

SWT Corporate Scrutiny Committee

Wednesday, 1st March, 2023,
6.15 pm



Somerset West
and Taunton

The John Meikle Room - The Deane
House

Members: Sue Buller (Chair), Ian Aldridge, Norman Cavill, Simon Coles, Habib Farbahi, Ed Firmin, John Hassall, Nicole Hawkins, Marcus Kravis, Libby Lisgo, Simon Nicholls, Nick Thwaites, Loretta Whetlor and Gwil Wren

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 - 10)

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.

We are now live webcasting most of 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](#).

5. To receive an update on the Local Government Review (LGR) and Community Governance Review (CGR)

Executive Portfolio Holder Report for Local Government Reorganisation (LGR) – Councillor Sarah Wakefield.

To provide a verbal update on LGR progress. This has been requested as a standing item on the agenda by the Chair, Cllr Sue Buller.

6. Corporate Scrutiny Request/Recommendation Trackers

(Pages 11 - 26)

To update the Scrutiny Committee on the progress of resolutions and recommendations from previous meetings of the Committee.

7. Executive and Full Council Forward Plan

(Pages 27 - 30)

To review the final meetings of the Executive and Full Council via the Forward Plans.

8. Corporate Scrutiny Chair's Annual Report

(Pages 31 - 32)

This report is the responsibility of Councillor Sue Buller – Chair of Corporate Scrutiny and has been drafted in collaboration with the Vice Chair, Councillor Nick Thwaites.

To approve the Annual report of the Corporate Scrutiny Committee 2022/23 for consideration by Full Council. Article 6 of the SWT Constitution states that *“The Scrutiny Committees must report annually on their work”*.

9. Corporate Performance Monitoring Report - Quarter 3 2022/23

(Pages 33 - 50)

This matter is the responsibility of Executive Councillor Member Benet Allen.

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

10. Access to Information - Exclusion of the Press and Public - Appendix F ONLY

During discussion of the following item (Agenda Item 11 – Appendix F only) it may be necessary to pass the following resolution to exclude the press and public having reflected on Article 13 13.02(e) (a presumption in favour of openness) of

the Constitution. This decision may be required because consideration of this matter in public may disclose information falling within one of the descriptions of exempt information in Schedule 12A to the Local Government Act 1972. Corporate Scrutiny will need to decide whether, in all the circumstances of the case, the public interest in maintaining the exemption, outweighs the public interest in disclosing the information.

Recommend that under Section 100A(4) of the Local Government Act 1972 the public be excluded from the next item of business (Agenda Item 11 – Appendix F only) on the ground that it involves the likely disclosure of exempt information as defined in paragraph 3 respectively of Part 1 of Schedule 12A of the Act, namely information relating to the financial or business affairs of any particular person (including the authority holding that information).

11. General Fund Financial Monitoring Report as at Quarter 3 (31 December 2022)

(Pages 51 - 88)

This matter is the responsibility of Executive Councillor Benet Allen, Portfolio Holder for Communication and Corporate Resources.

Report Author: Kerry Prisco, Management Accounting and Reporting Lead.



**ANDREW PRITCHARD
CHIEF EXECUTIVE**

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Members of the public are welcome to attend the meeting and listen to the discussions. There is time set aside at the beginning of most meetings to allow the public to ask questions. Speaking under "Public Question Time" is limited to 3 minutes per person in an overall period of 15 minutes. The Committee Administrator will keep a close watch on the time and the Chair will be responsible for ensuring the time permitted does not overrun. The speaker will be allowed to address the Committee once only and will not be allowed to participate further in any debate. Except at meetings of Full Council, where public participation will be restricted to Public Question Time only, if a member of the public wishes to address the Committee on any matter appearing on the agenda, the Chair will normally permit this to occur when that item is reached and before the Councillors begin to debate the item.

If an item on the agenda is contentious, with a large number of people attending the meeting, a representative should be nominated to present the views of a group. These arrangements do not apply to exempt (confidential) items on the agenda where any members of the press or public present will be asked to leave the Committee Room. Full Council, Executive, and Committee agendas, reports and minutes are available on our website: www.somersetwestandtaunton.gov.uk

The meeting room, including the Council Chamber at The Deane House are on the first floor and are fully accessible. Lift access to The John Meikle Room, is available from the main ground floor entrance at The Deane House. The Council Chamber at West Somerset House is on the ground floor and is fully accessible via a public entrance door. Toilet facilities, with wheelchair access, are available across both locations. An induction loop operates at both The Deane House and West Somerset House to enhance sound for anyone wearing a hearing aid or using a transmitter. 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 - 1 February 2023

Present: Councillor Sue Buller (Chair)

Councillors Ian Aldridge, Simon Coles, Habib Farbahi, Ed Firmin, John Hassall, Nicole Hawkins, Marcus Kravis, Libby Lisgo, Janet Lloyd, Nick Thwaites and Gwil Wren

Officers: Sam Murrell, Marcus Prouse, Chris Hall, Lisa Tuck, Hattie Winter, Alison Blom Cooper and Colleen Blake.

Also Present: Councillors Brenda Weston, Dave Mansell and Sarah Wakefield (Via Zoom), Cllr Loretta Whetlor

(The meeting commenced at 6.18 pm)

87. Apologies

Cllr Loretta Whetlor (subs Cllr Janet Lloyd).

Cllr Whetlor attended the meeting in her capacity as Chair of the Public Transport Task and Finish Group.

88. Minutes of the previous Corporate Scrutiny Committee

The Minutes of the previous Corporate Scrutiny Meeting held on Wednesday 4 January 2022, were approved as a true record.

Prop: Hassall / Sec: Coles Unanimous

89. 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 I Aldridge	All Items	Williton	Personal	Spoke and Voted
Cllr S Coles	All Items	SCC, Taunton Charter Trustee & Shadow Taunton Town	Personal	Spoke and Voted
Cllr H Farbahi	All Items	SCC & Shadow Taunton Town	Personal	Spoked and Voted
Cllr M Kravis	All Items	SCC & Minehead	Personal	Spoke and Voted
Cllr L Lisgo	All Items	Taunton Charter	Personal	Spoke and Voted

		Trustee & Shadow Taunton Town		
Cllr J Lloyd	All Items	Wellington & Sampford Arundel	Personal	Spoke and Voted
Cllr N Thwaites	All Items	Dulverton	Personal	Spoke and Voted
Cllr L Whetlor	All Items	Watchet	Personal	Spoke and Voted
Cllr G Wren	All Items	SCC & Clerk to Milverton PC	Personal	Spoke and Voted

90. **Public Participation**

There were no questions or comments submitted for public participation.

91. **To receive an update on the Local Government Review (LGR) and Community Governance Review (CGR).**

Cllr Sarah Wakefield and Alison North joined the meeting via zoom to provide a verbal update. The key milestones which have been achieved with regard to moving to the unitary council are:-

- The ICT cutover had taken place on the weekend of the 19-23 January which had transferred all SWT systems onto the SCC platform, to enable a smooth transition in April. All ICT staff worked collaboratively and extremely hard over the weekend, to ensure that all systems were working and ready to go on the Monday morning. There were still some teething problems but in the main, the process had gone well.
- Service readiness – Core teams are working through their change lists and product workstream notes to ensure that their services are safe, legal and functioning on Day1 of the new Authority.

The Community Governance update covered the fact that the new Taunton Parish Clerk was now in post. She would be working from an office in Deane House for the time being.

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

There were no comments on the Recommendation Tracker.

It was requested that an answer to the outstanding item on the Written Answer Tracker from 7/12/22 was submitted within 5 working days of the meeting.

07/12/2022	Cllr Lisgo – What is the call abandonment rate for customer services? How long do callers wait before they ring off? Are these callers followed up?	Cllr Benet Allen / Internal Resources	Richard Sealey and Malcolm Riches are looking at the statistics. A full written response will be provided in January, when the outcome is known. Still awaiting a response.	Alison North / Malcolm Riches
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Officers agreed to follow this up, and circulate the answer to the committee.

93. **Corporate Scrutiny Committee Forward Plan**

No comments were made. The Committee noted the Forward Plan.

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

The Committee noted the Forward Plans. There were no comments or questions arising.

95. **Public Transport Task and Finish Report**

Cllr Loretta Whetlor thanked the members of the Task and Finish Group for their input, and Marcus Prouse for providing administrative support. The work of the group had been disrupted due to the COVID-19 pandemic, and as such there had not been sufficient time and resource to provide a written report to the Committee.

Marcus Prouse showed a series of slides which provided an overview on the work undertaken by the Public Transport Task and Finish Group. These had been circulated to the Committee prior to the meeting, together with a series of conclusions.

Members of the Committee made the following comments:-

- Was the work on the work-place parking levy followed up and what was the outcome? *This had been researched but not implemented. This was mainly due to the impact COVID-19 had on commuting. It was generally accepted that less people were travelling into the offices to work.*
- The introduction of £1/£2 subsidised bus fares across the county was welcomed and had increased use of the bus service. The Committee was also pleased with the re-implementation of the late bus service on certain routes. This allowed workers to use the service and assisted the parking situation at Musgrove Park Hospital.
- It was raised that students were not eligible to claim the subsidised bus fare and were tied into the school transport agreement.
- Although the increased public transport between West Somerset and Taunton was welcomed, there was still a very limited service from Minehead to Bridgwater. There was currently only 1 daily bus each way that served Bridgwater/Taunton College and operated in term time. This was not sufficient because there were as many work opportunities in Bridgwater as Taunton. The free Hinkley Bus alleviated this problem somewhat, but due to the erosion of the coast road at Cleeve Hill, Watchet this now did not travel to the pickup point at Blue Anchor.
- It was asked whether Butlins could be encouraged to provide transport for their guests on change-over days, especially from the Taunton train station. Very often these buses were over-filled by people travelling to

Minehead with their luggage and families. This placed a lot of pressure on the regular service and commuters at peak times.

- There need to be more input at the development stage of new housing estates, to ensure that bus routes and public transport options were built into the early plans and could be provided as part of S106 and Community Infrastructure Levies.
- It was suggested that during peak times a quicker direct service bus could be provided for those commuters who wanted to travel straight to work, rather than take the longer journey through the villages. There was a mismatch at present, because some buses were over full at peak times, whilst others were practically empty.
- Those Councillors who are now part of the unitary council, were asked to support the recommendations and do their best to see they were implemented.
- Concern was expressed about what happens to the subsidised fares after the 31 March. Would the trial be extended?

Cllr Lisgo proposed that the report was passed to the Executive before Somerset West and Taunton Council ceased to exist, so that the Portfolio Holder for Economic Development, Planning and Transportation – Cllr Mike Rigby could take it forward to the new Somerset Council for their appropriate consideration. This recommendation was seconded by Cllr Janet Lloyd, and unanimously supported by the Committee.

Cllr Whetlor agreed to add a recommendation to the report, in respect of an improved service between Minehead/West Somerset and Bridgwater, in recognition of the significant number of educational and employment opportunities that are there.

96. **Local Labour Agreement Policy**

The report was introduced by Lisa Tuck, Service Manager for Economic Development, supported by Hattie Winter and Colleen Blake.

Corporate Scrutiny Committee was asked to note the formal adoption of the SWT Local Labour Agreement Policy into the Council's Policy Framework.

Currently only Sedgemoor District Council has such an agreement in place as part of their Local Plan, and this will be picked up and adopted by the new Somerset Council. SWT wants to implement this agreement as a material planning consideration going forward, so that it too can become part of the former Taunton Deane Borough Council and West Somerset Council Local Plans. When these become the new unitary local plans, this planning policy will transfer as part of the process. It is also hoped that this will provide a model for other councils to emulate.

Comments from the Committee included: -

- Members were supportive of the aspirations outlined in the report and agreed that contributing to the local economy via up-skilling and employment were improving opportunities for inward investment.
- The aim of the policy to try and ensure that at least 25% of the workforce is employed locally. This would be promoted via the Department of Work Pensions (DWP), Employment Hubs, Skill Up, Somerset Skills and Learning and via roadshows.
- Current gaps in the labour market are a legacy of COVID-19 which has adversely affected the tourism and hospitality sector. The Economic Development team recognise this and are doing what they can to ensure that new recruits to those industries are employed from the local workforce. They are aiming for 25% local uptake. The team will be working with developers as part of the planning process in the very early stages. Therefore, it needs to be factored in as a material planning consideration.
- It will only apply to large scale development, which is currently classified as 50+ dwellings.
- Concern was expressed about the policy affecting the viability of sites coming forward and might deter developers from building. *Alison Blom Cooper stated that as with all planning policies, there would be various concerns about viability, but these would be addressed and assessed as sites came forward, and would be considered alongside other issues such as transport links, health and education policies.*
- It was queried whether there were currently enough planning staff to implement the policy once it was adopted? *SWT currently had a full complement of planning officers, but it was a volatile employment market and was under considerable pressure from the private sector. It was an ever-changing picture. The implementation of the Local Labour Agreement would be monitored and facilitated by the Economic Development team, and there was more capacity to cover this type of work. Currently in Sedgemoor District Council, there is a full-time labour and skills employee who builds up a skills plan with employers to identify labour gaps and how these can be filled. It's a model that can be transferred to other councils.*
- It was queried whether SWT had worked with the construction industry and the supply chain whilst drawing up the policy. *The team had taken advice from the CITB (Construction Industry Training Board), DWP and other district councils such as Sedgemoor, who already had the policy in place. It was an ongoing process and would be monitored and developed as the scheme became embedded in the planning policy.*
- It was asked how the policy would be affected by the current phosphate situation. *At the present time it is mainly the smaller sites which are being held (which amounts to approximately 3000 properties). As this policy relates to larger future sites, which will build in phosphate mitigation as part of the planning process, it is not envisioned that this will be a problem.*
- It was asked how Councillors will be made aware of the policy if it is not going to Full Council for consideration. *The policy will be signed off as an Executive Decision, and then the Economic Development team will ensure that it is actively promoted to ensure members are aware of the policy. This can be achieved via Member Briefings, the website and newsletters. It is also important that the future Somerset Council, abides by the terms of the policy especially regarding any new council housing development.*

- The Committee was informed that even though the Local Labour Agreement was only now being adopted, previous developments at Seaward Way and North Taunton tried to recruit locally. They had this built into the work contracts to try and encourage the sub-contractors to employ apprentices and use local supply chains. This Local Labour Agreement policy would be formalising the process.
- Officers were congratulated for their hard work in finally bringing the Local Labour Agreement through the democratic process. It was an important piece of work which would leave a legacy for SWT.
- The definition of local for the purposes of the Agreement would conform to the boundaries of the relevant Local Planning Agreement. (So currently split between West Somerset and Taunton Deane).
- Cllr Buller concluded by saying that most of the report was aspirational and she was not sure whether it was achievable. She asked if successful examples could be provided by other councils who already had a process in place. (It was agreed by Hattie Winter to come back with a written answer). Please see Tracker.

The Councils Corporate Scrutiny Committee did not make a specific recommendation in relation to this report. The comments made were noted by the project team. The comments will be considered during the implementation of the policy to ensure the objectives of the policy and aspirations of the Council are realised.

(The Meeting ended at 8.07 pm)

SOMERSET WEST AND TAUNTON COUNCIL
CORPORATE SCRUTINY COMMITTEE RECOMMENDATION TRACKER 2022/23

Date of Cttee	Scrutiny Recommendation	Decision Maker /Directorate Responsible	Final Decision/ Response to recommendation/	Date of response	Implemented?	Officer Comments/Update
06/07/22 Page 11	Prop: Farbahi / Sec: Firmin to bring forward the Catapult report to Corporate Scrutiny in August for the Committee to debate.	Portfolio Holder for Econ Dev, Planning and Transportation – Cllr Mike Rigby	<p>Members have had an opportunity to understand and discuss the report at a member briefing which was conducted on the 8 March 2022. It was agreed that the report would be circulated following that briefing via mod.gov.</p> <p>The report contains general recommendations for all Innovation leaders and businesses in SWT – There is no requirement for SWT Council to make a key or budget decision</p>	20/07/22	No	Following a discussion with the PFH, Cllr Rigby wants the team to focus on the upcoming Innovation Conference and therefore does not support this coming back to Scrutiny for a re-run of the Member briefing, a recording of which is available for anyone who was not present.

<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 12</p>	<p>01/02/23 Prop: Lisgo / Sec: Lloyd. the committee recommended that before Somerset West and Taunton Council ceased to exist, the Executive consider the report of the Public Transport Task and Finish Group with a view to forwarding it to the new Somerset Council for their appropriate consideration.</p>	<p>Portfolio Holder for Econ Dev, Planning and Transportation – Cllr Mike Rigby</p>	<p>The Executive unanimously approved the forwarding of the work of the Public Transport Task and Finish Group to the new Somerset Council so that the recommendations and conclusions could be followed up and implemented as appropriate.</p>	<p>15/02/23</p>	<p>Yes</p>	<p>The Executive thanked the Task and Finish Group and officers for their hard work in undertaking and completing the project. It was gratifying to see that a considerable amount of progress had already taken place despite the short life of SWT.</p>
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Total Recommendations for 22/23: 2

Agreed: 1

Agreed in Part:

Not Agreed: 1

SOMERSET WEST AND TAUNTON COUNCIL
CORPORATE SCRUTINY COMMITTEE WRITTEN ANSWERS TRACKER 2022/23

Date of Cttee	Scrutiny Cttee Request for information	Decision Maker /Directorate Responsible	Response to request for information	Date of response	Scrutiny Officer Comments/Update
01/06/2022	Decision taken under the Emergency Rule – <i>Further information requested regarding costings etc</i>	Cllr Benet Allen / Chris Hall	Questions relating to the Coal Orchard Development. Due to commercial sensitivity these will be made available to Councillors confidentially after the public meeting.	06/06/2022	Answers provided by Joe Wharton and uploaded to MOD.GOV.
01/06/2022	Committee asked for further updates on the phosphate situation. <i>Would like a special Scrutiny meeting to highlight these issues.</i>	Mike Rigby / Chris Hall	A members briefing has been set up to take place on 28 July to look at Phosphates and the current five-year housing land supply. The slides from the briefing will be made available afterwards for those who are unable to attend. Chris Hall has also highlighted that the Phosphates on the Somerset levels and moors (somersetwestandtaunton.gov.uk) webpage does address most of the concerns. The correct platform for debating phosphate issues is the SWT Phosphates Planning Sub-Committee .	08/06/2022	Answers provided by Chris Hall and Sam Murrell.

06/07/2022	<p>Corporate Performance Report: High proportion of planning refusals have been overturned by the Planning Inspectorate.</p> <p><i>(Page 266 & 272 Agenda) Flagged Red.</i></p> <p><i>Can a breakdown be provided on the proportion of decisions that have been overturned by the Planning Inspectorate following appeals from applicants?</i></p> <p><i>Can this be split between officer delegated decisions and those that were determined by the Planning Committee.</i></p> <p><i>Have any successful appeals resulted in the awarding of costs to the applicant?</i></p>	Mike Rigby / Chris Hall (Planning)	<p>The Local Planning Authority has received 20 appeal decisions from the Planning Inspectorate for the period from 1 January 2022 to 30 June 2022. Of these 6 were allowed (equating to 30% of appeals determined in this period). This compares with the target against which performance is measured corporately of 33% which is the national average of appeals allowed.</p> <p>Of those allowed in this period, two were appeals following decisions by the Planning Committee, one of which resulted in a costs award to the applicant. The quantum is yet to be determined – the process is that the applicant must submit their costs and for the Council to determine whether they are reasonable. In the event of a disagreement, it then goes for independent taxation.</p>	25/07/2022	Answers provided by Julie Harcombe / Rebecca Miller and Alison Blom-Cooper
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06/07/2022	<p>Corporate Performance Summary: Our Environment and Economy <i>(Page 264, Item 1)</i></p> <p>“A low-carbon, clean, green and prosperous district that attracts high quality employment opportunities and encourages healthy lifestyles”</p> <p><i>Is it possible to provide examples of high-quality companies being attracted to SWT in the last year?</i></p>	<p>Mike Rigby / Chris Hall (Econ Regen)</p>	<p>SWT do not currently measure the number of high-quality employment new businesses moving into the district. However, in January 2022 SWT purchased a licence to a business data platform, which will enable reporting of various statistics relating to business health and growth in the district. The Economic Development Team are exploring the reporting capabilities of the software. Currently, we are unable to provide a figure in response to the question. The Economic Development team with partner organisations, continue to market SWT to inward investors and account manage inward investment enquiries.</p> <p><i>“This period has seen the completion of a new promotional inward investment-focused website for the district and production of an investment video as part of a ‘SWITCH’ campaign, inviting potential investors to switch to Somerset West and Taunton. The campaign highlights the area’s locational, strengths as well as current growth -industries such as healthcare and med-tech, the circular economy, digital and creative, global marine and current construction opportunities in the energy sector.</i></p> <p><i>12 business ambassadors from varying sectors of the economy have also been recruited to act as business ambassadors for the area.</i></p> <p><i>A launch event with a key business audience of commercial agents and developers took place in May 2022. This has formed a key part of the delivery of the Marketing and Communications plan for Inward Investment.”</i></p> <p>(Excerpt from Cllr Rigby’s latest PFH report)</p>	25/07/22	Lisa Tuck
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06/07/2022	Can an explanation / update be provided on the Economic Development Initiatives Ear Marked Reserve?	Mike Rigby / Chris Hall (Econ Regen)	<table border="1"> <tr> <td colspan="2">Economic Initiatives EMR (BE019)</td> </tr> <tr> <td colspan="2">2022/23</td> </tr> <tr> <td>Opening Balance</td> <td>(642,538.36)</td> </tr> <tr> <td>Emergency Town Centre Fund</td> <td>50,000.00</td> </tr> <tr> <td>Budget 22/23 Contribution</td> <td>372,000.00</td> </tr> <tr> <td>Provision for Grant</td> <td>80,000.00</td> </tr> <tr> <td>Innovation Districts</td> <td>50,000.00</td> </tr> <tr> <td>Taunton Town Centre</td> <td>50,000.00</td> </tr> <tr> <td>Taunton Together</td> <td>25,000.00</td> </tr> <tr> <td>Closing Balance</td> <td>(15,538.36)</td> </tr> </table>	Economic Initiatives EMR (BE019)		2022/23		Opening Balance	(642,538.36)	Emergency Town Centre Fund	50,000.00	Budget 22/23 Contribution	372,000.00	Provision for Grant	80,000.00	Innovation Districts	50,000.00	Taunton Town Centre	50,000.00	Taunton Together	25,000.00	Closing Balance	(15,538.36)	22/07/22	Kerry Prisco
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06/07/2022 Page 16	Can further information be provided on what the Employment Land Schemes and Williton Shooting Club capital programmes will be spent on?	Mike Rigby / Chris Hall (Econ Regen)	The Employment Land Schemes capital programme is currently looking at potential employment sites in Minehead, but SMT have deferred any capital expenditure requests until Unitary. The Williton Shooting Club was a Hinkley funded project which was completed historically, and the unused budget was returned last year.	22/07/22	Kerry Prisco																				
06/07/2022	General Fund Outturn Report: Capital Programme (Page 322). Economic Regeneration Initiatives. <i>Can a list be provided of how much has been spent on consultancy and to whom?</i>	Cllr Benet Allen / Paul Fitzgerald	A comprehensive breakdown of consultancy fees has been emailed to the Corporate Scrutiny Committee.	02/08/22	Paul Fitzgerald																				

03/08/2022	<p>Taunton Garden Town Update: Query from Cllr Hassall regarding possible conflict between introducing a bus lane into East Street Taunton whilst making it a pedestrianised area.</p> <p><i>Is there any update on the current position?</i></p>	<p>Cllr Mike Rigby / Sarah Ellwood (Project Manager – Active Travel and Regeneration).</p>	<p>In 2020, during the closure of East St to general traffic to allow social distancing, SWT embarked on a project to explore possible concept designs for a longer term pedestrianisation of East St. Following highly successful stakeholder workshops in summer 2021, concepts for restricting general traffic on East St to allow safer, more accessible active travel and public realm improvements were created and shared with SWT Executive in October 2021. Further work has been carried out to assess impact on people with protected characteristics under the Equalities Act 2010.</p> <p>Although there are still strong aspirations to offer some form of pedestrianisation on East St, no budget for capital delivery has been assigned. SCC has, however, in recent months been successful in receiving funding for a Bus Service Improvement Plan (BSIP) which is highly likely to impact East St and the surrounding area. SCC colleagues responsible for BSIP have assured SWT officers that the East St proposals will be considered when exploring the potential for bus service improvements for the town centre and we will remain involved in the feasibility work.</p>	08/08/22	Jenny Clifford / Sarah Ellwood
01/09/2022	<p>General Fund: Financial Performance Report Qtr1</p> <p>Cllr Lisgo queried how the virements within the External Operations had been arrived at.</p>	<p>Cllr Benet Allen / Internal Operations</p> <p>Chris Hall External Operations</p>	<p>The table identifies that the £302k virement is made up of some reductions in parking enforcement activity, savings identified in Street Scene, some savings and increased income from Parks and Open Spaces, and some savings and additional income from Bereavement Services. The largest single movement is created by increased income in bereavement services, this is a demand led service and in year changes in income are not uncommon. As a reminder these efficiencies against the budget are being used to support a reduction in income from off street car parking.</p>	14/09/22	Chris Hall / Kerry Prisco

Can there be a clearer representation of the variances within that Directorate which clearly show the movement of the budgets? Ref Page 32 of the report. Can a table please be provided?

Can this be circulated to the Committee.

**Commercial Services
22-23 Budget
Review**

	Parking & Enforcement	Street Scene	Parks and Open Spaces	Bereavement Services
Expenditure Budgets	-£20,040	£60,000	£42,000	-£20,000
Income Budgets	£302,040	£0	£10,000	-£150,000
Net	£282,000	£60,000	£52,000	-£170,000

This table has been added to the Executive report and Scrutiny's comments have been referenced.

01/09/2022

Cllr Lisgo/Lloyd: Corporate Performance Report Qtr1 – Can a breakdown be provided of the different Directorate complaints? This is to enable a clearer view on where there may be pressures in the business and tweak out common themes.

Cllr Benet Allen / Internal Operations

Examples of the types of complaints for each directorate are:

Internal Operations:

Council Tax recovery, handling of calls, website issues, claim decisions for discounts/exemptions/benefits and processing times.

External Operations:

Response time to reports, communication on ongoing cases, standard of service and parking machine faults.

Housing & Communities:

14/09/22

Alison North / Malcolm Riches and Jess Thomas

			<p>Timescales for repairs/upgrades, standard of work, communication issues and perceived lack of action regarding ASB.</p> <p>Development & Place: Planning; timescales for decisions, handling of applications and perceived lack of action regarding breaches.</p>		
05/10/2022	<p>Cllr Farbahi:</p> <p>Catapult Report – Which of the 6 recommendations outlined in this report have been taken forward?</p>	<p>Cllr Mike Rigby / Economic Development</p>	<p>Please see the supplementary sheet for a full written answer.</p>	18/10/22	<p>Chris Hall /Lisa Tuck / Mark Wathen</p>
05/10/2022	<p>Cllr Farbahi:</p> <p>Is the £50K “Innovation Districts” money identified in the Economic Initiatives EMR (BE019) table the money set aside for the Innovation Exchange?</p>	<p>Cllr Mike Rigby / Economic Development</p>	<p>Yes.</p> <p>It cost £35k in total to stage the Somerset Innovation Exchange event. £20k was secured from the Somerset £4m Business Rates Pool pot and so only £15k of SWT funds was utilised to stage the event. Income generated from ticket sales amounted to £1.5k, which further off-set the cost, resulting in a final cost to SWT of only £13.5k.</p>	18/10/22	<p>Chris Hall /Lisa Tuck / Mark Wathen</p>

05/10/2022	Cllr Farbahi: What are the outcomes of the Innovation Exchange? What options are there to expand on this for the new council?	Cllr Mike Rigby / Economic Development	Chris Hall to arrange for a member of the Economic Development team to attend Corporate Scrutiny in December, to provide an update to Members on the outcomes. Please see the supplementary sheet for a full written answer.	06/10/22	Chris Hall /Lisa Tuck / Mark Wathen
05/10/2022	Cllr Farbahi / Habgood How are legacy assets performing that sit outside the commercial investment portfolio? It is important that these are carried across to the new Authority with clear and transparent performance management.	Cllr Mike Rigby / Economic Development/ Cllr Benet Allen / Internal Resources	The Commercial Investment Report will come to Corporate Scrutiny in January on its route to Full Council in February. An appendix will be added to the report to cover the legacy assets that produce an income. (It will be a table with the name and income per annum).	05/10/22	Chris Hall / Joe Wharton / Harvey Gardner
05/10/2022	Cllr Gwil Wren – could a written update please be provided of the current flood management schemes currently taking place in the Milverton area.	Cllr Dixie Darch / Climate Change	Reply from the SRA can be accessed here .	07/11/22	Chris Hall / Jonathan Stevens

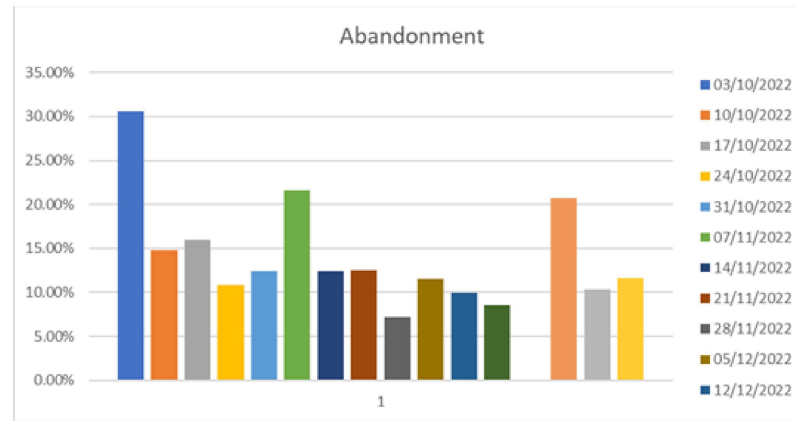
05/10/2022	Cllr Janet Lloyd - can a written update be provided on the current flood management schemes that are going on in the Pinksmoor Area.	Cllr Dixie Darch / Climate Change	Reply from the SRA can be accessed here .	07/11/22	Chris Hall / Jonathan Stevens
05/10/2022	Cllr Dave Mansell - can a written update be provided on the current flood management schemes that are going on in the Wiveliscombe Area.	Cllr Dixie Darch / Climate Change	Reply from the SRA can be accessed here .	07/11/22	Chris Hall / Jonathan Stevens
07/12/2022	Cllr Farbahi – What steps are being taken by SWT to tackle the Water Companies actions which are contributing to the slowing of planning applications. (Phosphates issues).	Cllr Rigby / Planning	Chris Hall will provide a full expanded update when the planning performance report is discussed in the January Corporate Scrutiny Committee. Captured in Planning Performance update on 04/01/23	08/12/22	Chris Hall / Alison Blom Cooper

07/12/2022

Cllr Lisgo – What is the call abandonment rate for customer services? How long do callers wait before they ring off? Are these callers followed up?

Cllr Benet Allen / Internal Resources

The call abandonment rate is the percentage of calls which are terminated by the caller before being picked up by a call handler and is directly related to average waiting times. It's our aim to keep this percentage below 10%. From the chart below you will see a weekly average of abandonment results, while 10 weeks in the range the results are close to or under 10% we have had 5 weeks where this has not been possible. Since the beginning of October our average abandonment rate has been 14.41%.



Over the same period (October 22 - January 23) callers abandoned calls on average after 4 minutes 17 seconds. Unfortunately, we do not have the facility within the 8x8 system to arrange call backs for abandoned calls, we will be transferring to the Genesys system used by Somerset County Council in three weeks which has a function currently in Beta which should provide this functionality. I am unsure if this is a feature that will be brought into service for the future council at this time.

02/02/22

Alison North / Richard Sealy / Malcolm Riches

02/02/22

Richard Burge

31/01/2023	<p>In response to the question raised by Cllr Farbahi at the Shadow Taunton Town Council meeting on 31st January 2023 “How many ‘quality’ jobs have been created in Taunton since the garden town designation in 2017?”</p> <p>This is the latest response following on from the question being asked in Corporate Scrutiny on 1/12/21 and 6/7/22.</p>	Cllr Mike Rigby – Economic Development	<p>The Council does not collate information on the number of quality jobs created either at District scale or specific to Taunton and the Garden Town. The Council does not collate, measure or report the number of quality jobs as a corporate key performance indicator.</p> <p>Datasets relating to ‘job quality’ are available via the Office of National Statistics, however, these are collated at County level and do not include self-employment. These are evolving datasets recently expanded in 2021 from low pay, satisfactory hours, and desired contracts. To include terms of employment, pay and benefits, health, safety, and psychological wellbeing, nature of work, social support, voice and representation, and work-life balance. Therefore, year on year comparisons are not available.</p> <p>Further information can be found here: Job quality in the UK – analysis of job quality indicators - Office for National Statistics (ons.gov.uk) Job quality indicator tables, UK - Office for National Statistics (ons.gov.uk)</p>	14/02/23	Jenny Clifford
01/02/2023	Can students travelling to college in Taunton / Bridgwater take advantage of the £1 bus fare?	Cllr Mike Rigby – Transportation	Yes, the £2 single fare is available for any passengers (including students) travelling on bus routes where operators have opted into the scheme – most routes within Somerset are part of the scheme	10/02/23	Marcus Prouse

01/02/2023	What happens to the subsidised funding on the bus fares from the 1 st April 2023?	Cllr Mike Rigby – Transportation	When the £2 single fare scheme ends (which is a government initiative they have introduced across England) then passengers will revert to their previous fares. For a lot of students this will be the £5 day return on subsidised College routes or could be whichever ticket option they were buying direct from the bus operator.	10/02/23	Marcus Prouse
01/02/2023	When will the bus hub in Taunton likely open?	Cllr Mike Rigby – Transportation	The Taunton mobility hub is still at feasibility stage, with consultation and detailed design stages yet to follow. We are currently aiming for the hub to be open and operational during 2024 but the exact date is yet to be determined.	10/02/23	Marcus Prouse
01/02/2023	<p>Cllr Buller asked if some statistics could be provided on how successful this has been in other areas.</p> <ul style="list-style-type: none"> • Overall success of the scheme • Jobs Created / work experience / apprenticeships / events etc • Targets secured? 	Cllr Mike Rigby – Economic Development	<p>The projected figures are only targets, and Sedgemoor District Council currently work closely with the contractor to ensure they are met. 9/10 occasions they are exceeded. If they are not met, there will usually be a very good reason and there can be no redress.</p> <p>A copy of the table can be viewed below.</p>	02/02/23	Hattie Winter / Lisa Tuck

EXECUTIVE

Executive Meeting	Draft Agenda Items	Lead Officer
15-Mar-23	GF Financial Performance 2022/23 Q3	Kerry Prisco
venue =	HRA Financial Performance 2022/23 Q3	Kerry Prisco
Exec RD = 3 March	Corporate Performance Report Q3	Malcolm Riches
Informal Exec RD = 1 February	Commercial in Confidence: "Coal Orchard Commercial Lettings"	Joe Wharton
SMT RD = 18 January	Property Disposal?	James Barrah

FULL COUNCIL

Meeting	Report Deadline	Agenda Items	Lead Officer	Unitary/SWT
28-Mar-23	16-Mar-23	PFH Annual Reports		
		Scrutiny Annual Reports x 2	Chair of Committee	SWT
		Audit and Governance Annual Report	Chair of Committee	SWT
		Sign off of all SWT Minutes		
		Firepool Design Guidance and Masterplan	Graeme Thompson	
		Wellington Place Plan – Adoption	Sarah Povall	
		Funding Key Decision	Paul Fitzgerald	
		Contract Key Decision	Chris Hall	

Report Number: SWT 19/23

CORPORATE SCRUTINY COMMITTEE ANNUAL REPORT 2022/23

1. Introduction

As Chair of the Committee, I have the pleasure in providing what will be the last Corporate Scrutiny report for Somerset West and Taunton (SWT), as this council draws to a close prior to formation of the new Unitary Council on 1 April 2023.

2022/23 marks the second year of division between the two Scrutiny committees and both committees have worked closely together in identifying which items require scrutiny and which committee takes responsibility to scrutinise a particular item. Both Chairs have worked closely together to ensure a focussed approach in order to ensure active debate, transparency, and accountability. Committee members have actively attempted, and somewhat succeeded in, ensuring their communities' voices have been considered as part of inclusive and democratic decision making.

2. 2022/23 Programme

Unfortunately, the impact of the reorganisation of the five councils which will form the new Unitary council has impacted on the level of work the Committee has had to review. This is on the whole unavoidable, and effectively has provided the Unitary with the breathing space to assess its work in progress even though this might have hindered local initiatives. The shadow Unitary council is well underway in setting the cogs in motion to enable it to organise its finances and establish which projects do in fact progress. As a matter of prudence, the shadow Unitary council also agreed spending limits with individual district councils in order to monitor and agree various projects. These items alone, have impacted on business projects at SWT.

As Chair, I requested that the Committee was provided with a monthly overview of the Local Government Reorganisation (LGR). This has been implemented as a monthly standing item, either in person or via Zoom and has allowed councillors to question various stages of the LGR. This has also afforded our communities a glimpse of what is happening behind the scenes.

The Corporate Scrutiny Committee reviewed the following items during the current year.

- Connecting our Garden Communities
- Flooding Projects
- Garden Town Status Update
- Firepool Design Guidance and Masterplan
- Governance for Taunton Garden Town
- Review of Commercial Property Activity
- Planning Performance
- Public Transport Task and Finish Report
- Local Labour Agreements
- Innovation Exchange Update

- Corporate Performance Reports for quarters 1&2. Quarter 3 forms part of the March agenda

The minutes of the various meetings reflect and record the challenges made and questions raised by committee members, together with recommendations made to the executive.

Unfortunately, we had few executive members attend for extended questioning. However, the portfolio holder and senior members of the planning team did attend to answer questions on Garden Town Status update, Firepool Design Guidance and Masterplan. The same portfolio holder and members of the planning team were also in attendance to answer members' questions on the Planning Performance Update. Both items being extremely important to our communities. In October, the committee was also provided with a detailed and very helpful update on Flooding Projects by the assistant director of Climate Change. This particular item had been requested by Scrutiny members in July.

3. Conclusion

As a committee, we have taken the view that one of our tasks was to effectively ensure smooth passage of SWT into dry dock and I consider we have achieved that task.

As this sovereign council draws to a close in a few weeks' time, we look forward to seeing how the Unitary evolves and serves our wider communities. Staff in particular are to be applauded as they evolve/ merge into their new roles. This is especially so as many of this same workforce worked hard to bring together the former TDBC and West Somerset councils in just four years, overcoming the many hurdles which were certainly not envisaged or identified at inception. The whole committee wishes them well in the next chapter of their careers.

I would like to personally thank our allocated three Corporate Scrutiny officers for their dedication and flexibility throughout this last year. Even though staff priorities have been stretched, they never failed to deliver a dedicated service.

I am sure the whole committee, will join me in wishing them well in their new Unitary roles.

I would also like to thank my member colleagues for their flexibility, support, and hard work over the last year, actively challenging the various items brought before us. This includes my fellow Community Scrutiny Chair Libby Lisgo, together with the vice chairs who helped enormously to ensure the smooth running of the two committees.

I wish you all well in your new ventures whatever they might be.

This report is the responsibility of Councillor Sue Buller – Chair of Corporate Scrutiny and has been drafted in collaboration with the Vice Chair, Councillor Nick Thwaites.

Somerset West and Taunton Council Corporate Scrutiny – 1st March 2023

Corporate Performance Report - Quarter 3 2022/23

This matter is the responsibility of Executive Councillor Member Benet Allen.

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 9 months of the 2022/23 financial year. The report includes information for a range of key performance indicators and includes the key business risks for the council.

Given the breadth of information contained in the report, it is unlikely that all questions can be answered at the meeting. It would be helpful if any detailed questions could be submitted in advance.

This will be the last performance report for SWT and future reports will be for the new council. Work is currently underway to align performance indicators across the 5 existing councils and it is likely that the out-turn performance for 2022/23 will be included as a baseline in the performance reports for 2023/24.

This report continues to demonstrate the improvements that have been made by the council and that good performance has been sustained. The council's strong performance management is underpinned by quality data and management information that has informed evidence-based decisions, leading to improved outcomes.

2. Recommendations

Members are asked to note the Council's performance report.

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 and economic climate continue to have an impact and the Council's response to these issues is being achieved in addition to the regular day-to-day responsibilities. In addition, services are increasingly having to focus on the transition to the new unitary council from 1 April 2023.

Specifically, the report provides:

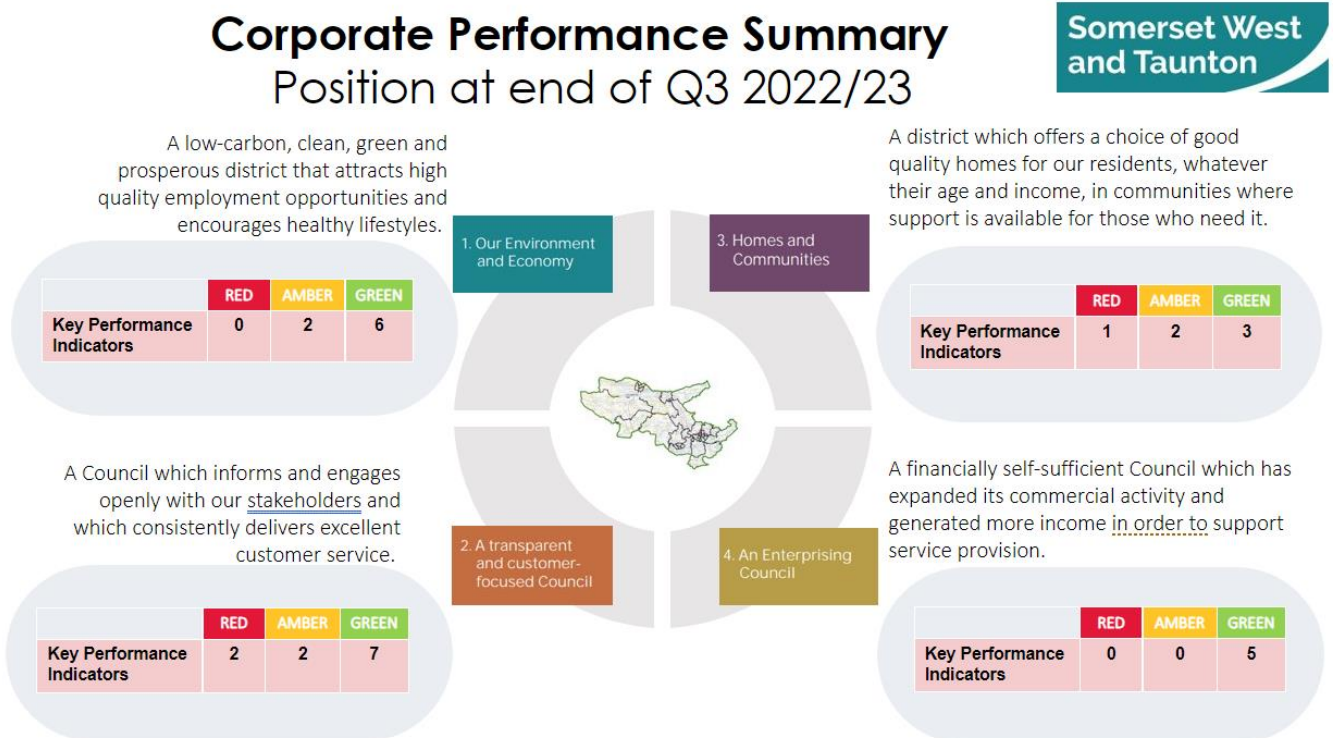
- The position in respect of our key performance indicators at the end of September,
- A summary of the Council’s key business risks and issues together with the current status of the actions being taken to respond to them.

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 strategic priorities.

Progress against a range of KPI’s is reported quarterly. These KPI’s are used to monitor progress in delivering key services and to enable us to quickly identify and rectify any problem areas. These indicators are also linked to the corporate priorities to indicate how they support the delivery of the Corporate Strategy.

Full details of the progress to date against each of the KPIs can be found in appendix 1. Of the Key Performance indicators, 21 are Green, 5 are Amber and 3 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 during the first 9 months of the 2022/23 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 September.

For the majority of indicators, the target has either been met or, in many cases, has been exceeded. 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 9 months of the year is 75%, which is below the target of 90%.

The breakdown of the complaints response times across the Directorates is detailed below:

Directorate	Number of complaints (Apr-Dec)	Number of complaints answered in 10 working days	Percentage of complaints answered in 10 working days
Internal Operations	182	153	84%
External Operations	126	90	71%
Development and Place	70	59	84%
Housing and Communities	227	153	67%

The reasons for this are varied and are summarised below:

- *Increased numbers of complaints* - the number of complaints received continue to be significantly higher than in the previous financial years. Higher volumes of complaints present challenges in some areas in being able to respond within the target time.
- *Complexity* - we are continuing to receive a greater number of more complex complaints. These take longer to investigate and respond to and often cannot be responded to within target. Where this is the case officers are under instruction to contact the complainant and agree a new realistic deadline for response.
- *Capacity* - the increased volumes and complexity are highlighting capacity problems in some areas around having enough sufficiently skilled officers to respond to complaints. The demands of LGR transition are also having an impact here. In addition, this is particularly of note in areas where vacancies have been difficult to fill, and sickness and holiday periods have led to further capacity reductions.
- *Customer expectations* - customer expectations are increasing resulting in a growth in the number of complaints being registered. This is a sector wide trend across local government. For example, the Housing Ombudsman reported a 230% increase in the number of complaints reported for the period April to June 2021 from the same period in the previous year.

We have and are actively taking steps to improve our performance on response times. These steps include:

- We have trained additional staff within the Customer Services team in the processes for initially triaging complaints and distributing them to the relevant services. This is helping to speed up the process for getting the complaints to the relevant officers.

- Refining and re-writing elements of the IT software (Firmstep) that manages the complaints process to make the routing of complaints easier. These changes have been implemented in the live system and are working as expected.
- Training is ongoing across the organisation to build both capacity and improve the quality of responses to complaints.
- Learning from complaints and complaint trends are driving new work. In Housing, for example, a working group is looking at damp and mould issues, and deep dive activity is being undertaken with other authorities to compare performance and share good practice.
- Our complaints lead continues to work closely with services to resolve issues and to ensure we can issue responses as quickly as possible. Localised reporting in some directorates has also continued in detail, for example weekly follow up on cases within Housing.
- Within Housing the average response rate of 67% is not indicative of the enhanced service to customers in terms of the quality of complaint investigations. We are challenged by the varied reasons above, but our focus has been on the quality of investigation and response alongside complaint response times. This approach is supported by the Housing Ombudsman.
- Within Housing we have recently undertaken a six monthly assessment against the Housing Ombudsman complaint handling code and published those results to our website. Further details can be found [Self Assessment Form complaints \(somersetwestandtaunton.gov.uk\)](https://www.somersetwestandtaunton.gov.uk) The new Somerset Council complaints policy will trigger a new self assessment.
- Learning from complaints and complaint trends are continuing to drive new initiatives. In Housing, for example, a working group is looking at damp and mould issues, repair call handling has changed, and deep dive activity is being undertaken with other authorities to compare performance and share good practice. We are also deep diving into complaints “communication” data to identify trends and learning which we will share with our Tenants’ Strategic Group.

We continue to monitor the workload in this area together with response times and implementing improvements. However, we are conscious that demand will continue to grow particularly in view of the anticipated impact of the fuel price increase, inflation and the worsening economic climate all of which will continue to make this a challenging target.

Average call wait times:

The indicator measures the length of time it takes one of our Customer Services Team to answer a call once the customer has listened to the initial recorded options and selected an appropriate queue.

Our target is to answer all calls within 60 seconds. This is an ambitious target when compared with many other organisations where it is not uncommon to be waiting

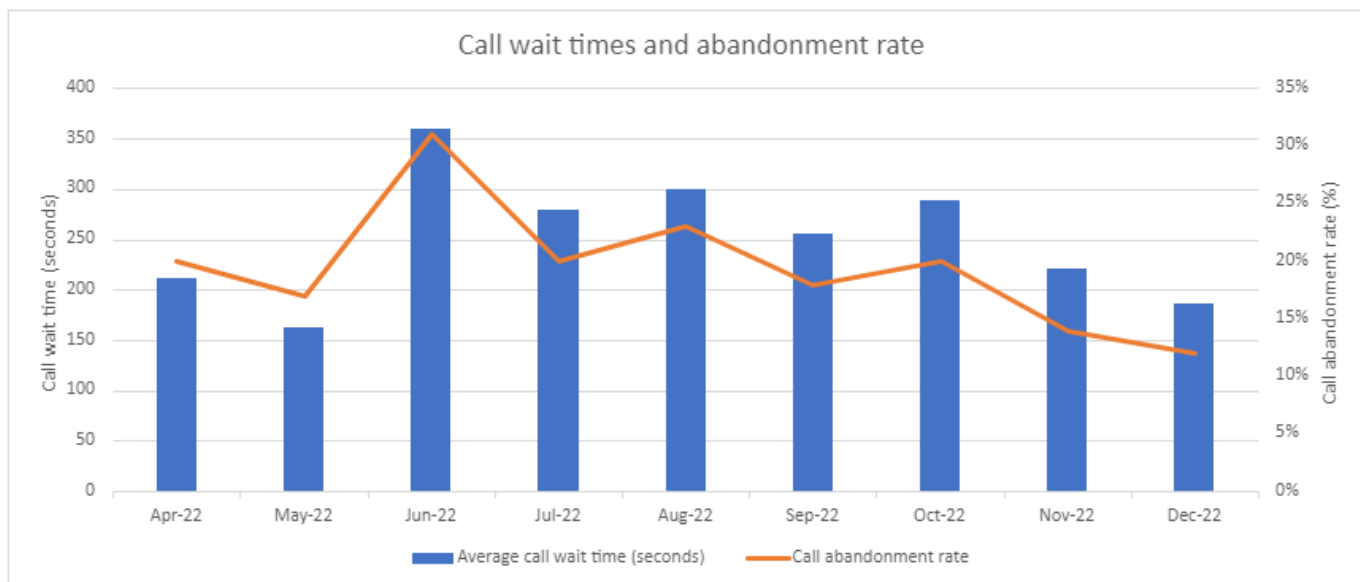
longer than 5 minutes. There is a clear relationship between the number and length of calls and the levels of staff resourcing required to maintain an answer rate of 60 seconds or below.

This target has proved extremely challenging over the past year, which has seen increases both in the number of calls we are receiving and the duration of calls. This trend has continued into the current year. During the first quarter of this financial year we received 60,000 calls, which represented a 5% increase on the same period for the previous year. In addition, the average duration of the calls received during quarter 1 this year has increased by 18%.

The increase in calls is driven:

- In part by business-as-usual activity (Council Tax bill issue in March 2022 and garden waste renewals), which are tending to generate more calls post-Covid; and
- By the Council Tax Fuel Rebate scheme announced by Government earlier in the year. This affected circa 60,000 properties. The delay between the Government communicating their intention in March 2022 and our actually being able to commence payments coupled with the requirement for a substantial number of people being required to apply for a rebate has inevitably driven up call volumes.

The chart below shows the call wait times and the abandonment rate for April to December. There is a clear correlation, and it is recognised that when call wait times are longer, the number of people who abandoned their call increases. The spike in June resulted from a combination of increased calls regarding Council Tax Fuel Rebates and garden waste renewals. While still above target, the graph shows a continued trend to lower call wait times, and lower abandonment rates over recent months.



Locally we have continued to face resourcing challenges. Turnover within our customer service teams is higher than the average. This is a nationally recognised issue and not unsurprising given the nature of the work and the fact that, in our case, this is very much an entry point into the organisation. However, we are now also experiencing significant difficulties in being able to recruit, which again is a national problem.

In addition, a number of the senior staff within Customer Services are also having to spend increasing amounts of time focussing on the transition of the various elements of the service into the new unitary council. Customer services is one of the critical functions that needs to transition smoothly so this work is vital, but obviously will potentially distract from their ability to focus on immediate operational issues.

Call volumes have reduced which is expected over Quarter 3, we have also recruited 2 additional Agency team members to help us maintain our call performance.

It is worth highlighting that call volumes are anticipated to increase in Quarter 4 when our annual bills go out. In addition, Central Government has been given us the new Council Tax Support Fund Grant & and the Energy Rebate Scheme to administer, both of which will generate additional calls.

Customer Experience Project (CX):

Through 2022/23 we have maintained a focus on continuous improvement through our CX Project. The intended deliverables were the marginal improvements we could make in-house to enhance our customer offering, we would do this by better understanding pain points and taking a fresh view of some of our direct customer touch points. The focus areas of the project have been;

- Complaints & root cause analysis
- Customer enquiry management
- Website improvements
- Members case management review & pilot
- Lessons learned & training opportunities
- Increased digitalisation and accessibility

The deliverables have included:

- Analytical understanding of complaints in top 3 areas with dedicated actions plans to address.
- Improvements to web pages enhancing information which often leads to complaints (ex. Housing - damp & mould information)
- Training to help officer better respond to stage 1 complaints, reducing quality-based stage 2 complaints.
- A new 'Contact Us' page designed to highlight the extent of online services and improve navigation for customers to self-serve.
- New Customer Experience intranet page with guidance for staff.
- Improved complaints tracking tool to better manage data and understand themes.
- Members casework pilot conducted - did not deliver desired results, stopped.
- Excellence Champions trained to provide root cause analysis and lean reviews.

Early results:

- Increased click through rates from 'Contact Us' page, up 12%.
- Reduction in 'general enquiries' of 4%.
- Lowest quarter of calls received in the last 3 years Oct-Dec 2022.

Sickness Absence (average days sickness per employee)

Due to recent changes in HR systems as part of the LGR transition, we are struggling to collate data for staff sickness. We are continuing to record and monitor this but were unable to validate the data in time for publication in this report. The data included is that from the end of Q2.

Although performance is rated as Amber, the target of 7.2 days sickness per employee for the year is aspirational and ambitious yet is very nearly being reached. Particularly given the make-up of our workforce which includes a reasonable proportion of manual work. The unprecedented impact of the pandemic on working patterns over recent years has made it more challenging to set meaningful targets for sickness due to the issues with looking at trends in data from previous years. In 2021/22, this target was met and performance for the year was 7.2 days, which was a significant achievement given that levels of sickness in previous years had been much higher.

Undoubtedly home working is a positive factor in reducing sickness absence. We are very close to achieving this target again, and based on Q2 performance, the forecast for the year would be 7.9 days. Sickness data is closely monitored by Directorate management teams on a monthly basis and will be kept under review.

Staff Turnover

Due to recent changes in HR systems as part of the LGR transition, we are struggling to collate data for staff turnover. We are continuing to record and monitor this but were unable to validate the data in time for publication in this report. The data included is that from the end of Q2.

The target for the year is to be under 12, which is very aspirational, and is very close to being met. In 2021/22, the figure for the year was 8.9. The Q2 performance is 6.47, suggesting a forecast for the year of 12.9. While not giving cause for concern at this stage, the data is monitored by Directorate management teams on a monthly basis and will be kept under review.

Risks to increased turnover include;

- The Local Authority sector is rapidly losing pace on pay with other employers. Whilst historically an increased salary is an outcome rather than a driver of job change. The current economic climate is likely to drive behaviour as employees feel the impact of inflation.
- Other employers (including the NHS) matching the flexibility that was previously a key selling point for Local Authorities.
- Post pandemic, employers are far more relaxed about staff living a considerable distance from their work base. This has resulted in employees moving to jobs with London salaries yet remaining in Somerset.
- There is some evidence of employees moving between districts to maximise their income. Indeed, one authority is offering incentives to planning staff to move to them.
- Job security related to LGR is a factor and this risk will heighten when news of the size of the MTFP gap becomes more widely known.

% of reported fly tipping incidents responded to within 5 working days

Performance for the year so far has been 76%, which is lower than the target of 80%. Although the majority of incidents have actually been collected in the required 5 working days a change in the contractor's management team led to delays in the closing of the incidents on the CRM system.

Current tenant arrears at the end of month %

At the end of December, performance of 2.88 is slightly above the target of 2.72. This is largely due to seasonal fluctuations and is not unexpected due to Christmas and the impact on some tenants' ability to pay rent. Benchmarking data indicates that our performance for October and November was in the top quartile, and despite the fall in performance for December it is still well above average.

% of housing dwellings with a valid gas safety certificate (LGSR)

Compliance is below 100% at the end of December due to 1 property with hybrid heating not being accessed by the anniversary date. The appointment was carried out in January 2023 and the required work has been undertaken. For all other months over the past year performance has been 100%.

Completion of housing emergency repairs within 24 hours

There are a small number of emergency repairs that were recorded as being over 24 hours, but in most cases the recording on the system was late, rather than the completion of the actual repair, especially when repairs were carried out overnight. We are working hard to strengthen the timeliness and completeness of the recording, especially with external contractors, to improve the accuracy of reporting. We are also ensuring that the data follows the criteria set out by Housemark.

4.3 Risk Management update

The quarterly Corporate Performance Reports 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 or 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 2. 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 December there were 5 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 December 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.

As part of the transition to the new council, the risk register for SWT is being aligned with those for the other councils. This will ensure that existing risks are appropriately transferred into the risk management process of the new council.

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

Appendix 1	Key Performance Indicators Report
Appendix 2	Risk Scoring Matrix
Appendix 3	Corporate Risk Register – Key Business Risks
Appendix 4	Corporate Issues

Contact Officers

Name	Sean Papworth	Name	Malcolm Riches
Direct Dial	07385 396633	Direct Dial	01823 219459
Email	s.papworth@somersetwestandtaunton.gov.uk	Email	m.riches@somersetwestandtaunton.gov.uk

Appendix 1

SWT Performance report 2022/23								
Link to Corporate Strategy	Full definition	Target 2022/23	Quarter 3	Direction of Travel	Denominator	Quarter 3	Numerator	Quarter 3
Transparent & Customer Focused	% of complaints responded to in 10 working days	90%	75%	↑	Total number of complaints received	605	Number of complaints responded to within 10 working days	455
	% of FOI requests responded to in 20 working days	75%	89%	↔	Total number of FOI requests received	343	Number of FOI responded to within 20 working days	306
	% of calls to Deane Helpline answered in < 60 seconds	90%	95%	↓	Total number of calls to Deane Helpline in the month	266897	Number of calls answered in under 60 seconds	254334
	Average call wait time (secs) for the last month	60 secs	186	↑				
	Cumulative percentage of the amount of Council Tax collected*	97%	88.09%	↑	Total amount of Council Tax to be collected by the 31st March	£114,631,540	Amount of Council Tax collected in the year so far	£100,974,565
	Cumulative percentage of the amount of Business Rates collected*	95%	87.97%	↑	Total amount of Business Rates to be collected by the 31st March	£47,096,427	Amount of Business Rates collected in the year so far	£41,428,498
	Average processing times of new Housing Benefit claims	19 dys	17.38	↑	Number of new Housing Benefit claims received	448	Total number of days	7787
	Average processing times for changes in circumstances for Housing Benefit claims	9 dys	5.84	↑	Number of new Housing Benefit Change of Circumstances received	5613	Total number of days	32757
	% of Licensing applications processed within required timescales	90%	92%	↑	Number of licensing applications processed	1257	Number of licensing applications responded within timescales	1157
	Sickness Absence - average days sickness per employee (target is for the year)	7.2 dys	3.96 (Q2*)	↑	Total working days lost for all employees (cumulative)	2379	Number of FTE staff	600
Staff Turnover (target is for the year)	< 12	6.47 (Q2*)	↑	Total number of staff	2404	Total number of leavers	44	
An Enterprising Council Page 43	Forecast budget variance for General Fund	£0	-£169k	↔				
	Forecast budget variance for Housing Revenue Account	£0	-£91k	↑				
	Forecast level of uncommitted reserves for General Fund.	£2.4m	£9.8m	↑				
	Forecast level of reserves for Housing Revenue Account.	£2m	£3.1m	↑				
	On target for Commercial Income Generation	£4.0m	Yes	↔				

Link to Corporate Strategy	Full definition	Target 2022/23	Quarter 3	Direction of Travel	Denominator	Quarter 3	Numerator	Quarter 3
Environment & Economy	% of reported fly tipping incidents responded to within 5 working days	80%	78%	↑	Number of fly tipping incidents	576	Number of fly tipping incidents responded to within 5 days	448
	% of service requests for street cleansing actioned within 5 working days	85%	87%	↑	Number of service requests for street cleansing	843	Number of service requests actioned within 5 working days	731
	% of major planning applications determined within 13 weeks or within agreed extension of time**	75%	78%	↓	Total number of major planning applications received	23	Total number of major planning applications determined within 13 weeks or agreed extension	18
	% of minor planning applications determined within 8 weeks or agreed extension of time**	65%	71%	↓	Total number of minor planning applications received	231	Total number of minor planning applications determined within 8 weeks	165
	% of other planning applications determined within 8 weeks or an agreed extension of time**	80%	81%	↑	Total number of other planning applications received	545	Total number of other planning applications determined within 8 weeks or an agreed extension	443
	% of planning appeals that have had the decision overturned	33%	24%	↑	Number of appeals received (last 12 months)	33	Number of appeals where the decision is overturned (last 12 months)	8
	% Play area inspections completed to schedule	100%	100%	↔	Play areas to be inspected	4932	Inspections carried out	4932
Homes and Communities	Current tenant arrears at the end of month %	2.72%	2.88%	↓				
	Number of families in B&B over 6 weeks (position at the end of the quarter)	0	0	↔				
	Average re-let time in calendar days (key to key)	49 dys	45	↓	Total Number of dwellings let following void process	238		
	% of housing dwellings with a valid gas safety certificate (LGSR)	100%	99.90%	↓	Total number of dwellings requiring a valid gas safety certificate in the quarter. (Total number required is 4447)	1330	Total number of dwellings without a valid gas safety certificate at the end of the quarter	1
	% of communal areas with a Fire Risk Assessment (FRA) in place and FRA Review complete (where applicable)	100%	100%	↑	Total number of communal areas requiring a Fire Risk Assessment (FRA) in place and FRA Review complete (where applicable) in the quarter. (Total number required is 339 blocks)	89	Total number of communal areas without a Fire Risk Assessment (FRA) in place and FRA Review complete (where applicable) at the end of the quarter	0
	Completion of housing emergency repairs within 24 hours	100%	99%	↓				

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

↑ Performance has improved

↓ Performance has got worse

↔ Performance is similar

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

** The planning indicators included in this report are calculated using nationally prescribed definitions to ensure performance is consistently reported and to allow for benchmarking and comparisons. The indicators calculate timescales upon completion. Due to the current issues with Phosphates, there are a number of applications which are held in abeyance, the details of which are available here: <https://www.somersetwestandtaunton.gov.uk/planning/phosphates-on-the-somerset-levels-and-moors>

Q2* Due to recent changes in HR systems, we are struggling to collate data for staff sickness and turnover. We are continuing to record and monitor both of these, but were unable to validate the data in time for publication in this report.

APPENDIX 2

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

Appendix 3 Key Business Risks at end of December 2022

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 implementation 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	5	20	Sean Papworth	Green	Green
CR23	Landlord Safety Checks	Cause: Failure to comply with Landlord Property Safety Compliance requirements. Impact: 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	Green	Green
CR34	Unitary council transition	Cause: Inability to adequately resource the unitary transition activities, business as usual service delivery and key programmes. Impact: Failure to deliver corporate objectives, inability to maintain key services, inability to deliver key functions in the new council, reputational damage, financial loss, legal challenge.	Sep-21	4	4	16	Alison North	Green	Green
CR35	Impact of conflict in Ukraine	Cause: The conflict in Ukraine increases the unpredictability, which may have an impact on a number of aspects of the Council's business. Impact: This may impact on on oil/gas supply, other supply chains, add to inflationary pressures, which will add to further cost of living. This will have a knock-on Impact on other workloads, inc homelessness where our capacity to respond is already a challenge as the system is under pressure.	Apr-21	4	4	16	Alison North	Amber	Amber
CR36	Cost of living crisis	Cause: With the increase in the cost of living, there will be an increased growth in demand for key services (Revs and Bens, Debt Recovery, inc rent arrears etc). Impact: This will have a knock-on Impact on other workloads, inc homelessness where our capacity to respond is already a challenge as the system is under pressure.	Apr-21	4	4	16	Alison North	Amber	Amber

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 at end of December 2022

REF	Issue details					
	Name	Summary of the issue	Date added	Owner	Mitigation plan development status	Mitigation plan implementation status
CI 9	Phosphates	Management of phosphate levels in Tone catchment, particularly regarding impact on planning applications.	Nov-20	Alison Blom Cooper	Amber	Amber*
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.	Oct-21	Sean Papworth	Green	Green

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 details are available in:

The technical report, published in March 2022: <https://www.somersetwestandtaunton.gov.uk/media/3232/solutions-report.pdf>
 The report to Scrutiny Committee in January 2023 on Planning performance contains an update on Phosphates.

Report Number: SWT 18/23

Somerset West and Taunton Council

Informal Executive – 08 February 2023

Corporate Scrutiny – 01 March 2023

Executive – 15 March 2023

2022/23 General Fund Financial Monitoring as at Quarter 3 (31 December 2022)

This matter is the responsibility of Executive Councillor Benet Allen, Portfolio Holder for Communication and 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 2022/23 (as at 31 December 2022 forecast).

1.2 The headline estimates for **revenue costs** are:

Revenue Budget	£0.169m forecast underspend	Green
General Reserves	£9.8m forecast balance = favourable compared to £2.4m minimum requirement	Green
Earmarked Reserves	£28m at start of year, forecast to reduce to £11m by year end as funds are used as planned.	Green

1.3 It is well reported that the economic situation is challenging with the cost-of-living crisis, high inflation, and rising interest rates. These factors will hit our communities and businesses, and the Council is also not immune as seen in the latest forecasts.

1.4 The Q1 forecast outturn position reported an overspend of £326k. In response to this variance the Senior Management Team undertook a thorough and in-depth review of all budgets, updated projections based on mid-year information, requested services to manage inflationary pressures within services where possible (e.g., pay award, utilities and material costs) and driven a focus on essential spend only where possible in order to bring the position back to budget. There were also some contractual delays on delivering capital schemes pushing spend into future years and a need increase reserve balances this year to provide budget flexibility and financial resilience in 2023/24 on the face of significant financial pressures. This resulted in an improved position reported at Q2 of an underspend of £219k.

1.5 The updated projected outturn position is reporting an underspend of £169k. Whilst forecasts have been updated and management continue to control the overall position to remain within budget, the final outturn position may still present further underspends or variances to budget. This will be carefully monitored over the next few months by management and the final outturn position will be reported to Members. The level of

General Reserves provides significant resilience to mitigate the risk of overspend if required.

- 1.6 The current total approved **Capital Budget** is £78.801m and relates to the Capital Programme for continuing and new schemes approved for 2022/23. The budget is profiled with estimated spend totalling £26.150m in this financial year and £52.651m in later years.
- 1.7 The Council is currently forecasting a capital outturn of £13.599m. A net underspend of £12.551m is currently projected against the total profiled capital budget for 2022/23 of which £11.637m is slippage into future years and £0.914m is actual underspend against the total programme.
- 1.8 Whilst there is an ongoing inflation risk to works not yet under contract, budget managers are not yet forecasting significant pressures for General Fund schemes – this will be kept under review throughout the year.

2 Recommendations

- 2.1 Executive to note the Council's forecast financial performance and projected reserves position for 2022/23 financial year as of 31 December 2022.
- 2.2 Executive to approve the transfer of £1.507m of surplus business rates funding to be returned to General Reserves.
- 2.3 Executive to approve a capital budget return of £200k for Brewhouse Theatre Roof works.
- 2.4 Executive to approve a transfer of £250k from the Climate Change budget to a capital financing earmarked reserve for the decarbonisation project at both Wellington Sports Centre and Alcombe Children's Centre.

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 inflation being experienced in the current economic operating environment and based on experience it is feasible the year end position could change. It is common for underspends to emerge during the year, reflecting an optimism bias within previous forecasting. There may also be matters beyond the Council's control that affect the final outturn position.
- 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 of 31 December 2022.
- 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 monthly 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 2022/23 Forecast Outturn

- 5.1 The Council's General Fund is currently forecasting an overall net underspend of £169k (1. % of £17.025m Net Budget). The main reasons for this are shown in tables 1 to 6 below.
- 5.2 The forecast remains subject to change. It includes a significant number of assumptions about demand for services and the timing of planned spend to meet service objectives. Rising inflation and interest rates adds to uncertainty and risk. There has been an immediate impact on service costs and income, for example a rise in the cost of materials, gas, electric and fuel.
- 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.
- 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 2022/23

	Original Budget	Approved Changes	Current Budget	Outturn Forecast	Variance	
	£'000	£'000	£'000	£'000	£'000	%
Development and Place	4,044	190	4,234	4,319	85	2.0%
External Operations & Climate Change	10,037	86	10,124	9,508	-617	-6.1%
Housing & Communities	3,234	28	3,262	3,562	300	9.2%

	Original Budget £'000	Approved Changes £'000	Current Budget £'000	Outturn Forecast £'000	Variance	
					£'000	%
Internal Operations	9,750	224	9,973	10,368	395	4.0%
Senior Management	594	-129	464	411	-53	-11.4%
Local Government Reorganisation	1,375	-216	1,159	1,159	0	0.0%
Net Cost of Services	29,034	183	29,217	29,328	111	0.4%
COVID General Grants	0	0	0	0	0	0.0%
Investment Properties	-4,490	0	-4,490	-4,490	0	0.0%
Interest and Investment Income	-516	-500	-1,016	-1,012	4	-0.4%
Expected Credit Losses	0	0	0	0	0	0.0%
Transfers to Earmarked Reserves	-5,387	-2,265	-7,652	-7,931	-279	3.6%
Transfers from General Reserves	-1,375	3,459	2,084	2,084	0	0.0%
Capital and Other Adjustments	-248	-869	-1,117	-1,117	0	0.0%
Net Budget	17,018	7	17,025	16,863	-163	-1.0%
Funding	-17,018	-7	-17,025	-17,032	-7	0.0%
Variance	0	0	0	-169	-169	-1.0%

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 current net expenditure budget of £4.234m in 2022/23, which plans to deliver a range of services and projects including:

- Strategy, policy development including the Local Plan and implementation of infrastructure projects.
- Planning services including Development Management pre-application advice, applications processing and enforcement, and implementation of interim phosphate measures
- Economic development, culture & arts
- Town centre regeneration
- Heritage at Risk 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 is currently forecasting a net overspend of £85k for the year. This is largely derived from the use of agency staff in Development Management due to the difficulty in recruiting to key roles plus the impact of the pay rise, as well as an enforcement action that has been initiated. This has been offset in part by 2021/22 deferred income on planning applications that have now been determined and small payroll savings across the other departments.

- 5.8 The Environment & Leisure Improvement Fund (ELIF) initiative is currently being delivered, and of the £600k approved budget:
- £130k has been used to resurface the Vivary Park pathways and areas around the water feature and fountain, and as a contribution to the Coal Orchard public realm.
 - £412k is committed to numerous town centre projects including the Changing Places facility on Tower Street, a contribution to the Taunton Town centre highways repairs, numerous public realm work projects around Taunton including the Somerset Dragon sculpture, tree restoration, pathway repairs & re-setting, and an allocation to the Minehead Town Council maintenance programme.
 - £58k has been allocated to various initiatives including dredging Vivary Park pond and Foundry Lane/St James St bin stores.
- 5.9 The current inflationary pressure does not have any significant impact on the directorate as there are few premises or transport related costs.
- 5.10 The directorate's budget volatility and forecast has been managed via robust contract and financial / budget management by budget holders.

Table 2: Development & Place Forecast Variances

Department Notes	Q1 Variance £'000	Q2 Variance £'000	Q3 Variance £'000
Development Management/Planning: the movement of £69k from the Q2 forecast of £28k overspend is due mainly to the inclusion of potential cost for clearance of Muddy Acre site £59k, additional legal costs of £6k, payroll of £2.6k and planning application refunds of £1.8k.	166	28	97
Other Minor Variances mainly driven by savings in payroll across the Strategy & Policy, Economic Development and Major Projects departments	-3	13	-12
Total	163	41	85

External Operations and Climate Change:

- 5.11 The External Operations and Climate Change directorate has a current net expenditure budget of £10.124m in 2022/23, 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

- 5.12 The directorate is currently forecasting a net underspend of £617k for the year. This is derived from an underspend against the Climate Change budget, increased income across both Assets and Parking and an overall active management of costs.
- 5.13 **Decarbonisation Project:** The Council was successful in its bid for external grant funding for the decarbonisation project at both Wellington Sports Centre and Alcombe Children's Centre. The project includes the replacement of end-of-life gas heating with Air Source Heat Pumps, new water systems, Solar PV panels, as well as LED lighting, glazing and insulation upgrades. This meets the Council's commitment to decarbonising its own buildings.
- 5.14 The conditions of the external grant funding require the Council to provide match funding. Various options are being explored to identify match funding for this capital scheme. The Executive is requested to use £250k from existing unallocated Climate Change funding towards this project. The decarbonisation project is still subject to final approval by the new Somerset Council, due to the timing of the start date and delivery of the project this proposal was made after the Q3 figures were produced and therefore isn't reflected in Table 1 above and Table 3 below.
- 5.15 **Somerset Waste Partnership:** The council pays a fixed amount to Somerset County Council each year and contract savings has led to a forecast surplus. On the 21 December 2022 Executive approved a transfer to earmarked reserves for the forecast surplus of £440k. This transfer has been processed and is reflected in Table 3 below. A further forecast saving of £34k is now reported, the final adjusted amount will be transferred at year-end.
- 5.16 **Car Parking:** On the 21 September 2022 the Executive approved a budget virement of £302,040 to further reduce the car parking income budget. This was in line with the forecast reduction and change in usage that the council is seeing across its car parks following COVID-19. The income position has improved and against the revised budget an over recovery of £78k is now reported. This is included in Table 3.
- 5.17 Rising inflation is placing financial risk on the council as it sees an increase in the cost of supplies such as utilities and materials. Across the Directorate it is forecast that electricity will be c£155k above budget and gas c£50k. The Directorate has reviewed the pressure placed on its services and is currently mitigating this through proactive budget management.

5.18 Table 3: External Operations and Climate Change Forecast Variances

Department Notes	Q1 Variance £'000	Q2 Variance £'000	Q3 Variance £'000
<p>Major Contracts: Major Contracts includes the following areas: Leisure, Waste, Building Control, Street Cleansing and Fleet Management.</p> <p>The current variance includes (a) increase to forecast saving reported at Q2 for the Somerset Waste Partnership £34k. As at Q2 the reported saving was £440k, as at Q3 it is £474k (see paragraph 5.13 above), (b) the capitalisation of salary costs of the Project Officer for the Car Park Improvement Scheme has created an underspend of £45k, (c) £10k overspend on the Environmental Enforcement Litter 12-month trial as no longer forecasting to be cost neutral due a reduction in the fixed penalty noticed being issues. Decision on enforcement will be made post vesting day by the new authority. The contingency budget was reduced earlier in the year by £45k, and (d) vacant post in Leisure and maintenance underspend £50k.</p>	-125	-507	-117
<p>Street Scene/Open Spaces: A 2021/22 carry forward budget of £100k was approved for the maintenance works to Vivary Park Bandstand. This was an estimated figure and actual costs have come in £60k less than budget. Vacancies across the service has led to a £36k salary underspend, this has been part offset by increase in utility costs £25k.</p>	6	-61	-64
<p>Asset Management: There is a forecast increase in income of £317k. This is owing to (a) new lettings which were unknown at budget setting time £70k, (b) delayed vacation of tenants £75k, (c) transfer of units at Coal Orchard £90k, and (d) proactive recovery of proportionate costs, £82k.</p> <p>At budget setting it was assumed that the income and expenditure would balance out for Coal Orchard, however due to the delay in site handover the void costs are forecast to be higher than anticipated, c£150k.</p> <p>Forecast increase in electricity costs across all buildings, £50k.</p> <p>A budget of £50k was identified for bad debt provision, it is predicted that this is no longer required.</p> <p>Active management of budgets and costs has led to an overall saving of £75k across various budget lines.</p>	-121	-195	-278

Department Notes	Q1 Variance £'000	Q2 Variance £'000	Q3 Variance £'000
Allocation of salary costs to Commercial Investment Properties £39k.			
Facilities Management: A continued decrease in pool car usage and the introduction of two electric pool cars has led to a forecast saving on fuel of £21k. Delay in receiving new vehicles due to national manufacturer issues has resulted in a saving on lease costs of £25k.	-17	-24	-50
Climate Change: There will be no budget carry forwards into next financial year. This forecast underspend represents budget which was set aside to meet future commitments to key Climate Change projects, which have now been captured as a budget growth as part of the budget setting process for the new Unitary Council.	0	-150	-150
Public Health: £15k was carried forward from 2021/22 for the Seagull Control Programme. The council did not receive the necessary evidence to carry this out in January, therefore this budget is no longer required. This saving has now been offset by allowing £25k for additional contractor spend to help clear backlog of food inspections ahead of Unitary and £54k for systems upgrades (CIVICA and Northgate). This is to ensure data is safe and secure going into Unitary and all efforts will be made to deliver the work before year-end.	0	-12	61
Private Sector Housing: The third-party data used at budget setting time to identify potentially unlicensed Housing Multiple Occupation properties projected too high a number and therefore artificially inflating the income target. Since Q2 this has now been part offset by salary underspends due to vacant posts £15k.	3	80	64
Bereavement Services: This is a demand led service and the forecast position on income at Q2 was c£100k above budget. Due to essential electrical compliance works, which led to reduced services offered to just 3 days per week, income dropped significantly in Q3. The revised forecast is now an under recovery of £9k. Increase in utility costs, electric £16k and gas £14k.	7	-73	38
Parking: please refer to paragraph 1.4 above. The current forecast against the revised income budget is an over recovery of £78k. The overall variance also includes an overspend on bank charges due to a rise in the number of card transactions taken at the P&D machines £37k, forecast increase in electricity costs £13k, part offset by enforcement costs coming in less than budgeted £42k.	44	40	-71
Other Minor Variances	1	-12	-50

Department Notes	Q1 Variance £'000	Q2 Variance £'000	Q3 Variance £'000
Total	-202	-914	-617

Housing & Communities:

5.19 The Housing and Communities directorate has a current net expenditure budget of £3.262m in 2022/23, which plans to deliver a range of services and projects including:

- Housing options include accommodation and support for homelessness and rough sleepers
- 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.

5.20 The directorate is currently reporting a forecast net overspend of £300k.

5.21 We are expecting some volatility particularly in our homelessness service as a legacy of the COVID restrictions, the cost of living crisis 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. Aside from this, there is increasing demand from the Homes for Ukraine scheme with some placements now ending as well as expected relocation of refugees (largely from Syria and Afghanistan) under the government's Resettlement Scheme for Refugees. This is all within the context of substantial pressure on our resources to deliver our ambitions for single homeless customers and our need to decant the Canonsgrove facility, which makes financial certainty challenging.

5.22 The inflationary pressure within this Directorate is minimal and will relate to the cost of materials, contracts and staffing costs to deliver services within the Homelessness function.

Table 4: Housing & Communities Forecast Variances

Department Notes	Q1 Variance £'000	Q2 Variance £'000	Q3 Variance £'000
Community Resilience: A contribution to the Somerset Community Foundation as a Cost of Living donation of £50k offsets underspends for numerous	-56	-23	17

staffing changes, including a secondment that was not backfilled.			
Homelessness: The Homelessness Service is experiencing high levels of demand this year with B&B costs exceeding budget. The service is also facing recruitment and retention pressures that are driving up staffing costs. Furthermore, there are costs associated with the return of Canonsgrove and the final decant of tenants to alternative accommodation. Despite receiving government funding the service is predicting an overspend which it is currently able to be mitigated through existing levels of earmarked reserves (see Table 6).	0	239	332
Maintenance: The Corporate Property Team has been relocated to the Repairs & Maintenance Trade Team, filling vacant posts within the HRA. Pay awards have now been applied to service lines, hence the negative impact of £70k from the prior quarter.	0	-112	-42
Other Minor Variances	8	-5	-7
Total	-48	99	300

Internal Operations:

5.23 The Internal Operations directorate has a current net expenditure budget of £9.973m in 2022/23. This delivers a range of support services and corporate projects, as well as budgets for a range of centrally held corporate costs and corporate savings targets. 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
- Administration of COVID and other hardship grant schemes
- 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

5.24 The directorate is currently forecasting a net overspend against budget of £395k for the year. This is an improvement on the Q2 forecast where the projected overspend for the year was £617k.

- 5.25 The forecast outturn position is driven significantly by two larger variances: a £380k adjustment following the completion of a thorough review of the non-staff related cost apportionments between the General Fund and Housing Revenue Account (HRA), to ensure this reflects the up to date position and reasonable assumptions around the relative use of resources; and a £200k variance regarding the operational cashable savings target applicable to the Service Improvement and Efficiency Programme which is not now likely to be achieved.
- 5.26 The remaining £185k projected net underspend relates to a range of variances across the Directorate's main operational areas. Cost pressures and investment in service priorities such as change management, health and safety, customer services and Deane Helpline as well as pay award costs are now more than offset by staff vacancies, control of costs and managed savings for example in publicity and promotion costs. There has also been additional income from the release of the balance of test and trace administration grant.
- 5.27 Within Internal Operations there are not many utility or transport costs and hence the main impact of inflation is within IT. Within the current forecast, where contract figures are unknown, we have estimated the increase at 6%. However, some of the known increases to date have been 7 – 8.5%. If this was the case for all currently unknown contract figures, then there would be a further cost pressure of £5-10k. In addition, the pay award adds to inflationary cost pressures exceeding original budget estimates, with an average cost of 5.6% versus 2% allowed within the budget.
- 5.28 Although not reported within the Internal Operations service budgets, the service is responsible for treasury management operations. This is performing very well against budget as highlighted later in this report, which helps to mitigate the net overspend reported for Internal Operations service costs.

Table 5: Internal Operations Forecast Variances

Department Notes	Q1 Variance £'000	Q2 Variance £'000	Q3 Variance £'000
Comms and Engagement: This is savings in staff costs through a vacancy and not backfilling a maternity leave, plus managed in year savings primarily reducing costs of publicity and promotions identified in quarter 2.	-15	-70	-75
Governance: This is due to vacant posts and the SHAPE legal services contract costing less than budgeted. There are less costs than anticipated for Community Governance Review (CGR) due to these costs being absorbed in other budgets.	-2	-108	-120
Internal Change: Forecast variance due to Service Efficiency and Improvement Programme (SEIP) and similar project management costs. This programme has delivered many improvements and non-cashable efficiencies despite the impact of LGR on capacity and	78	175	134

available focus areas. Funding options are being explored to mitigate this cost. Since Q1 the increased cost of the pay award, and a Health and Safety project have been mitigated by reduced forecasts for Data Protection services and paper records.			
ICT: The underspend is due to staff vacancies with non-pay being managed to budget.	3	-22	-46
Benefits: £73k of this underspend results from receiving a greater amount of administration grant, Verify Earnings and Pensions (VEP) and new burdens grant than budgeted for. £60k is due to the release of the balance of test and trace administration grant in Q3. In addition, staff have been seconded to LGR without backfill and no spend is now forecast on the POWS contract.	-100	-86	-176
Customer Contact: Staff costs are projected to exceed budget due to the pay award. SMT have agreed two posts above establishments providing resilience to a higher rate of staff turnover within this service. Most of the cost will be covered within the existing budget with any remainder managed within the wider Internal Operations budget.	4	43	21
Visitor Centre: Electricity prices are rising quickly and the visitor centre also pays for the electricity used by Tone FM. Income from sales remain unpredictable. Both purchases and sales are projected around 70% of budget which broadly offsets in the forecast outturn. Whilst below budget this still represents a doubling of last year's sales performance. £10k relates to an income budget duplication where the income and a corresponding budget for this amount is shown under another cost centre.	31	28	29
Deane Helpline: £58k of the projected overspend relates to the pay award exceeding budget estimates. Some of the additional cost of allowances for one part of the team together with all the additional payments for holiday pay were agreed after budget setting and therefore exceeds the budget for 22/23. The cost of overtime to cover holiday and other absences also adds to cost pressures. The service is recruiting additional relief staff to minimise overtime costs in the future.	81	140	108
Finance: Centrally funded pension costs is projected £30k below budget and overall staff savings are projected to be £15k after absorbing higher pay award costs. There are savings of £48k in non-pay (finance, corporate management and insurance).	-69	-65	-93

HRA Recharges: A thorough review of the non-staff related cost apportionments between the General Fund and Housing Revenue Account (HRA) has been completed, to ensure this reflects the up-to-date position and reasonable assumptions around the relative use of resources. A couple of residual elements were finalised in Q3.	0	320	380
Other Minor Variances	19	62	33
Total	30	417	195

5.29 Reported within Internal Operations are corporate savings budgets regarding staff vacancies and service efficiencies. The vacancy savings budget of £100k has been fully dispersed to services in the first half of the year. Additional vacancy savings are reflected within individual service cost projections.

Savings Targets

Department Notes	Q1 Variance £'000	Q2 Variance £'000	Q3 Variance £'000
Efficiency Savings: Whilst significant efficiencies are being delivered the budget requires cashable savings to be realised, which are currently below target. This programme has delivered many improvements and non-cashable efficiencies despite the impact of LGR on capacity and available focus areas. It is now anticipated that cashable savings are unlikely to be delivered this year, with future efficiency and transformation being a key part of the LGR programme.	200	200	200
Total	200	200	200

Senior Management Team (SMT)

5.30 The SMT has a current net expenditure budget of £464k in 2022/23. This budget line holds the costs of the senior leadership team (Chief Executive and Directors) plus a small contingency to support strategic priorities arising in-year. A variance to budget is forecast at the end of Quarter 3 due to this contingency not currently being allocated.

Local Government Reorganisation (LGR)

5.31 This one-off budget of £1.375m provides for SWTC costs related to LGR in Somerset. It includes £1m for LGR Implementation (£912k budgeted contribution plus £88k contingency) plus £375k to provide for additional capacity to support transition costs incurred by SWTC because of the programme. This is currently forecasting to budget. At this stage it is considered unlikely that SWT will be asked to contribute more than £912k, therefore the Director of Internal Operations and S151 Officer propose to allocate the £88k contingency to provide budget capacity for set up costs incurred this year

related to a new town council for Taunton. This removes the need to allocate funds from General Reserves for this purpose, which Council has agreed in principle.

Pay Award 2022

5.32 The 2022/23 approved budget assumed a 2% pay award. The Pay Award has now been agreed at £1925 per scale point which equates to an average increase of approximately 5.6% across the staff base. This assumption has been included within the forecast outturn position provided by services (reported above).

Other Costs, Income and Reserve Transfers

5.33 As well as budgets allocated to directorates for the delivery of services, several budgets are reported 'below the line' as centrally held/corporate items. This area 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)
- Transfers to and from general and earmarked revenue reserves
- Capital accounting adjustments including capital debt repayment, revenue financing of capital costs, and transfers to and from capital reserves

5.34 A net underspend of £274k is currently being forecast for the year and represents anticipated year end transfers from Earmarked Reserves to offset costs within services.

5.35 Investment Properties are forecasting a shortfall in income due to voids £103k, which has been offset by a reduced interest cost with the balance of £17k to be made up from the risk reserve. On the Legacy Investment properties, repair and maintenance costs are forecast to be £30k higher than budget, and this will be funded from the risk reserve.

Table 6: Forecast Variances

Department Notes	Q1 Variance £'000	Q2 Variance £'000	Q3 Variance £'000
<p>Interest Payable and Investment Income: Interest Payable - In a complex and volatile economic environment, the risk of interest cost variations has continued to be highlighted to Members. A blend of taking well-timed early opportunities for new borrowing during 2021/22, utilising internal balances in lieu of external borrowing and the scaling down of the General Fund capital programme have, together, generated a positive variance to the budget estimate. The nature of borrowing taken (i.e. fixed term loans) should substantially reduce the risk of further variations in year.</p>	-384	-706	4

<p>Interest Receivable - The Council holds a portfolio of investments that comprise a combination of contingency balances (reserves) cashflow (e.g. funding from grants and contributions received in advance) and liquidity balances (to provide for immediate payments as they become due). A combination of market interest rate increases and good performance in the Council's investment portfolio have generated a positive variance to the budget estimate. With continued economic volatility, further variations should be expected as the year progresses.</p> <p>The Executive approved the transfer of £500k of these Treasury Management surpluses to general reserves in Q2 which explains the movement from last quarter.</p>			
<p>Transfers to and from Earmarked Reserves: This variance relates to anticipated year-end adjustments for (a) £20k for licensing, (b) £34k transferred to the Somerset Waste Partnership reserve, and (c) the use of £332k of Homelessness reserves to offset their forecast overspend.</p>	0	140	-279
<p>Transfers to and from General Reserves: The movement relates to approved transfers by the Executive in Q2 including (a) £60k of released earmarked reserves, (b) £500k of Treasury Management surpluses, and (c) £1.294m of revenue funded capital financing released to general reserves.</p>	0	1,855	0
<p>Capital and Other Adjustments: In order to increase reserve balances this year to provide budget flexibility and financial resilience in 2023/24 on the face of significant financial pressures, and in light of the reduced capital programme, £1.294m of revenue funded capital financing has been released and transferred to general reserves (Executive 21 December 2022).</p>	0	-1,344	0
Total	-384	-55	-274

General Reserves

- 5.36 The opening general reserves balance as of 1 April 2022 is £7.592m, representing unearmarked reserves held to provide ongoing financial resilience and mitigation for unbudgeted financial risks.
- 5.37 As part of the budget setting proposals to Full Council on 24 February 2022 and the Financial Strategy agreed by the Executive in July 2021, £1.375m of current reserves will be used to fund a contribution towards the Local Government Reorganisation (LGR) costs. Further approved (or proposed) allocations to / from general reserves are shown

in the table below.

Table 7: General Reserve Balance

	Approval	£000
Balance Brought Forward 1 April 2022		7,592
2022/23 Original Budget Transfers from Reserve	Council – 24/02/2022	-1,375
Current Balance		6,217
Transfer to Coal Orchard Warranty Earmarked Reserve	Council – 05/07/2022	-185
Released Earmarked Reserves in Q1	S151 / SMT – 10/08/22	197
Released Surplus Contingency for Litter Enforcement	S151 – 27/10/22	45
Released Earmarked Reserves in Q2	S151 / SMT – 09/11/22	61
Transfer of Treasury Management surpluses to reserves	Executive - 21/12/22	500
Transfer of RCCO surplus to reserves	Executive - 21/12/22	1,295
Released Test & Trace Earmarked Reserve	S151 – 14/11/22	39
Balance After In-Year Approvals		8,130
Proposed Transfer of Tax Income Guarantee (TIG) Surplus released from earmarked reserves (see below)		706
Proposed Transfer of Business Rates Surplus released from earmarked reserves (see below)		801
Forecast – 2022/23 Projected Underspend as at Q3		169
Projected Balance 31 March 2023		9,806
Recommended Minimum Balance		2,400
Projected Balance above recommended minimum		7,406

5.38 As well as managing the adequate level of reserves to mitigate financial risks for SWT, the S151 Officer has discussed the reserves strategy with SMT and the other S151 officers in Somerset in the context of financial strategy and MTFP for the new Somerset Council. It is prudent to maintain and ideally increase reserve balances this year to provide budget flexibility and financial resilience in 2023/24 on the face of significant financial pressures.

Earmarked Reserves

5.39 The General Fund Earmarked Reserves brought forward balance for 2022/23 is £28m. This balance is forecast to reduce by c£17m this year as funds are utilised to offset the Business Rates Collection Fund Deficit; for capital financing purposes; and funding of service costs and grant-funded activities. A remaining balance at year end of c£11m is currently projected of which c£8m mitigates financial risks related to business rates funding and property investments.

5.40 The original net budgeted/approved and projected transfers from earmarked reserves in 2022/23 is £12.929m.

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

Table 8: General Fund Earmarked Reserves

	<i>Info: Budgeted Transfers £000</i>	Balance 1 April 2022 £000	Transfers To Date £000	Forecast Transfers £000	Balance 31 March 2023 £000
Business Rates Holiday S31 Grant	-6,645	5,811	-5,811	0	0
Business Rates Volatility	-718	5,353	-2,752	0	2,601
Investment Risk	0	3,151	1,000	-7	4,144
Business Rates Losses S31 Grant	-897	2,499	-1,602	0	897
Investment Financing Fund	-2,000	2,000	-2,000	0	0
Capital Funding	-738	1,413	-738	-76	599
Sub-Total Risk Reserves	-10,998	20,227	-11,903	-83	8,241
General Carry Forwards	-900	2,075	-2,075	0	0
Garden Town Fund	-213	978	-213	-525	240
Economic Development Initiatives	-372	643	-372	-271	0
Homelessness Prevention	-113	564	-113	-332	119
Asset Management	-280	519	-280	-239	0
Investment Assets Sinking Fund	0	500	200	0	700
Other Smaller Balances	-53	2,484	395	-822	2,057
Sub-Total Other Reserves	-1,931	7,763	-2,458	-2,189	3,116
Total	-12,929	27,990	-14,361	-2,272	11,357

5.42 Earmarked reserves are set aside for a specific purpose and are reviewed on a regular basis. As reported in the Q1 report, £197k of earmarked reserves have been released and returned to General Reserves as they were no longer required for their original purpose. In addition, in Q1 the Executive agreed to transfer £1.2m from the Business Rates Volatility reserve, with £1m to the Investment Risk Reserve and £200k to the Investment Assets Sinking Fund.

5.43 As reported in the Q2 report, a further £61k of earmarked reserves have been released and returned to General Reserves as they were no longer required for their original purpose, as well as a further £39k approved by the S151 Officer.

5.44 Funds have been held in reserve in respect of Business Rates Retention and Tax Income Guarantee grant overpayments in previous years pending final reconciliation. The Government has now confirmed these accounts are fully settled therefore funds can be released from earmarked reserves. The S151 Officer has consulted SMT, the Leader, and Portfolio Folder for Finance and agreed surplus funds amounting to £1.5m should be returned to General Reserves as shown in Table 7 above. The Executive is recommended to approve a budget virement crediting Transfers from Earmarked Reserves and debiting Transfers to General Reserves to reflect this updated position.

6 Debt Write Off

6.1 As per the Financial Procedure Rules, any write off per debtor greater than £25,000 in any year will be reported to the Executive for information. During Q3 there was one

individual customer where individual debts greater than £25,000 were written off (please see **confidential Appendix F**).

7 General Fund (GF) Capital Programme

7.1 The current Capital Programme Budget is £78.801m in total (see Appendix A). This consists of £75.193m of previously approved schemes from prior years (£60.977m as reported in Q2 plus £14.216m added as explained below) and £1.715m of new schemes approved in February 2022, as well as in year approvals of £2.519m of supplementary budgets and £625k of budget returns.

7.2 The prior year slippage has been adjusted to include a £14.216m supplementary budget approved by Full Council on the 1 December 2020 to enter into loan agreements with Developers to develop the Staplegrove / North Taunton spine road and associated infrastructure. A brief update:

- This is fully funded by Homes England Housing Infrastructure Funding (HIF).
- To date none of the funding has been drawn down.
- No developer has yet been confirmed for Staplegrove East.
- In late 2022 a land deal was complete with Bloor as the developer in Staplegrove West.
- Outline planning permission was granted in 2019, but the development has only recently received a resolution to grant planning permission for an offsite wetland phosphate mitigation scheme which will enable the housing to come forward.
- SWT will not be able to enable the spend of the funds before 31st March 2023.
- Homes England are being requested to extend the funding availability to March 2024

7.3 In-year supplementary budgets include:

(a) Development & Place: £775k for Coal Orchard additional costs approved by Full Council on 5th July 2022, £207k Heritage works at Toneworks fully funded by Historic England and £279k half yearly CIL grants paid to parishes.

(b) External Operations: £51k for Litter Bins, £70k for Vivary Park Footpaths, £75k for Wellington Leisure Centre Air Handling Units, £120k for Taunton Green Pavilion and £125,000 for Paul St Car Park works have all been approved by the Deputy Chief Executive & Director Place and Climate Change and the Assistant Director - Finance (S151 Officer). £262,280 for Blue Anchor Coast Protection, approved by Full Council on 5 July 2022.

(c) S106 funded projects that have commenced.

7.4 In-year budget returns include:

(a) Internal Operations: £128k for a variety of change projects where there has been an underspend.

- (b) External Operations: £125k for new vehicles where lease costs are currently charged to revenue and £50k for Closed Churchyards where maintenance works are no longer required.
 - (c) A further budget return of £200k for Brewhouse Theatre which requires Executive approval (see paragraph 2.3 above). Immediate works were done at a smaller cost to make the roof watertight and serviceable; any further works will now form part of the wider decarbonisation project under the new Unitary Council.
- 7.5 The current high inflation rate creates an inherent risk within the ongoing projects and those for which the budgets have been approved but have not yet commenced.
- 7.6 The Council plans to finance this investment through Capital Receipts, Capital Grants, Revenue Funding and Borrowing (see **Appendix B**).
- 7.7 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**.
- 7.8 Financial performance to date against this profiled spend for this financial year can be found in **Appendix D**. Overall, the Council is currently forecasting a capital outturn of £13.599m, with carry forwards of £11.637m and a net underspend of £0.914m against profiled budget for 2022/23. The reasons for the forecast carry forward and underspend are detailed in the Directorate updates below.
- 7.9 The current forecast capital outturn financing position is shown in **Appendix E**. This is being funded by CIL and S106 grants, and other capital grants being mainly for the Active Travel, Firepool, Flood Alleviation, Heritage at Risk and Coastal Protection projects.
- 7.10 **Development and Place:** The capital programme includes development and regeneration projects. These budgets are governed via the Directorate and Programme Boards before being reported to Full Council. The main reasons for the £7.8m carry forward and the £286k underspend include:
- a) The Future High Street funded works on Firepool is forecast to carry forward £2.4m due to delays in awarding the Drainage & Levels contract, Highways rescheduling the work on the Trenchard Way access and the Planning application for the Southern Boulevard still in progress.
 - b) A Phosphates carry forward of £1.98m due to the ongoing negotiation of the Fallowing Land solution. This is expected to be billed and collected via S106 prior to purchasing any credits with the cost of purchasing the credits expected to slip into next year.
 - c) The Active Travel project, funded by the Future High Street Fund, is forecast to carry forward £558k together with the related CIL funded Cycle and Pedestrian (£500k) and Town Centre Regeneration (£500k) projects.

- d) There is a carry forward of £600k CIL funded Education contribution to Orchard Grove school in Comeytrowe which is not expected to be called on by SCC this financial year. SCC can substantiate £500k cost in the current year.
- e) There is a £1.2m carry forward on the Taunton Flood Alleviation projects as the work has not progressed at the rate anticipated when the budget phasing was done. This project is fully funded via Grant and CIL funding.
- f) The Coal Orchard project is expected to complete in the autumn and is currently forecast to overspend by £216k against a total approved budget of £15.3m. This may reduce once the current open purchase orders are reviewed and closed on completion of the project.
- g) The completion and exchange of the residential units at Coal Orchard commenced this quarter, so the current year costs will be funded from those capital receipts and the excess capital receipts will be applied to borrowings as per the business plan. The capital receipts forecast excluding Coal Orchard are sufficient to cover the projects they have been allocated to them.
- h) There is forecast underspend of £482k on Firepool budgets approved prior to the Future High Street Funding (FHSF) award, as those works will now be included in the fully funded project.

7.11 **External Operations and Climate Change:** The capital programme spans a diverse range of activities that also, in part, span across two financial years. The Directorate has a robust programme management system to ensure the capital schemes are tracked and spent in a timely manner.

7.12 There is an overall forecast in year underspend of £39k, which is mainly derived from container costs for the rollout of Recycle More being less than budgeted.

7.13 Overall slippage is £3.5m: £2.4m relates to the Blue Anchor Coastal Protection works, the project has encountered delays due to vessels being unavailable, meaning spend will fall into next financial year and £1,026m for the Crescent Car Park project which will now be completed in next financial year.

7.14 **Housing and Communities:** The capital programme has been updated to reflect the Single Homelessness and Rough Sleeper Accommodation Strategy & Delivery Plan. 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 Housing Service is supporting the Homeless service in delivering the plan for example the purchase of 6 acquired units and 6 of its own units for a Housing First approach. These costs will emerge in the capital programme spend over the four quarters. The Better Care Fund has incurred slippage and the programme is being reviewed to align to existing and future unitary requirements.

- 7.15 **Internal Operations:** The capital programme relates to the annual PC refresh upgrades and alarms for the lifeline service. There has been a £10k overspend against budget on the PC Refresh Project.
- 7.16 **Hinkley:** One of the Hinkley funded projects is expected to be completed in the 2023/24 year.
- 7.17 **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.

8 Risk and Uncertainty

- 8.1 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 2022/23 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.
- 8.2 The following general risks and uncertainties have been identified:
- 8.3 **Inflation:** The current economic operating environment is placing financial risk on the Council in terms of rising inflation increasing the cost of supplies such as utilities and materials. The Council is seeing price increases on our corporate contracts of c60% on electricity, c80% on gas and c45% on fuel. However further variances may come to light during the year based on levels of usage in these areas. There is also uncertainty to the inflation to be seen on other contracts such as IT systems and maintenance works where contracts are still out to tender. Directors have undertaken an impact assessment of the inflationary pressure placed on their services and included best estimates as part of their quarterly review.
- 8.4 **Recruitment:** There are a number of vacancies across the Council and assumptions have been made as to when these vacancies will be filled. The Council is experiencing recruitment issues (as seen country-wide) therefore assumptions and forecasts may change, in addition to higher agency costs to cover roles where permanent recruitment is not successful.
- 8.5 **Unitary Council:** The transition to the new Unitary places a significant demand on management and staff. This may lead to additional costs to deliver the transition and ensure day to day services are maintained at satisfactory performance standards. It could also slow down spending in some areas as priorities and capacities adjust during the transition period.
- 8.6 **Fleet Contract / IFRS16 Leases:** CIPFA has delayed the implementation of IFRS16 however we could have chosen to adopt this early but due to the implementation of the Unitary Council all Somerset Councils have made the decision to delay adoption. Therefore, where SWT had budgeted for the lease as a capital cost these now fall to

revenue. The services hope to absorb this cost through in-year underspends and delays in receiving new vehicles.

- 8.7 **Business Rates (Risk):** There are inherent risks and uncertainties within the Business Rates Retention system, both in terms of income volatility and accounting timing differences between financial years. The Council holds earmarked risk reserves to mitigate in year pressures. As the 2022/23 budget was reduced for the anticipated decommissioning of Hinkley Point B nuclear power station, which accounts for almost 20% of the current tax base, the risk should be reduced this year. The first reactor was switched off in July and the second on 1 August 2022. The Valuation Office Agency will need to advise the resulting changes to the rateable value, and we will then assess the impact on our business rates retention funding estimates.
- 8.8 **Council Tax (Risk):** There are inherent risks and uncertainties within the Council Tax collection system, especially in light of the current economic climate and the risk of non-payment. An increased impairment allowance has been applied for 22/23 in light of this. This will have an impact on the Collection Fund for the General Fund budget in future years through the Surplus or Deficit recovery. Regular review of statistics will be undertaken to monitor the situation.
- 8.9 **Development Management:** Due to the volatility of planning income, which is significantly demand led, it is difficult to forecast the full year income impact accurately.
- 8.10 **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 2022/23. The position needs to be kept under review pending the delivery of the Homelessness Strategy including the planned decant from the Canonsgrove site. As mentioned above, the current forecast overspend can be managed within the services existing earmarked reserves, however if the overspend increases this will impact on the overall corporate outturn position.
- 8.11 **Revenues & Benefits:** The position on rent allowances/rent rebates could change significantly (approximately £200k-£300k either way) because of 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.
- 8.12 **Interest and Investment Income:** UK economic volatility will continue to present a risk of variations in interest receivable. In addition, cashflow forecasts remain difficult to predict with certainty in respect of the timing and progress of capital projects and in relation to the receipt and application of large grant funding. Careful daily monitoring and management of the Council's overall liquidity mitigate this risk as far as possible. Meanwhile, the risk of exposure to rising interest rates on borrowing, previously reported, has been contained for the current year leading up to the new Unitary Council.
- 8.13 **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.

8.14 **Fluctuation in demand for services:** We operate many demand-led services and the levels of demand do not always follow a recognisable trend, which may lead to fluctuations in costs and income compared with current forecasts.

8.15 **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.

9 Links to Corporate Strategy

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

10 Unitary Council Financial Implications and S24 Direction Implications

10.1 The main considerations within scope of this report is the impact of in-year financial performance on year end reserve balances that will transfer to the new unitary council on 1 April, and potential impact of variances on future budget estimates. Reserves are currently projected to remain above the minimum requirement. Finance officers and budget managers will feed in ongoing and future risks and implications through the budget setting process for 2023/24.

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 This report will be considered by Corporate Scrutiny on 1 March 2023. A summary of the comments and recommendations discussed will be provided here for the Executive to consider.

Democratic Path:

- **Corporate Scrutiny – 1 March 2023**
- **Executive – 15 March 2023**
- **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 2022/23 Vs Forecast Capital Outturn for 2022/23
Appendix E	Financing of Forecast Capital Outturn for 2022/23
Appendix F	CONFIDENTIAL - Write Offs Over £25k

Contact Officers

Name	Kerry Prisco
Direct Dial	01823 218758
Email	k.prisco@somersetwestandtaunton.gov.uk

Name	Paul Fitzgerald
Direct Dial	01823 217557
Email	p.fitzgerald@somersetwestandtaunton.gov.uk

Appendix A: General Fund Approved Capital Budget

SWT Capital Programme	Prior Year Slippage	Current Year Approval Feb 2022 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	63,059,459	0	63,059,459	0	1,261,836	0	64,321,295
External Operations and Climate Change	5,937,107	1,666,800	7,603,598	0	703,280	(375,000)	7,931,878
Housing & Communities	5,010,529	228,063	5,238,592	0	0	0	5,238,592
Internal Operations	557,231	(180,000)	377,231	0	0	(250,460)	126,771
Hinkley Capital Schemes	130,005	0	130,005	0	0	0	130,005
S106 Capital Schemes	498,603	0	498,603	0	553,897	0	1,052,500
Total GF	75,192,934	1,714,863	76,907,488	0	2,519,013	(625,460)	78,801,040

Appendix B: Capital Financing Plan of Total Approved Budget

SWT Capital Programme	TOTAL CAPITAL FINANCING	Capital Grants CIL	Capital Grants	Section 106 Agreements	Capital Receipts	General Fund RCCO	Other Earmarked Reserves	Borrowing
Development and Place	64,321,295	12,565,818	27,234,025	1,795,050	1,186,099	50,000	283,400	21,206,904
External Operations and Climate Change	7,931,878	0	3,827,350	0	1,160,770	2,042,330	76,346	825,082
Housing & Communities	5,238,592	0	4,110,675	374,791	385,446	0	259,178	108,502
Internal Operations	126,771	0	0	0	119,768	125,000	0	(117,996)
Hinkley Capital Schemes	130,005	0	130,005	0	0	0	0	0
S106 Capital Schemes	1,052,500	0	0	1,052,500	0	0	0	0
Total GF	78,801,040	12,565,818	35,302,055	3,222,341	2,852,082	2,217,330	618,924	22,022,491

Appendix C: General Fund Annual Profiling of Approved Capital Budget

SWT Capital Programme	Total Approved Budget	Planned Capex 2022/23	Planned Capex 2023/24	Planned Capex 2024/25	Planned Capex 2025/26
Development and Place	64,321,295	16,382,624	31,237,402	10,631,942	6,069,333
External Operations and Climate Change	7,931,878	5,803,072	2,128,806	0	0
Housing & Communities	5,238,592	2,655,504	1,112,766	876,524	593,798
Internal Operations	126,771	126,768	0	0	0
Hinkley Capital Schemes	130,005	130,005	0	0	0
S106 Capital Schemes	1,052,500	1,052,500	0	0	0
Total GF	78,801,040	26,150,472	34,478,974	11,508,466	6,663,131

Appendix D: Profiled Capital Budget for 2022/23 Vs Forecast Capital Outturn for 2022/23

SWT Capital Programme	Profiled Capex Budget 2022/23	Expenditure YTD	Forecast Outturn 2022/23	Variance; - underspend + overspend	- Slippage c/f	In Year - Underspend + Overspend
Development and Place	16,382,624	4,345,959	8,308,483	(8,074,141)	(7,788,620)	(285,522)
External Operations and Climate Change	5,803,072	907,679	2,264,845	(3,538,226)	(3,498,822)	(39,404)
Housing & Communities	2,655,504	243,802	2,050,429	(605,075)	(5,075)	(600,000)
Internal Operations	126,768	129,680	137,632	10,864	0	10,863
Hinkley Capital Schemes	130,005	20,000	30,005	(100,000)	(100,000)	0
S106 Capital Schemes	1,052,500	269,976	808,037	(244,463)	(244,463)	0
Total GF	26,150,472	5,917,096	13,599,431	(12,551,041)	(11,636,980)	(914,063)

Appendix E: Financing of Forecast Capital Outturn for 2022/23

SWT Capital Programme	Forecast Outturn 2022/23	Capital Grants CIL	Capital Grants Other	Section 106 Agreements	Capital Receipts	General Fund RCCO	Other Earmarked Reserves	Borrowing
Development and Place	8,308,483	1,628,210	4,432,532	0	1,794,846	0	289,441	163,454
External Operations and Climate Change	2,264,845	0	69,150	0	767,383	303,149	72,435	1,052,729
Housing & Communities	2,050,429	0	1,646,910	0	403,519	0	0	0
Internal Operations	137,632	0	0	0	137,632	0	0	0
Hinkley Capital Schemes	30,005	0	30,005	0	0	0	0	0
S106 Capital Schemes	808,037	0	0	808,037	0	0	0	0
Total GF	13,599,431	1,628,210	6,178,596	808,037	3,103,380	303,149	361,875	1,216,183

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