reserves and estimated income loss grant funding from Government.

Table 6: Forecast Variances as at Q2

Department Notes	Q2 Variance £000	Q1 Variance £000
COVID General Grants: It is recommended that £135k from this grant is carried forward to fund the leisure contract budget pressure in 2022/23 due to COVID-19. Therefore, this is showing as an underspend of £135k against the full grant of £813k. The Sales, Fees & Charges (SFC) compensation is only running until end of June 2021. The claim has been submitted and the estimated compensation from income loss is £415k.	-550	-430
Investment Properties: Overspend relates to increased landlord repair costs relating to roofs / guttering etc and scaffolding requirements.	60	0
Interest and Investment Income: After a volatile and difficult year for treasury investment performance shaped by the pandemic, recovery has been excellent. SWT's good performance is from strategic investments. We have received 4.5% income from strategic pooled funds in year. It means the income return from the total investment portfolio is 1.5% which, in terms of current money market investment returns, is particularly healthy.	-221	-305
Net Transfers from Earmarked Reserves: The SFC Compensation from Government does not cover all of the expected loss for the financial year. Therefore, it is recommended that the car parking income shortfall is funded in part from the Budget and Risk Volatility Reserve. This was supported by the Executive through the Q1 report.	-517	-1,145
Capital and Other Adjustments: An additional revenue contribution is planned to fund the finance system contract renewal license.	194	80
Other Minor Variances	-39	25
Total	-1,073	-1,775

5.26 As part of the approved Budget for 2021/22 the Council approved a prudent £2.4m contingency to be held in the Budget Volatility and Risk Reserve. This is in place to underwrite key risks against volatile costs and income lines such as parking income where the budget was maintained at pre-COVID levels but with intent to monitor trend

to inform future years budgets. Although the Executive supported the potential to use £1.145m of this reserve based on the Q1 forecast, updates to variances reported in Q2 mean that the estimated need to use the reserve in 2021/22 is significantly reduced to £517k. This position will continue to be monitored through the rest of the year and reassess the likely need to use the contingency at Q3 and year end.

5.27 On current forecast there is the prospect of c£1.9m being held in the reserve at year end, which would provide SMT, the S151 Officer and the Executive (in consultation with the Joint Committee / Implementation Executive for unitary) with the opportunity to review and potentially reprioritise some or all of this balance. It will be sensible to consider this initially as part of budget setting in February 2022.

6 General Fund Proposed Carry Forwards

6.1 Whilst reviewing the predicted outturn position the following potential carry forwards of budget have been identified totalling £437k. If approved at the end of the financial year this would effectively roll forward this spending approval into next financial year, leaving a net underspend of £798k.

Table 7: Potential Carry Forwards

	£'000
Hankridge Pond Work: This was a 21/22 supplementary budget funded from reserves. Works have been delayed and cannot take place during winter meaning that the spend will fall into next financial year.	100
Leisure Contract: To fund forecast 22/23 budget pressure due to COVID-19 from the remaining COVID grant in 21/22	135
Seagull Control Programme: This was a 21/22 supplementary budget funded from reserves. Due to changes in legislation this work will be delayed and will fall into next financial year.	15
Local Plan Feasibility: As a result of team vacancies and Unitary the spend in this area has been delayed. Interviewing has been completed to fill roles and this will mean some spend will be incurred in 2020/21 but not as much as was anticipated. In addition we are awaiting the Draft Order for Local Reorganisation which will set out the timeline for the adoption of a local plan for the new authority.	95
Phosphates: Part of the costs relating to the 21/22 supplementary budget funded from reserves/carry forwards from 20/21 will fall into 22/23 due to a delay in recruitment.	82
Total	437

6.2 Carry Forwards for items up to £150k can be approved by the S151 Officer, which would follow consultation with SMT and portfolio holders. Carry Forwards for items above £150k require Executive Committee approval.

7 General Fund (GF) Reserves

Unearmarked Reserves

- 7.1 The opening general reserves balance as at 1 April 2021 is £7.914m.
- 7.2 As part of the budget proposals to Full Council on 18 February 2021 and the Financial Strategy agreed by the Executive in July 2021, £2.160m of current reserves are planned to be used to soften the budget gap across two financial years (£1.16m in 21/22 and £1m in 22/23). Further approved allocations from general reserves are shown in the table below.

Table 8: GF General Reserve Balance

	Approval	£000
Balance Brought Forward 1 April 2021		7,914
2021/22 Original Budget Transfer From Reserve	Council – 18/02/21	-1,160
Supplementary Budget - Local Poll	Council – 04/05/21	-86
Supplementary Budget - Phosphates	Executive – 21/07/21	-200
Supplementary Budget - Health & Safety	Executive – 21/07/21	-126
Supplementary Budget - Parks & Open Spaces	Executive – 21/07/21	-100
Supplementary Budget - Asset Management	Executive – 21/07/21	-150
Supplementary Budget - Asset Management Compliance	Executive – 21/07/21	-100
Supplementary Budget - Revenues Service Capacity	Executive – 21/07/21	-130
Supplementary Budget - Business Intelligence Capacity	SMT – 23/06/21	-50
Supplementary Budget - Project Management Resources	Director/S151 – 15/07/21	-19
Current Balance		5,793
Forecast - Q2 Projected Underspend net of Proposed Carry Forwards		0
Projected Balance 31 March 2022		5,793
Planned Use of Reserve in 2022/23 for Base Budget		-1,000
Projected Balance 1 April 2022		4,793
Recommended Minimum Balance		2,400
Projected Balance above Minimum Reserve Balance		2,393

- 7.3 The projected balance remains above the minimum adequate reserves requirement as assessed by the S151 Officer. It is prudent to continue to hold reserves above the minimum at this stage as in-year budget risks remain higher than normal due to COVID, and the Council will need to contribute towards costs of implementing a new unitary council structure in Somerset.
- 7.4 As set out within the General Fund Budget Update report included in this meeting's agenda there are expected to be additional costs related to implementation of the new unitary council for Somerset. The estimate will be finalised and included within the 2022/23 Final Budget report to Full Council in February, but at this state Members are advised that an indicative £1.375m may be required from General Reserves to meet this cost.

Earmarked Reserves

- 7.5 The General Fund Earmarked Reserves brought forward balance for 2021/22 is £33.844m. This includes a £14.8m Business Rates S31 Grant reserve created in

2020/21 to set aside grant from Government that will be needed to mitigate the Collection Fund Deficit in the 2021/22 budget predominantly but also the spread of deficit over 3 years where required. The net budgeted and planned transfers from earmarked reserves in 2021/22 is currently £12.416m.

7.6 The following table details those reserves with balances greater than £500,000.

Table 9: General Fund Earmarked Reserves

	Opening Balance 1 April 2021 £000	Budgeted/ Planned Transfers £000	Closing Balance 31 March 2022 £000
2020/21 Business Rate Holiday S31 Grant	11,695	-11,118	577
2020/21 Business Rate Losses S31 Grant	3,081	-999	2,083
Business Rates Volatility	5,375	415	7,040
Investment Risk	3,673		3,673
Budget Volatility & Risk	2,400	-517	1,883
Commercial Investment Financing Fund	0	2,000	2,000
General Carry Forwards	2,112	-2,112	0
Garden Town Fund	870	-68	802
Economic Development Initiatives	769		769
Asset Management	687		687
Community Housing Grant (ring-fenced)	533		533
Other Smaller Balances	2,648	-18	2,630
Total	33,844	-12,416	21,427

8 General Fund (GF) Capital Programme

- 8.1 The current Capital Programme Budget is £164.148m in total (see **Appendix A**). This consists of £5.151m of new schemes approved in February 2021 (for £3.117m in 2021/22 and £2.034m in 2022/23), plus £153.899m of previously approved schemes from prior years.
- 8.2 This also includes in-year supplementary budgets of £2.258m for Future High Street schemes approved by Full Council on 7 September 2021, £2.0m for Phosphates approved by Full Council on 5 October 2021, £380k for the Single Homeless Strategy approved by Full Council on 5 October 2021, and a return of £522k to realign funding to match budget for the disabled facilities grants as approved by the Executive on the 15 September 2021. In addition, the following were approved under delegated authority: £150k for electrical vehicle charging points, £80k for Finance System licences and £50k for Watchet Cleeve Hill.
- 8.3 There are also capital works of £702k under S106 obligations mainly consisting of Norton Fitzwarren play pitches and play areas (£523k of which £25k is forecast to be spent in 2021/22). The Section 151 Officer has approved supplementary capital budgets for each of the S106 schemes to represent the spend commitment and match funding held.

- 8.4 The Council plans to finance this investment through Capital Receipts, Capital Grants, Revenue Funding and Borrowing (see **Appendix B**).
- 8.5 The General Fund Capital Budget relates to schemes which are estimated to be completed over the next four years. The current annual profiling of approved budget is summarised in **Appendix C**.
- 8.6 Financial performance to date against this profiled spend for this financial year can be found below and in **Appendix D** with an update from each directorate provided below. Overall, the Council is currently forecasting a net underspend against profiled budget for 2021/22 of £242k.
- 8.7 **Development and Place:** Capital Funding is provided for Development activity and Property Investment Activity. These budgets are governed via the Directorate and Programme Boards before being reported to Full Council. The slippage is mainly as a result of the phosphate related planning issues preventing progress on a proposed development site (£2.9m), off set by higher than expected CIL funded purchase of the Comeytrowe Primary School site, and higher flood alleviation costs on Firepool.
- 8.8 **External Operations and Climate Change:** The Capital programme spans a diverse range of activities that in part span several financial years. The Directorate has a robust programme management system to ensure the capital spend is tracked and drawn down in a timely manner. The current forecast for this financial year is slippage of £252k on the Fleet Contract, and a slight overspend of £93k mainly on the East Quay wall and Watchet Splashpoint Hole.
- 8.9 **Housing and Communities:** The capital programme has been updated to reflect the Single Homelessness and Rough Sleeper Accommodation Strategy & Delivery Plan passed by full council on 5th October. The strategy identifies the demand for additional accommodation, splits this down by specific need, and puts in place an end-to-end process of interventions, from early help through to tenancy support. The delivery plan looks at the accommodation and support requirements and identifies how these may best be delivered, whether that is through partner providers (preferred) or whether this is through direct intervention by SWT.
- 8.10 **Internal Operations:** Capital funding is profiled against technology projects including infrastructure upgrades to support cyber security improvements, finance system upgrades. Annual PC refresh upgrades and alarms for the lifeline service are also profiled here. Capital funding has also been allocated to support change programmes that have realigned the digital delivery programme and service improvement & efficiency programmes. The current forecast is an underspend of £105k for budgets that are no longer required.
- 8.11 **Hinkley:** The Hinkley funded projects saving related to projects that are complete.
- 8.12 **S106 Schemes:** The S106 projects relate to schemes on which costs have been incurred in the current year as per the obligations under the S106 agreements.

9 General Fund - Risk and Uncertainty

9.1 Budgets and forecasts are based on known information and the best estimates of the Council's future spending and income. Income and expenditure over the 2021/22 financial year are estimated by budget holders and then reported through the budget monitoring process. During this process risks and uncertainties are identified which could impact on the financial projections, but for which the likelihood, and/or amount are uncertain. The Council carries protection against risk and uncertainty in several ways, such as insurances and maintaining reserves. This is a prudent approach and helps to mitigate unforeseen pressures.

9.2 The following general risks and uncertainties have been identified:

- a) **Year-end Adjustments:** There are certain items that are not determined or finalised until the financial year-end. For example, the final assessment of provisions required for bad debts and final allocations of support service recharges. These can result in potentially significant differences to current forecasts.
- b) **COVID 19:** Although work continues to identify as much as we can the impacts of COVID, there could still be short, medium and long term impacts to both income and expenditure which have not yet been identified.
- c) **Unitary Council:** The Secretary of State has announced his decision on the future of local government in Somerset and has chosen the "One Somerset" option put forward by the County Council. This means there will be one new council for Somerset replacing the existing five councils in April 2023. The costs of implementation will be significant and will bring significant additional demand on officers to support the process with potential additional capacity required.
- d) **Fluctuation in demand for services:** We operate a number of demand-led services and the levels of demand do not always follow a recognisable trend. We therefore have to caveat the forecasts in these areas to account for fluctuations.
- e) **Forecasting Assumptions:** It is conceivable that, whilst budget holders are optimistic that they will spend all their budget, experience shows an increase in underspends often reported in the last quarter of the financial year. The pace of spending may also reduce as capacity and delivery of priorities is affected by local government structural change.
- f) **Job Costing Charges via Open Contractor (OC):** The project lead is thoroughly reviewing and improving the efficient and accurate operational use of OC. The ability of affected services to accurately forecast their outturn position on job costs apportioned via OC remains at risk until improvements are fully implemented, although officers are working through ways to mitigate this issue in the interim.
- g) **Pay Award:** The budgets have been set based on 0% pay award for 2021/22 following the Government's announcement in respect of public sector pay restraint. However pay negotiations for local government are still being undertaken. The

current forecast estimates a 1.75% pay award increasing direct staffing costs by c£478k (£303k GF / £175k HRA).

- h) **Landlord Property Compliance:** A review of all compliance areas against every property for which Somerset West and Taunton Council is responsible has largely been undertaken. The compliance works required following this review are currently being planned and procured. Whilst additional budget provision has been added for 2021/22 the full extent of the financial pressure remains uncertain as more information is gathered.
- i) **Asset Management:** The budgets for maintaining our assets do not hold any contingency for significant unforeseen repairs or improvement works. The Asset Management plan is evolving but progress has been, in part, been slowed by staff turnover. Significant budget carry forwards and earmarked reserves supplement the 2021/22 budgets in this area. An example of this would be North Hill, Minehead.
- j) **Homelessness:** This is a demand led service supporting a variety of complex needs. This service has received further Homelessness Prevention Grant and Rough Sleeper Initiative Government funding in 2021/22. The position needs to be kept under review pending the delivery of the Homelessness Strategy including the planned decant from the Canonsgrove site.
- k) **Revenues & Benefits:** The position on rent allowances/rent rebates could change significantly (approximately £200-£300k) as a result of the recoupment and debt impairment adjustments. We can calculate these at a given point in time but are unable to reliably forecast what these will be at year end as the financial implications are volatile.
- l) **IT:** There is a risk around the cost of BT charges for Deane Helpline due to a new redirect service. Negotiations are being made with BT to reduce the cost per call down however if this is unsuccessful there could be increased costs of £63k above the current projection.
- m) **New Burdens:** SWT is expected to receive more New Burdens Grant Funding during the year which will increase our revenue income, but the amount is not yet known.
- n) **Interest and Investment Income:** There are two aspects impacting on investment returns. The first relates to cashflows, particularly in a year when substantial capital purchases are due to be made which, in turn, adds high risk of variations to budget because of the timing of transactions. Careful management of liquidity and borrowing decisions can, to some degree, mitigate this and produce favourable investment returns and in-year cost of borrowing. The second aspect relates to non-property investment performance. After a volatile and difficult year for investment performance shaped by the pandemic, recovery has been excellent. SWT's good performance is from strategic investments. We have received 4.5% income from strategic pooled funds in year. It means the income return from the total investment portfolio is 1.5% which, in terms of current money market investment returns, is particularly healthy.

- o) **Business Rates (Risk):** There are inherent risks and uncertainties within the Business Rates Retention system. The Council's share of business rates funding is directly linked to the total amount of business rates due and collected in the area, which can fluctuate throughout the year and be affected by the result of Rateable Value changes e.g. as a result of Appeals. The highest value risk applies to Hinkley Point B nuclear power station which accounts for almost 20% of the tax base within SWT area. The power station was temporarily shut down for the majority of 2020/21 resulting in a large refund and is currently due to commence decommissioning no later than July 2022. Any earlier shut down or decommissioning could have a material impact on funding.
- p) **Business Rates (Issue):** The Government's calculator for Tax Income Guarantee grant included an error. A corrected version was issued after the 2020/21 accounts were closed. The impact of the error is that we over-accrued business rates, TIG income and BRR Pooling Gain by £244,850, which will adversely affect funding in 2021/22 when corrected. This will need to be offset by a transfer from the Business Rates Volatility Reserve.
- q) **Council Tax:** This income is under pressure due to the increase in discounts being issued. This will have an impact on the Collection Fund in the current year and future years, which would impact on the General Fund budget in future years through the Surplus or Deficit recovery. Regular review of statistics will be undertaken to monitor the situation.

10 Links to Corporate Aims / Priorities

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

11 Partnership Implications

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

12 Scrutiny Comments / Recommendations

- 12.1 *To be updated following the committee.*

Democratic Path:

- **Corporate Scrutiny - 1 December 2021**
- **Executive - 15 December 2021**
- **Full Council - No**

Reporting Frequency: Quarterly

List of Appendices

Appendix A	Approved Capital Budget
Appendix B	Capital Financing of Total Approved Budget
Appendix C	Annual Profiling of Approved Capital Budget
Appendix D	Profiled Capital Budget for 2021/22 Vs Forecast Capital Outturn for 2021/22

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Appendix A: General Fund Approved Capital Budget

SWT Capital Programme	Prior Year Slippage	Approved Supplements not loaded into e5	Current Year Approval Feb 2021 Budget Setting for 2021/22	Current Year Approval Feb 2021 Budget Setting for 2022/23	Total Approved Budget	Current year Virements	Current year Supplements	Current year Returns	Revised Current year Approved Capital Budget
Development and Place	28,088,143	112,341,907	275,000	300,000	141,005,050	0	4,258,000	0	145,263,050
External Operations and Climate Change	6,986,727	-	1,735,360	532,360	9,254,447	0	200,000	0	9,454,447
Housing & Communities	4,110,423	-	896,620	896,620	5,903,663	0	380,000	(522,098)	5,761,565
Internal Operations	1,515,070	-	210,000	305,000	2,030,070	0	80,000	0	2,110,070
Hinkley Capital Schemes	856,875	-	-	-	856,875	0	0	0	856,875
S106 Capital Schemes	-	-	-	-	-	0	702,125	0	702,125
Total GF	41,557,237	112,341,907	3,116,980	2,033,980	159,050,104	0	5,620,125	(522,098)	164,148,131

Appendix B: Capital Financing of Total Approved Budget

SWT Capital Programme	TOTAL CAPITAL FINANCING	Capital Grants CIL	Capital Grants Other	Section 106 Agreements	Capital Receipts	Unallocated Capital resources	General Fund RCCO	New Homes Bonus Reserve	Capital Funding Reserve	Other Earmarked Reserves	Borrowing
Development and Place	145,263,050	13,165,992	14,157,386	631,767	745,000	-	-	-	-	-	116,562,905
External Operations and Climate Change	9,454,447	-	5,043,461	-	2,153,720	-	195,000	-	-	-	2,062,266
Housing & Communities	5,761,565	-	4,811,935	455,682	385,446	-	-	-	108,502	-	-
Internal Operations	2,110,070	-	-	-	1,181,900	-	-	-	20,000	-	908,170
Hinkley Capital Schemes	856,875	-	856,875	-	-	-	-	-	-	-	-
S106 Capital Schemes	702,126	-	-	702,126	-	-	-	-	-	-	-
Total GF	164,148,132	13,165,992	24,869,656	1,789,575	4,466,066	-	195,000	-	128,502	-	119,533,341

Appendix C: General Fund Annual Profiling of Approved Capital Budget

SWT Capital Programme	Total Approved Budget	Capital Spend 2021/22	Capital Spend 2022/23	Capital Spend 2023/24	Capital Spend 2024/25
Development and Place	145,263,050	68,260,734	31,309,203	37,754,966	7,938,146
External Operations and Climate Change	9,454,447	5,613,860	3,840,586	-	-
Housing & Communities	5,761,565	2,202,601	1,785,029	1,089,000	1,059,000
Internal Operations	2,110,070	1,680,418	429,652	-	-
Hinkley Capital Schemes	856,875	856,875	-	-	-
S106 Capital Schemes	702,125	203,295	498,831	-	-
Total GF	164,148,131	78,817,782	37,863,301	38,843,966	8,997,146

Appendix D: Profiled Capital Budget for 2021/22 Vs Forecast Capital Outturn for 2021/22

SWT Capital Programme	Profiled Capex Budget 2021/22	Expenditure YTD	Forecast Outturn 2021/22	Variance; - underspend + overspend	Slippage	- Underspend + Overspend
Development and Place	68,260,734	26,938,862	65,412,086	(2,848,648)	2,848,648	0
External Operations and Climate Change	5,613,860	2,325,170	5,455,042	(158,818)	(252,000)	93,182
Housing & Communities	2,202,601	107,469	1,794,009	(408,592)	408,592	0
Internal Operations	1,680,418	1,301,893	1,581,414	(99,004)	(6,303)	(105,307)
Hinkley Capital Schemes	856,875	233,000	526,575	(330,300)	100,000	(230,300)
S106 Capital Schemes	203,295	172,290	204,081	786	(786)	0
Total GF	78,817,782	31,078,683	74,973,207	(3,844,576)	3,098,151	(242,424)

Report Number: SWT 101/21

Somerset West and Taunton Council

Corporate Scrutiny – 1 December 2021

Draft 2022/23 General Fund Budget Update

This matter is the responsibility of Executive Councillor Henley, Corporate Resources

Report Author: Emily Collacott, Lead Finance Business Partner and Deputy S151 Officer

1 Executive Summary

- 1.1 The purpose of this report is to provide Members with an update on progress regarding Budget Setting for 2022/23, the latest Medium Term Financial Plan (MTFP) forecasts, and the areas to be finalised.
- 1.2 The Council's initial MTFP (July 2021) projected an early indicative balanced budget for 2022/23, utilising a significant £3.7m of one-off funding from general and earmarked reserves in line with the agreed financial strategy. Following further review of the baseline budgets and up to date information some further pressures and savings have been identified for inclusion in the MTFP, leading to an increase in the budget gap of £963k in 2022/23. Plans to mitigate this additional financial pressure will be included in the Draft Budget report to Members in the new year.
- 1.3 It is anticipated that 2022/23 will be the final budget year for Somerset West and Taunton as a district Council with its assets, liabilities, and functions due to transfer to the new Somerset unitary council once it is created. The MTFP is therefore prepared on a shorter term basis including an indicative forecast of SWT costs in 2023/24. Currently the forecast budget gap in 2023/24 is £6.4m including the additional net pressures that are ongoing.
- 1.4 The budget planning process is ongoing and there remains some areas where estimates are to be finalised therefore the estimated Gap is likely to change and will be reflected in the final draft Budget. The Executive is due to recommend its final budget proposals to Full Council in February 2022.

2 Recommendations

2.1 This report is to be noted as the updated estimates for the 2022/23 Budget and latest Medium Term Financial Plan forecasts, and the areas to be finalised.

3 Risk Assessment

3.1 There remain some key risks within the budget and medium term forecasts. These are summarised in section 10 of the report.

4 Background and Full details of the Report

4.1 The Financial Strategy for Somerset West and Taunton Council (SWT) was approved by the Executive on 21 July 2021. This report outlined the Council's approach to developing the 2022/23 budget and provided Members with an update on the Medium Term Financial Position (MTFP) forecasts.

4.2 Since then officers have been reviewing the detailed budget estimates taking into account the underspends and overspends identified in the 2020/21 outturn, ongoing reviews of base budget estimates for services, and the changing economic climate. This has identified some changes to the base budget which are reflected in the updated MTFP figures below. The most significant change relates to the major reduction in car parking income which currently appears to be sustained following the 4th national lockdown earlier this year. Reducing the budget for parking income is prudent however it should be noted there is a higher than normal margin for error in forecasts which will be considered when assessing adequate minimum reserves.

4.3 There are still some items which are unknown at this stage of the budget process. These are covered in section 9.

4.4 The Financial Strategy and MTFP in July showed a provisional balanced position up to 2022/23, with a predicted budget gap of £4.949m for 2023/24. This large gap in 2023/24 is mainly driven by the expected reduction in business rates and new homes bonus grant funding plus the impact of ongoing costs that will be funded by one-off use of reserves in 2022/23. A mixture of unavoidable pressures and identified base budget savings have been identified and these have now been incorporated into the MTFP resulting in a further budget gap of £963k:

Table 1 - Summary 2022/23 Budget Gap Reconciliation

	£k	£k
2022/23 Budget Gap as reported as per Financial Strategy		0
Service Cost Pressures:		
Car Parking income – assumption that parking income improves on current demand but remains approximately 25% lower than base budget.	1,475	
21/22 Proposed Pay Award – the current proposed pay award is now 1.75% (previous estimate 1.5%)	76	

	£k	£k
Leisure Contract savings deferred	135	
Staff Costs	437	
Health and Safety	28	
Water Sampling	10	
Contract increases	123	
Legacy investment rent income decrease	13	
Homelessness	113	
Other various minor pressures	98	
Subtotal – Service Cost Pressures		2,508
Service Cost Savings:		
Remove Asset Maintenance Increase	-298	
CCTV savings	-73	
Asset rents (non-investment)	-253	
Other various minor savings	-116	
Subtotal – Service Cost Savings		-740
Other Items		
COVID Grant Earmarked Reserve	-135	
Homelessness Reserves/Grants	-113	
BRR Reserve to offset updated Collection Fund Deficit	-22	
Estimated BRR Pooling Gain	-250	
Council Tax Grant	-39	
Reduction in RCCO for Desktop Hardware Replacement	-130	
Council Tax Base Provisional Calculation increase	-116	
Subtotal – Other Items		-805
2022/23 Latest Budget Gap Estimate November 2021		963

4.5 The following table sets out a summary of the updated Medium Term Financial Plan for Somerset West and Taunton as at November 2021.

Table 2 – Updated MTFP Summary 2022/23 – 2023/24 (November 2021)

	2021/22 £k	2022/23 £k	2023/24 £k
Total Spending on Services	21,020	23,664	23,524
Investment Properties	-5,562	-7,157	-7,327
Net Financing Costs	1,903	3,624	4,307
SRA Contribution	98	99	100
Special Expenses	29	29	30
Earmarked Reserves	2,415	-3,442	-15
General Reserves	-1,160	-1,000	0
Net Expenditure	18,743	15,817	20,619
Retained Business Rates	-6,182	-4,199	-4,281
Business Rates Pooling	-250	-250	0
Business Rates prior year deficit	12,556	1,953	1,331

	2021/22 £k	2022/23 £k	2023/24 £k
Business Rates S31 Grant	-12,117	-1,474	-897
Additional Grants (COVID)	-1,221	0	0
Revenue Support Grant	-6	-6	-6
Rural Services Delivery Grant	-253	-253	-253
New Homes Bonus	-1,743	-851	0
Council Tax	-9,490	-9,797	-10,092
Council Tax–Special Expenses	-29	-29	-30
Council Tax prior year surplus	-8	52	53
Net Funding	-18,743	-14,854	-14,175
Budget Gap	0	963	6,444
Gap – Change on Previous Year	0	963	5,481

Note: The 2021/22 figures are based on the revised budget as per the Financial Strategy.

5 Local Government Reorganisation in Somerset

- 5.1 The current draft MTFP does not yet include any allowance for transitional costs related to implementing the new unitary council for Somerset.
- 5.2 The County Council and four district councils in Somerset have agreed to form the Local Government Reorganisation Joint Committee (LGRJC) (see SWTC Executive Committee 20 October 2021). The LGRJC will consider the principles and basis for cost sharing and make requests of the five Councils pending the statutory provisions that are due to guide the process. Initial estimates indicate that Members should prepare for a request above £0.9m as a contribution towards the estimated £16.5m implementation costs as identified in the One Somerset Business Case. On this basis it is proposed to plan for costs of up to £1m allowing for a small contingency.
- 5.3 In addition, it is anticipated that additional capacity will be required within Somerset West and Taunton Council to mitigate the impact of transition on ‘business as usual’ service delivery. Initial estimates suggest it would be prudent to allow a one-off budget of £375k for this purpose.
- 5.4 Based on the above, it is anticipated that an additional one-off funding requirement will need to be included in the final proposed budget for 2022/23, indicatively estimated to be £1.375m. Subject to final budget proposals it is assumed this one-off additional cost will need to be funded from General Reserves in 2022/23 as it is not currently affordable within the base budget without further savings. This will be finalised and clarified as part of the draft budget report in January.

6 Closing the Gap

- 6.1 The agreed financial strategy for SWT plans to use £3.7m of reserves (funded by business rates gains, treasury and investment savings) towards balancing 2022/23 on a one-off basis. Reserves will therefore fund approximately 15% of service costs next year. The underlying financial pressure will remain (and increase) in 2023/24. The approach adopted recognises that significant savings are expected to follow in subsequent years through the implementation of a unitary council, and it would be counter-productive to pre-empt service priorities and operational design in advance of the implementation programme. Despite this approach it is important that leadership focusses on sustainable options as a minimum to counter the gap increase for 2022/23.
- 6.2 Equally there are currently significant uncertainties regarding funding with the Spending Review (SR) due to be announced on 27 October 2021, and the provisional settlement due in December. There is £2m of one-off funding in 2021/22 (COVID emergency funding £813k, Lower Tier Services Grant (LTSG) £995k, Local Council Tax Support (LCTS) tax base compensation £225k). It is prudently assumed none of this funding continues in 2022/23, in the absence of information to the contrary. In addition, it is assumed we will only receive the final legacy payment for New Homes Bonus Grant income, which is a reduction of £892k compared to 2021/22. The funding position will not be known with certainty until the Provisional Settlement is announced in December.
- 6.3 The leadership team and Executive will finalise proposals to close the additional gap and share this for consultation with members through the draft budget report to Corporate Scrutiny Committee on 26 January 2022. Within the terms of the voluntary LGRJC formed by the 5 councils, it is agreed that the draft budget plans will also be shared with the LGRJC on a voluntary basis and the SWT Council should consider the feedback from the Joint Committee when making its decisions.

7 General Reserves

- 7.1 General Reserves are currently estimated to be at £5.793m at 31st March 2022. The financial strategy includes using £1m of General Reserves in 2022/23 which would reduce the balance to £4.793m.

Table 3 – GF General Reserve Balance

	Approval	£000
Balance Brought Forward 1 April 2021		7,914
2021/22 Original Budget Transfer from Reserve	Council 18/02/21	-1,160
Supplementary Budget - Local Poll	Council 04/05/21	-86
Supplementary Budget - Phosphates	Executive 21/07/21	-200
Supplementary Budget - Health & Safety	Executive 21/07/21	-126
Supplementary Budget - Parks & Open Spaces	Executive 21/07/21	-100
Supplementary Budget - Asset Management	Executive 21/07/21	-150
Supplementary Budget - Asset Management Compliance	Executive 21/07/21	-100
Supplementary Budget - Revenues Service Capacity	Executive 21/07/21	-130

Supplementary Budget - Business Intelligence Capacity	SMT 23/06/21	-50
Supplementary Budget - Project Management Resources	Director/S151 15/07/21	-19
Current Balance		5,793
Planned Use of Reserve in 2022/23 for Base Budget		-1,000
Projected Balance 31 March 2023		4,793
Recommended Minimum Balance		2,400
Projected Balance above Minimum Reserve Balance		2,393

- 7.2 The table above does not include the anticipated requirement for £1.375m to fund LGR transitional costs including additional capacity within SWTC services (see section 5 above). This would reduce the Projected Balance to c£3.4m.
- 7.3 Equally the table does not include the outturn for 2021/22 financial year, which is currently projected to report an underspend as per the Quarter 2 report. This will be updated and only known with certainty at the end of the financial year.
- 7.4 The S151 Officer advises that it is prudent to retain headroom within the general reserves balance to mitigate financial risks and volatility in the lead up to formation of the new unitary council.
- 7.5 The current recommended Minimum Reserve Balance is £2.4m. The S151 Officer will review the minimum reserve requirement in February 2022 as part of the final budget recommendations.

8 Council Tax

- 8.1 The assumptions used have not changed for Council Tax Charge increases. For financial planning purposes it has been assumed Council Tax Charges will increase by 1.99% each year. This is subject to consideration by the Executive through the budget process, which will formally recommend its Council Tax proposals to Council each February as part of the Budget report. It is not known at this stage whether the Secretary of State will continue the option for the 'threshold for excessive council tax increases' for shire districts to increase tax by up to £5 (on a Band D charge). This is subject to confirmation annually through the Finance Settlement.
- 8.2 The provisional estimate of the Council Tax Base has been calculated resulting in an increase to the base providing £116k more income. The final Council Tax Base is due to be approved by the s151 officer in December 2021 and any changes will be reported in the next budget update report.

9 Areas Still to be Completed

- 9.1 Budget Holders put forward their proposals for Fees and Charges and the impact of these is being reviewed by Finance. The S151 Officer has delegated authority to agree these (with the exception of Parking Charges) and an update will be provided within the next budget update report.

- 9.2 The Business Rates Retention provisional estimates will be completed in January 2022. It is unlikely this will affect the current draft estimate significantly based on current information; however, this is a complex calculation and also subject to change following the Provisional Local Government Finance Settlement.
- 9.3 Capital financing costs and investment income estimates will be finalised in December as draft capital plans are agreed.
- 9.4 Savings options and plans to mitigate the additional financial pressures identified in this report.
- 9.5 Completion of review of earmarked reserves, which could see changes in levels of contingencies required and potentially the release of funds to General Reserves if no longer required for their original purpose.

10 Risk, Opportunities and Uncertainty

- 10.1 Ongoing risks and uncertainty for the budget at this stage include:
 - a) **Not achieving the efficiency savings target within the Financial Strategy:** It is essential that work progresses to meet the savings targets included in the Draft Budget and that the Council delivers efficiencies to meet this target.
 - b) **Commercial Strategy:** The MTFP includes estimates of total investment income and financing costs on the assumption the £100m fund is fully invested. Budget estimates will be updated in December to reflect the position of the Fund at that stage.
 - c) **Local Government Finance Settlement (LGFS):** We have not yet received the Provisional Finance Settlement and are expecting this in late December 2021/early January 2022. The funding projections within the MTFP are based upon prudent estimates. There is significant uncertainty around this in terms of core funding and any additional funding towards the ongoing impacts of the pandemic on local government costs and income.
 - d) **New Homes Bonus (NHB):** A Government consultation on the future of New Homes Bonus closed on 7 April 2021. If the calculation method is unchanged for 2022/23 the NHB annual increment could be up to £700k more than our current budget estimate. However, the Consultation indicated the level of grant will be reduced and may be targeted differently, and that legacy payments will not be reintroduced. Government has yet to provide an update on Policy or grant method following the consultation, but it is prudent to assume no additional grant until Government provides a clear position. It is recommended by the S151 Officer that if NHB income in 2022/23 is greater than current forecast the increase is fully allocated towards the annual budget and reduce the gap in 2022/23.

- e) **Business Rate Retention (BRR):** The annual budget estimate return is due to be completed in January 2022 and therefore the forecast for BRR income could change for 2022/23, although it is unlikely the funding forecast will change significantly with net BRR projected to be at the Safety Net.
- f) **Council Tax:** The budget for council tax income is subject to the completion of the final Tax Base in December and the approved rate of tax increase in February 2022. Any variation from current assumptions will affect Council Tax income estimates.
- g) **Fees & Charges:** Proposals for 2022/23 fees and charges are currently being prepared by service managers and the finance team. Final proposals may impact on the current estimated income for next financial year and will be confirmed in the next budget report.
- h) **Business Rates Pooling:** SWT will not operate within the Somerset Business Rates Pool in 2022/23, with the Council exiting the Pool on 31 March 2022. This is to de-risk the Pool from the major reduction in business rates income following the expected decommissioning of Hinkley Point B nuclear power station. The remaining Pool members (Somerset County Council and the other three district councils) have agreed that SWT will receive a contribution from 2022/23 pooling gains in lieu of agreement to exit the pool. The actual pooling gain share will not be confirmed until the end of 2022/23 financial year with the draft budget based on a reasonable estimate.
- i) **Review of minimum reserves:** The S151 Officer will review reserves as part of the budget setting process in February 2022 to ensure reserves remain robust.
- j) **Collection Fund Surplus/deficit –** This will be finalised in mid-January and therefore the estimates included in the MTFP could change.
- k) **Minimum Revenue Provision (MRP):** This is being reviewed and will be addressed in the final budget report.
- l) **B&B Homelessness:** The budget for temporary accommodation, and the wider housing options service, is demand led and relies significantly on specific grant funding. Grant funding tends to be announced one year at a time or is subject to successful bidding. Income for the service as well as demand led costs are therefore both subject to volatility.
- m) **Inflation on Major Contracts:** Final budget estimates for some of the Council's major contracts will not be agreed until later this calendar year. The MTFP includes an estimated increase for our major contracts and any further changes will be reflected in further reports.

- n) **IFRS 16 Leases:** Work is currently being undertaken on the impact of this new financial reporting standard. This changes the means by which the authority accounts for many of its contracts for items such as equipment, photocopiers, vehicles etc. They become leases featuring on the Council's Balance Sheet. Whilst the total cost to the Council over the life of a given contract is expected to remain unchanged, there will be some variation in the profile and appearance of costs in the Council's budgets and accounts in future years. Until relevant contractual rent agreements have been identified and assessed, it will remain uncertain what direct impact there will be on the budgets and accounts. Completion of this work is envisaged in early 2022.

11 2022/23 General Fund Capital Programme

- 11.1 The Council set a two-year capital programme in February 2021 therefore bids have not been requested this year. Officers are reviewing the programme and if there are any unavoidable items that need to be considered these will be included in further budget update reports.

12 Next Steps

- 12.1 The Leadership Team and Executive will prepare options to close the increased 2022/23 Budget Gap, which will be presented to Members within the next report.
- 12.2 The Finance Team will continue to finalise remaining budget estimates where work is in progress.
- 12.3 The Spending Review and Provisional Settlement will be reviewed, and budgets updated with new information as it emerges.
- 12.4 Final Draft Budget reports will be submitted to Members as follows:

26 January 2022	Corporate Scrutiny	Draft Budget and MTFP 2022/23
Date TBC	LGR Joint Committee	Draft Budget and MTFP 2022/23
9 February 2022	Executive	Final Draft Budget recommendation
24 February 2022	Full Council	Final Budget Approval Council Tax Resolution Approval

13 Links to Corporate Strategy

- 13.1 The Council's MTFP underpins the planning of resources needed to meet the priorities and objectives within the Corporate Strategy and related plans.

14 Finance / Resource Implications

- 14.1 The Council's financial position is set out above within the body of this report.
- 14.2 It is important that Councillors have a good understanding of the financial position

and forecasts over the medium term and consider ongoing financial sustainability of services in financial decision making. There is an important added factor in that future service design and priorities will be led through the implementation one of the workstreams. This has a strong influence on the Council's short term financial strategy, but Members should also consider the legacy financial position in 2023/24 when considering budget options.

15 Legal Implications

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

16 Climate and Sustainability Implications

- 16.1 No direct carbon/environmental impacts arising from the recommendations. Budgeted support towards the Council's climate and sustainability priorities is included within the MTFP.

17 Equality and Diversity Implications

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

18 Partnership Implications

- 18.1 The Council's budget includes significant expenditure on services provided by other key partners such as Somerset Waste Partnership, SHAPE Legal Partnership and Somerset Building Control Partnership.

19 Scrutiny Comments / Recommendations

- 19.1 *To be updated following the committee.*

Democratic Path:

- **Corporate Scrutiny – 1 December 2021**
- **Executive – 15 December 2021**
- **Full Council – No**

Reporting Frequency: Ad-hoc

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