

## SWT Executive

Wednesday, 17th March, 2021,  
6.15 pm

The logo for Somerset West and Taunton, featuring the text "Somerset West and Taunton" in white on a teal background with a white swoosh at the bottom right.

[SWT VIRTUAL MEETING WEBCAST LINK](#)

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**Members:** Federica Smith-Roberts (Chair), Benet Allen (Deputy Chair), Chris Booth, Ross Henley, Marcus Kravis, Richard Lees, Peter Pilkington, Mike Rigby, Francesca Smith and Sarah Wakefield

### Agenda

**1. Apologies**

To receive any apologies for absence.

**2. Minutes of the previous meeting of the Executive**

To approve the minutes of the previous meeting of the Committee.

**3. Declarations of Interest**

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

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

**4. Public Participation**

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

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

**Temporary measures during the Coronavirus Pandemic**

(Pages 7 - 20)

Due to the Government guidance on measures to reduce the transmission of coronavirus (COVID-19), we will holding meetings in a virtual manner which will be live webcast on our website. Members of the public will still be able to register to speak and ask questions, which will then be read out by the Governance and Democracy Case Manager during Public Question Time and will either be answered by the Chair of the Committee, or the relevant Portfolio Holder, or be followed up with a written response.

**5. Executive Forward Plan**

(Pages 21 - 22)

To receive items and review the Forward Plan.

**6. Options Appraisal for Delivering Future Single Rough Sleeper and Homeless Accommodation in Somerset West and Taunton**

(Pages 23 - 170)

This matter is the responsibility of Executive Councillor for Housing, Councillor Francesca Smith.

This report provides;

- An update on progress made since November,
- Recommendations in relation to the future use of Canonsgrove, and
- Future actions and activity to increase the supply of accommodation and better outcomes for single homeless in the District.

**7. Pay Policy 2021/22**

(Pages 171 - 200)

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

Section 38 (1) of the Localism Act 2011 establishes a statutory requirement for local authorities to prepare and publish a pay policy statement for each financial year, approved by Full Council.

**8. Corporate Performance Report, Quarter 3, 2020/21**

(Pages 201 - 210)

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

This paper provides an update on the council's performance for the first 9 months (April – December) of the 2020/21 financial year. The report includes information for a range of key performance indicators.

**9. 2020/21 Financial Monitoring as at Quarter 3 (31 December 2020)**

(Pages 211 - 232)

This matter is the responsibility of Executive Councillor for

Corporate Resources, Councillor Ross Henley.

This report provides an update on the projected outturn financial position of the Council for the financial year 2020/21 (as at 31 December 2020).

**10. Capital, Investment and Treasury Strategies 2021/22 to 2025/26**

(Pages 233 - 296)

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

The purpose of this report is to inform members of the recommended strategy in relation to capital expenditure and financing, investments and treasury management activities (CIT Strategies).

**11. Procurement Strategy**

(Pages 297 - 318)

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

The report seeks approval of a new Procurement Strategy for Somerset West and Taunton Council (SWTC).

**12. Access to Information - Exclusion of the Press and Public**

During discussion of the following item 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. The Executive 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 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).

**13. Capital Loan to Third Party**

(Pages 319 - 324)

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

A handwritten signature in black ink, appearing to read "James Hasset", written in a cursive style.

**JAMES HASSETT  
CHIEF EXECUTIVE**



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

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

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

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

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

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

Due to the Government guidance on measures to reduce the transmission of coronavirus (COVID-19), we will holding meetings in a virtual manner which will be live webcast on our website. Members of the public will still be able to register to speak and ask questions, which will then be read out by the Governance and Democracy Case Manager during Public Question Time and will be answered by the Portfolio Holder or followed up with a written response.

Full Council, Executive, and Committee agendas, reports and minutes are available on our website: [www.somersetwestandtaunton.gov.uk](http://www.somersetwestandtaunton.gov.uk)

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

If you would like an agenda, a report or the minutes of a meeting translated into another language or into Braille, large print, audio tape or CD, please email: [governance@somersetwestandtaunton.gov.uk](mailto:governance@somersetwestandtaunton.gov.uk)



**SWT Special Executive - 9 February 2021**

Present: Councillor Federica Smith-Roberts (Chair)

Councillors Benet Allen, Chris Booth, Ross Henley, Marcus Kravis, Richard Lees, Peter Pilkington, Mike Rigby, Francesca Smith and Sarah Wakefield

Officers: James Hasset, James Barra, Alison North, Paul Fitzgerald, Marcus Prouse, Amy Tregellas, Clare Rendell, Emily Collacott, Martin Evans (Shape Legal Partnership), Jo O'Hara (Specialist - Heritage at Risk), Kerry Prisco and Joe Wharton

Also Present: Councillors Simon Coles, Caroline Ellis, Habib Farbahi, John Hassall, Libby Lisgo, Mark Lithgow, Janet Lloyd, Dave Mansell, Vivienne Stock-Williams, Phil Stone, Andrew Sully, Anthony Trollope-Bellew, Ray Tully, Brenda Weston, Keith Wheatley, Loretta Whetlor and Gwil Wren

(The meeting commenced at 6.15 pm)

89. **Apologies**

No apologies were received.

90. **Minutes of the previous meeting of the Executive**

(Minutes of the meeting of the Executive held on 20 January 2021 circulated with the agenda)

**Resolved** that the minutes of the Executive held on 20 January 2021 be confirmed as a correct record.

91. **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 C Booth | All Items  | Wellington and Taunton Charter Trustee | Personal | Spoke and Voted |
| Cllr S Coles | All Items  | SCC & Taunton Charter Trustee          | Personal | Spoke           |
| Cllr C Ellis | All Items  | Taunton Charter Trustee                | Personal | Spoke           |
| Cllr R Lees  | All Items  | Taunton Charter Trustee                | Personal | Spoke and Voted |

|                       |           |                               |          |                 |
|-----------------------|-----------|-------------------------------|----------|-----------------|
| Cllr S Lees           | All Items | Taunton Charter Trustee       | Personal | Spoke           |
| Cllr L Lisgo          | All Items | Taunton Charter Trustee       | Personal | Spoke           |
| Cllr M Lithgow        | All Items | Wellington                    | Personal | Spoke           |
| Cllr J Lloyd          | All Items | Wellington & Sampford Arundel | Personal | Spoke           |
| Cllr D Mansell        | All Items | Wiveliscombe                  | Personal | Spoke           |
| Cllr P Pilkington     | All Items | Timberscombe                  | Personal | Spoke and Voted |
| Cllr M Rigby          | All Items | SCC & Bishops Lydeard         | Personal | Spoke and Voted |
| Cllr F Smith          | All Items | Taunton Charter Trustee       | Personal | Spoke and Voted |
| Cllr F Smith-Roberts  | All Items | Taunton Charter Trustee       | Personal | Spoke and Voted |
| Cllr V Stock-Williams | All Items | Wellington                    | Personal | Spoke           |
| Cllr R Tully          | All Items | West Monkton                  | Personal | Spoke           |
| Cllr B Weston         | All Items | Taunton Charter Trustee       | Personal | Spoke           |
| Cllr L Whetlor        | All Items | Watchet                       | Personal | Spoke           |
| Cllr G Wren           | All Items | Clerk to Milverton PC         | Personal | Spoke           |

92. **Public Participation - To receive only in relation to the business for which the Extraordinary Meeting has been called any questions, statements or petitions from the public in accordance with Council Procedure Rules 14,15 and 16**

Mr Roger House spoke on Agenda Item 6, Draft General Fund Revenue Budget and Capital Estimates 2021/22:-

The Victoria Park Action Group had been campaigning for new safer public toilets in our park for five years. The current toilets were closed having failed the Covid 19 test, we had recently written to the Executive Postholder, asking for finance to be assembled to build a new extension with two new safe and accessible toilet cubicles. The recent debate on Flook House revealed the only town public toilet north of the river had no insides, with an obvious need for new public toilets in the evolving Coal Orchard and Firepool sectors. At the same time a new Unitary Council or Councils in some form looked likely to emerge, and as a consequence with either, a long overdue new Taunton Town Council too. From the example of Weymouth Town Council in the new Dorset Unitary reorganisation, this new Council would suddenly have duties to provide and maintain garden town green spaces, public toilets, markets and community halls, the latter were now well below the standards of our villages. As the Weymouth Council came into being, some high quality toilets were built on the seafront and handed over to them.

So regards the future creation of the Town Council, with its fair share of the old Borough area financial and built assets:

Q1 - In the capitol programme table last page of the report, could the council introduce a new line in order to build up capitol for new toilets and community halls or conversions, the key need for the successor Town Council? The December Executive meeting, financial monitoring Q2 showed a CIL projects and infrastructure budget with Community Development £500,000 slipping to the 2023/24 year, perhaps after the Town Council formation.

Q2 - Connected to the same cause, the recent schedule of S106 developer's contributions for the Taunton Unparished Area revealed monies being collected under headings of Play, Outdoor Recreation, Allotments and Community Halls. In our parks case the toilets and community hall were both linked. Was it possible, given the need for more Town Centre Toilets, that the S106 heading could be amended to Community Buildings/Public Toilets? This would require action and documentation to demonstrate both these were a leading infrastructure need as Taunton expands with its central residents and visitor's numbers, both rising.

The Portfolio Holder for Corporate Resources responded:-

Q1 - Thank you for your question but at present resources wre fully committed on the current priorities within the capital programme. Table 9 in the Qtr 2 Budget Monitoring report presented to Executive on 16th December showed the indicative timing of how any CIL collected may be utilised. The figures have therefore been allocated to the years based on this indicative timing and the budget had not slipped from this financial year. The budget allocation was based upon the money that might be collected based on an estimate of new build property that could come forward and did not guarantee funding in any one particular area. At present the Community Development allocation of £500k was to support the delivery of the Multi-Purpose Venue at Firepool and to provide match funding to support the Taunton Future High Street Fund bid.

(<https://www.gov.uk/government/news/830-million-funding-boost-for-high-streets>)

This project was no longer included in the Future High Street Fund project list because of the lower provisional award from Government, but the Council remained committed to delivering this project.

Q2 - The headings for S106 allocations reflect the terms under which the money was originally collected. The council published its available S106 money on its public website. If any interested party was minded to apply for S106 funds they were able to do so and their application would be judged against the legal basis for which the money was originally collected.

93. **Executive Forward Plan**

(Copy of the Executive Forward Plan, circulated with the agenda).

Councillors were reminded that if they had an item they wanted to add to the agenda, that they should send their requests to the Governance Team.

**Resolved** that the Executive Forward Plan be noted.

94. **Draft General Fund Revenue Budget and Capital Estimates 2021/22**

During the discussion, the following points were raised:-

- The Portfolio Holder for Corporate Resources proposed a further recommendation to add two one-off budgets into the budget proposals:-
  - The first was for £100,000 towards further tree planting across the district; and
  - The second was for £100,000 towards a Community Enhancement Fund to help support the community across Somerset West and Taunton following the impact of the Covid Pandemic.

Both were seconded by the Leader and became part of the substantive motion.

- Councillors thanked the Portfolio Holder for Corporate Resources and the Finance Team for all their hard work on producing a balanced budget.
- Councillors queried how long it would be before the Somerset Rivers Authority (SRA) became a precepting body.  
*The Section 151 Officer would report back with an update as to when the SRA would be able to administer their own precept.*
- Councillors highlighted that the Taunton Chartered Trustees had to charge a precept for the Unparished Area of Taunton until the Governance Review had been completed.
- Councillors were pleased that Somerset County Council had taken back the cost of the Park and Ride, which then enabled Somerset West and Taunton to spend the money on community enhancement especially after the Covid Pandemic.
- Councillors queried whether the £200,000 saving from the Park and Ride would be for this financial year only.  
*The Section 151 officer advised that he did not expect the saving to go any further than this financial year.*
- Councillors queried why the Watchet East Quay Development Loan had been included in appendix B and requested an explanation.  
*The Portfolio Holder for Corporate Resources clarified that the existing budget was originally approved by West Somerset Council, and provided a 'last resort' funding option to the developer if they were unsuccessful in fully funding the works from other sources. At this stage no loan had been provided, and was unlikely to be needed as the developer had been very successful in obtaining other funding, but it was sensible to retain the facility in case it was needed to complete the development as it moved through to completion. If a request for loan finance was forthcoming it would be subject to the usual due diligence at the time. He further explained that this was separate to the £5m of grant funding awarded to the developer from the Coastal Communities Fund for the project. Whilst this was not Council funds, the grant was administered by the Council as the accountable body, to reimburse the developer based on actual costs incurred.*
- The Chair of Scrutiny advised that the Committee had discussed the budget at length and highlighted the amount of work involved for officers to produce the budget, however, the Committee wanted to ensure that services could be delivered upon.

- Concern was raised that too much reliance had been placed on the Commercial Investment Strategy.  
*The Leader of the Council advised that the Executive had been prudent with their decisions which had also been backed by the Section 151 Officer. The Chief Executive also advised that officers and the Board were cautious in their decision making and he wanted to reassure councillors that they had even been audited and found that they had strong and robust processes in place.*
- Concern was raised on Taunton and that as the county town, it had lost a sense a vibrancy. Councillors queried what could be done about this.  
*The Portfolio Holder for Economic Development and Asset Management advised that the Economic Development Team were working hard to engage with traders and event organisers to ensure the balance of activity was right for the town. The Team were also working on a policy to ensure this was carried out.*
- The Leader of the Council stated that it had been a tough year and advised that the funding provided by Government had not been as much as the Council required. She appreciated all the comments and concerns that had been raised but assured councillors that she wanted to continue to provide services of a high standard within the area. The Leader of the Council commended the budget and its ambition.

**Resolved** that the Executive:-

- 2.1 Noted the S151 Officers Statement on the robustness of the budget and adequacy of reserves as set out in section 17;
- 2.2 Recommended Full Council approved the Draft Revenue Budget expenditure, savings and income targets, subject to any final adjustments as may be required for new information prior to Full Council (such as the NNDR1 final estimates and the Final Finance Settlement);
- 2.3 Recommended to Full Council a basic band D council tax of £169.63, comprising £167.88 for services and £1.75 on behalf of the Somerset Rivers Authority;
- 2.4 Recommended Full Council approved the new capital schemes of the General Fund Capital Programme Budget of £3,116,980 for 2021/22, £2,033,980 for 2022/23 and the asset for sale target of £2,472,720, as set out in Table 11;
- 2.5 Recommended that Full Council delegated authority to the Chief Executive, in consultation with the S151 Officer, to allocate the £813,000 one-off grant funding to meet COVID-related exceptional service costs and income losses during 2021/22;
- 2.6 Recommended that Full Council approved the transfer of £2.4m from General Reserves to an earmarked reserve to create a Budget Volatility and Risk fund for 2021/22 financial year; and
- 2.7 Recommended Full Council approved a continued policy of suspending parking charges, as detailed below, on the three Saturdays leading up to Christmas and on one Sunday in Dulverton in line with previous years, to support local economies;
  - a) Free parking would apply from 15:00 to 23:59 on the three Saturdays (subject to car park opening hours) in Taunton Car Parks.

- b) Free parking would apply all day; from 00:00 to 23:59 on the three Saturdays (subject to car park opening hours) in all other Council owned Car Parks.
- c) (c) Free parking would apply all day; from 00:00 to 23:59 on one Sunday (subject to car park opening hours) in Dulverton Car Parks to support the Dulverton by Starlight events.

95. **HRA Revenue and Capital Budget Setting 2021/22 including Dwelling Rent Setting 21/22 and 30-Year Business Plan Review**

During the discussion, the following points were raised:-

- Councillors thanked the Portfolio Holder for Housing and the Finance Team for their hard work in producing the budget.
- Councillors were pleased to see that the rents being charged were comparable.
- Councillors thanked the Housing Team for providing a member briefing on Homefinder and the housing system.
- Councillors were pleased to see new housing was being built and had been included in the budget.
- Councillors thanked the involvement of the Tenants Forum in giving their feedback on the budget figures.
- The Leader of the Council was pleased to see all the new housing projects coming forward, which included new developments using zero carbon and new housing in the former West Somerset area. She believed the budget provided a lasting legacy for the District.

**Resolved** that the Executive recommended that Full Council:-

- 2.1.1 Approved the HRA Annual Revenue Budget for 2021/22;
- 2.1.2 Approved the increase of 1.5% (CPI+1%) to Dwelling Rents for 2021/22;
- 2.1.3 Approved the HRA Capital Programme for 2021/22;
- 2.1.4 Noted the reviewed and updated assumptions in the 2021 HRA 30-Year Business Plan; and
- 2.1.5 Approved the minimum operational balance on HRA general reserves at £2m.

96. **Access to Information- Exclusion of the Press and Public**

**Resolved** that the press and the public be excluded from the meeting for the item numbered 9 on the Agenda as the item contained exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972, and the public interest in withholding the information outweighed the public interest in disclosing the information to the public.

97. **Strategic Heritage Update**

**Resolved** that the Executive approved the recommendations within the confidential report.

(The Meeting ended at 9.10 pm)



## SWT Executive - 24 February 2021

Present: Councillor Federica Smith-Roberts (Chair)  
Councillors Benet Allen, Chris Booth, Ross Henley, Richard Lees, Peter Pilkington, Mike Rigby, Francesca Smith and Sarah Wakefield

Officers: James Hassett, Dawn Adey, James Barrah, Alison North, Andrew Pritchard, Tracey Meadows (Democracy and Governance), Amy Tregellas, Clare Rendell, Nick Bryant, Emily Collacott, Rebecca Miller (Principal Planning Specialist), Matthew Parr, Graeme Thompson, Scott Weetch and Joe Wharton

Also Present: Councillors Norman Cavill, John Hassall, Sue Lees, Libby Lisgo, Janet Lloyd, Dave Mansell, Hazel Prior-Sankey, Vivienne Stock-Williams, Anthony Trollope-Bellew, Brenda Weston and Loretta Whetlor

(The meeting commenced at 6.15 pm)

### 98. **Apologies**

An apology was received from Councillor Marcus Kravis.

### 99. **Minutes of the previous meeting of the Executive**

(Minutes of the meeting of the Executive held on 20 January 2021 circulated with the agenda)

**Resolved** that the minutes of the Executive held on 20 January 2021 be confirmed as a correct record.

### 100. **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 C Booth  | All Items  | Wellington and Taunton Charter Trustee | Personal | Spoke and Voted |
| Cllr N Cavill | All Items  | West Monkton                           | Personal | Spoke           |
| Cllr R Lees   | All Items  | Taunton Charter Trustee                | Personal | Spoke and Voted |
| Cllr S Lees   | All Items  | Taunton Charter Trustee                | Personal | Spoke           |
| Cllr L Lisgo  | All Items  | Taunton Charter Trustee                | Personal | Spoke           |

|                       |           |                               |          |                 |
|-----------------------|-----------|-------------------------------|----------|-----------------|
| Cllr J Lloyd          | All Items | Wellington & Sampford Arundel | Personal | Spoke           |
| Cllr D Mansell        | All Items | Wiveliscombe                  | Personal | Spoke           |
| Cllr P Pilkington     | All Items | Timberscombe                  | Personal | Spoke and Voted |
| Cllr H Prior-Sankey   | All Items | SCC & Taunton Charter Trustee | Personal | Spoke           |
| Cllr M Rigby          | All Items | SCC & Bishops Lydeard         | Personal | Spoke and Voted |
| Cllr F Smith          | All Items | Taunton Charter Trustee       | Personal | Spoke and Voted |
| Cllr F Smith-Roberts  | All Items | Taunton Charter Trustee       | Personal | Spoke and Voted |
| Cllr V Stock-Williams | All Items | Wellington                    | Personal | Spoke           |
| Cllr B Weston         | All Items | Taunton Charter Trustee       | Personal | Spoke           |
| Cllr L Whetlor        | All Items | Watchet                       | Personal | Spoke           |

#### 101. **Public Participation**

Mr P Bisatt spoke on agenda item 8, East Street and St James Street, Taunton:-

1. Why was it proposed to exclude buses from East Street, and force them to use a much longer and at times, heavily congested route via The Crescent and Upper High Street? This seemed completely at odds with the wider aim of encouraging the use of public transport on environmental grounds. Town centre improvements should result in improved conditions for buses, not make them worse. The Report did not address this issue at all.
2. How would the permanent loss of 3 bus stops on The Parade, and 2 stops in East Street, be addressed? Where would they be replaced, and what would be the knock-on effects for the streets in which they had to be located?
3. Why was it proposed to allow general traffic to use East Street one-way during peak periods? This would require cyclists to use a contraflow lane in an unpleasant situation, where there would potentially be heavy vehicles travelling in the opposite direction, and cause East Street to be visually dominated by road markings and other traffic management paraphernalia. It would also prevent or restrict a future redesign of The Parade befitting its historic role as the town's market place, rather than a traffic roundabout.
4. Why was no action apparently being taken to close North Street and Corporation Street to general traffic, even though £20m of taxpayers money was spent 10 years ago on the 'Third Way' to enable traffic to avoid these streets?
5. What was the wider strategy for the future management of traffic in North Street, Bridge Street, Corporation Street, Hammet Street and others within the town centre? Should not the proposals for East Street be considered as part of such a wider strategy with appropriate public consultation, as was the case with the 2008 Town Centre Area Action Plan?

6. Why was the council proposing to permanently exclude buses from East Street when this would be contrary to Policy Tr9 of its adopted Town Centre Area Action Plan?

Yours faithfully, Philip Bisatt, MRTPI (Rtd), CMILT

The Portfolio Holder for Planning and Transportation responded:-

1. The closure of East St was a temporary scheme that was initially introduced to allow social distancing as non-essential retail was allowed to reopen in July 2020 following the first national lockdown. This continued throughout the year as social distancing continued and into the busy Christmas period. Once this was over, we entered another lockdown we took the decision to retain the current scheme to enable social distancing essential shopping and click and collect queues.

As we carried out work on a more permanent design for East Street, we continued to engage with SCC to work on further projects that would help to alleviate traffic congestion around the town centre which included how and where the buses operated. Traffic modelling to assess the impact of any permanent scheme for East Street would be undertaken by SCC. However, the design and implementation of such changes were subject to lengthy road safety audit processes and complex design issues, hence we had chosen to extend this temporary scheme throughout the current lockdown whilst our longer term plans were finalised.

These would also be subject to consultation to allow business, community groups, and transport provider's further opportunity to comment.

2. We were not proposing to remove any bus stops on either East Street or The Parade permanently. The current recommendations for the Executive Committee relating to East Street were:

*'Officers continued to work with Somerset County Council's Highways team on proposed modifications to vehicular access on East Street in Taunton to increase active travel and enable social distancing. Specifically, instructing them to:*

- 1) Limit vehicular access and restrict traffic movement to one direction only (from the Fore Street junction, exiting onto East Reach/Silver Street)*
- 2) Creating cycle lanes in both directions and offering additional cycle parking*
- 3) Create additional Blue Badge parking on Magdalene Street, Billet Street and the Crescent Car Park'*

This was a temporary scheme while the longer term detailed design was underway, including a consultation with bus service providers via SCC.

3. There was no current proposal to allow general traffic to use East Street. As a response to consultation feedback, SWT did consider trialling access through East during peak hours, however in consultation with SCC's road safety team it was not possible to find a safe solution to transition from closed to open or vice versa, particularly in winter months.

With the intention of minimising vehicles on a busy shopping street whilst trying to enable social distancing, it was decided to remove the afternoon slot for general traffic but keep the morning one for Blue Badge holders and deliveries only. This was the temporary scheme which remained in place while we worked on the detailed design of the longer term scheme.

4. Further full or partial pedestrianisation was possible in the future, but as infrastructure changes on this scale took time to both design, implement and

appraise, the closure of further roads without adequate consideration, and the appropriate consultation.

5. With the Future High Streets Fund being awarded to SWT in December 2020, along with Garden Town and the Taunton 2040 Vision, East Street would certainly fit in a wider strategy for transport in Taunton. We were therefore currently seeking to only extend this temporary scheme whilst this strategy was further developed. This would consider traffic patterns using pre-lockdown data, but we were cognisant that working patterns may change as working from home and online shopping had become more prevalent, so any strategy would need to consider the “new normal”.

102. **Executive Forward Plan**

(Copy of the Executive Forward Plan, circulated with the agenda).

Councillors were reminded that if they had an item they wanted to add to the agenda, that they should send their requests to the Governance Team.

**Resolved** that the Executive Forward Plan be noted.

103. **Approval of Climate Positive Planning: Interim Guidance Statement on planning for the Climate Emergency**

During the discussion, the following points were raised:-

- Councillors thanked the officers for their hard work on the report.
- Councillors queried how the document could be used to enforce planning applications.

*The Strategy Specialist advised that the document would strengthen advice given to applicants and also guide officers in the advice they gave but it could not be used to enforce, it would be used to compliment other policies that were already in place.*

- Councillors advised that it was useful information for the Planning Committee and that they would be keen to have a member briefing on the document.

*The Strategy Specialist advised that a session had been arranged for the Planning Committee to attend.*

**Resolved** that the Executive approved:-

2.1 That Climate Positive Planning: Interim Guidance Statement on Planning for the Climate Emergency (the Statement) was approved as additional explanation and guidance to support existing adopted planning policies.

2.2 That approval of future updates to the Statement were delegated as follows:

(a) Minor amendments including textual and visual changes and enhancements to be delegated to the Director for Development and Place in consultation with the Portfolio Holder for Planning and Transportation.

(b) Updates relating to changes in national Government legislation and guidance, or the need to reference or update reference to other local or

national evidence or strategy documents to be delegated to the Portfolio Holder for Planning and Transportation in consultation with other fellow Executive Members.

(c) More significant updates beyond those listed above to be delegated to Executive Committee.

2.3 That Members noted that the Statement was purely to provide additional explanation and guidance to support existing adopted planning policies it was not policy in itself, and that the status of the document for approval would hold no weight in the decision making process on planning applications. Any alterations to existing adopted planning policy, or proposals for new planning policies relating to planning for the Climate Emergency would be brought forward through formal processes associated with Local Plan review and production of the Local Plan to 2040.

#### 104. **Safeguarding Policy**

During the discussion, the following points were raised:-

- Councillors highlighted it was an important time to consider the report, especially as the country was about to come out of a national lockdown.
- Councillors were pleased to see this Policy was being updated, especially considering how important the Policy was.
- Councillors thanked officers for their hard work on the Policy and report.
- Councillors highlighted that they wanted updated training sessions on Safeguarding.

*The Community Resilience Manager advised that he would arrange some training sessions for councillors.*

- Concern was raised on what happened if a councillor needed to discuss a complex safeguarding case with officers and whether they would be able to share data with them.

*The Community Resilience Manager advised he would ensure that a process was set up for such complex cases.*

- Councillors agreed that it was important that they could provide support for their vulnerable residents.

**Resolved** that the Executive:-

2.1 Approved the Safeguarding Policy as at Appendix A; and

2.2 Approved delegation be provided to the relevant Corporate Director in consultation with the portfolio holder, to make any subsequent amendments required as a result of legislative or operational changes.

The Safeguarding Policy would be reviewed annually and approved by the Senior Management Team.

#### 105. **East Street and St James Street, Taunton**

During the discussion, the following points were raised:-

- Councillors thanked the Portfolio Holder for Planning and Transportation and officers for their work on the scheme.

- Councillors queried whether the work on engaging and consulting with the disability groups would continue.  
*The Portfolio Holder for Planning and Transportation advised he was in continuous talks with the disability groups to ensure the appropriate support was given.*
- Councillors queried whether the timings for blue badge holders was flexible.  
*The Portfolio Holder for Planning and Transportation advised that the timings would not be rigid, which would allow the blue badge holders to access all the shops they required.*
- Councillors were pleased that the parking for blue badge holders would be flexible.  
*The Portfolio Holder for Planning and Transportation highlighted that Somerset County Council would make additional disabled parking available in the surrounding streets to support the scheme in East Street.*
- Councillors queried whether the additional spaces would be permanent.  
*The Portfolio Holder for Planning and Transportation advised that it would run in line with the temporary closure of East Street.*
- Councillors queried why the times of 8-10am were used for blue badge holders.  
*The Portfolio Holder for Planning and Transportation advised that he did not want parking to encroach into the wider use of the space for pedestrianisation.*
- Councillors queried whether the barrier put in place at East Street would be removed at the end of the temporary closure.  
*The Portfolio Holder for Planning and Transportation advised that there would be a barrier and that he expected by the end of the temporary closure, the traffic layout would have changed. He further advised that traffic modelling would be carried out whilst East Street was closed.*
- Concern was raised on how pedestrians would be made aware that East Street would be a shared space with many different users.  
*The Portfolio Holder for Planning and Transportation explained that it would be a joint responsibility of all the different users, so motorists, cyclists and pedestrians would be safe whilst using East Street. There would also be additional safety signage put in place.*
- Councillors were pleased to support the closure of East Street as it provided space for safe social distancing, especially during the Covid Pandemic.
- Councillors were please to support the closure of St James Street as it had supported the creation of the Independent Shopping Quarter which had proved a success.
- Councillors queried the timescale for the additional consultation.  
*The Portfolio Holder for Planning and Transportation advised that it would not be a one off consultation but that it would be continuous during the closure to keep dialogue open with the different user groups.*
- Councillors requested clarity on the terms of engagement.  
*The Portfolio Holder for Planning and Transportation requested that officers discussed the terms direct with councillors.*
- Councillors thanked the Portfolio Holder for Planning and Transportation for his engagement with the disability groups.
- Concern was raised on the connections to active travel and that councillors did not want the inclusion of cyclists and other users to be at the detriment of those with mobility limits.  
*The Portfolio Holder for Planning and Transportation understood the concern but wanted to open up the street to as many user groups as safely possible.*
- Councillors queried where the cycle lanes would be located along East Street.  
*The Portfolio Holder for Planning and Transportation stated that the cycle lanes would be subject to a road safety audit.*

- Concern was raised on the increased traffic along The Crescent.  
*The Portfolio Holder for Planning and Transportation stated that as part of the scheme, they would look into traffic displacement.*
- Councillors queried what work would be done to improve the traffic lights/crossing near St James Street.  
*The Portfolio Holder for Planning and Transportation advised that work would be carried out to align the crossing with the St James Street turning and the access to Goodland Gardens.*
- Councillors were pleased to see the St James Street closure being made permanent, as it has had achieved a positive outcome and created camaraderie between the retailers in the area.

**Resolved** that the Executive approved:-

- 2.1 Officers continued to work with Somerset County Council's Highways team and representatives of disability interest groups on proposed modifications to vehicular access on East Street in Taunton to increase active travel and enable social distancing. Specifically, instructing them to:
  - 2.1.1 Limit vehicular access and restrict traffic movement to one direction only (from the Fore Street junction, exiting onto East Reach/Silver Street)
  - 2.1.2 Creating cycle lanes in both directions and offering additional cycle parking
  - 2.1.3 Create additional Blue Badge parking on Magdalene Street, Billet Street and the Crescent Car Park
- 2.2 The 12-month trial scheme for St James Street be made permanent.

106. **Local Validation Checklist**

During the discussion, the following point was raised:-

- Councillors thanked officers for their work on the report and were happy to support the recommendations.

**Resolved** that the Executive:-

- 2.1 Approved the LVC subject to a full public consultation and any comments received being fully considered and we necessary amendments made by the Principal Planning Specialist in conjunction with the Portfolio Holder for Planning.

(The Meeting ended at 7.45 pm)





**EXECUTIVE**

| <b>Executive Meeting</b>      | <b>Draft Agenda Items</b>  | <b>Lead Officer</b>     |
|-------------------------------|--|-------------------------|
| <b>17 March 2021</b>          | 2020/21 Budget Monitoring Q3   | Emily Collacott         |
| <b>venue =</b>                | Capital, Investment and Treasury Strategies 2021/22  | Paul Fitzgerald         |
| Exec RD = 5 March             | Pay Policy   | Angela Marshfield       |
| Informal Exec RD = 9 February | Q3 Performance Report  | Malcolm Riches          |
| SMT RD = 27 January           | Procurement Strategy   | Paul Fitzgerald         |
|                               | Options appraisal for delivering future single rough sleeper and homelessness accommodation in SWT | Chris Brown/Simon Lewis |
|                               | Capital Loan to Third Party (confidential)   | Paul McClean            |
|                               | <b>NO MORE ITEMS</b>   |                         |
| <b>21 April 2021</b>          | Belvedere Road Public Space  | Chris Hall              |
| <b>venue =</b>                | Member Training and Development Policy   | Amy Tregellas           |
| Exec RD = 9 April             | Procurement Report (confidential) - possible officer decision                                      | Stuart Noyce            |
| Informal Exec RD = 16 March   | Anti-Fraud Framework   | Amy Tregellas           |
| SMT RD = 3 March              | Climate Change Delivery Partnership  | Chris Hall              |
|                               | Council Governance Arrangements Working Group Update   | Amy Tregellas           |
|                               | Risk Management Report?  | Malcolm Riches          |
| <b>19 May 2021</b>            | Public Realm Design Guide for Taunton Garden Town – Feedback                                       | Fiona Webb              |
| <b>venue =</b>                | Somerset West and Taunton Districtwide Design Guide  | Fiona Webb              |
| Exec RD = 7 May               |  |                         |
| Informal Exec RD = 13 April   |  |                         |
| SMT RD = 31 March             |  |                         |
|                               |  |                         |
|                               |  |                         |
| <b>16 June 2021</b>           | Single Homelessness Accommodation Strategy   | Mark Leeman             |
| <b>venue =</b>                |  |                         |
| Exec RD = 4 June              |  |                         |
| Informal Exec RD = 11 May     |  |                         |
| SMT RD = 28 April             |  |                         |
|                               |  |                         |
|                               |  |                         |
| <b>21 July 2021</b>           |  |                         |
| <b>venue =</b>                |  |                         |
| Exec RD = 9 July              |  |                         |
| Informal Exec RD = 15 June    |  |                         |
| SMT RD = 2 June               |  |                         |
|                               |  |                         |

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|                                 |  |              |
| <b>18 August 2021</b>           |  |              |
| <b>venue =</b>                  |  |              |
| Exec RD = 6 August              |  |              |
| Informal Exec RD = 13 July      |  |              |
| SMT RD = 30 June                |  |              |
|                                 |  |              |
|                                 |  |              |
| <b>15 September 2021</b>        |  |              |
| <b>venue =</b>                  |  |              |
| Exec RD = 3 September           |  |              |
| Informal Exec RD = 10 August    |  |              |
| SMT RD = 28 July                |  |              |
|                                 |  |              |
|                                 |  |              |
| <b>20 October 2021</b>          |  |              |
| <b>venue =</b>                  |  |              |
| Exec RD = 8 October             |  |              |
| Informal Exec RD = 14 September |  |              |
| SMT RD = 1 September            |  |              |
|                                 |  |              |
|                                 |  |              |
| <b>17 November 2021</b>         | Voluntary and Community Sector Grants Review | Scott Weetch |
| <b>venue =</b>                  |  |              |
| Exec RD = 5 November            |  |              |
| Informal Exec RD = 12 October   |  |              |
| SMT RD = 29 September           |  |              |
|                                 |  |              |
|                                 |  |              |
| <b>15 December 2021</b>         |  |              |
| <b>venue =</b>                  |  |              |
| Exec RD = 3 December            |  |              |
| Informal Exec RD = 9 November   |  |              |
| SMT RD = 27 October             |  |              |
|                                 |  |              |
|                                 |  |              |

*Report Number: SWT 20/21*

## **Somerset West and Taunton Council**

### **Executive - 17 March 2021**

#### **Options Appraisal for Delivering Future Single Rough Sleeper and Homeless Accommodation in Somerset West and Taunton**

**This matter is the responsibility of Executive Councillor Member Councillor Francesca Smith**

**Report Author: Chris Brown, Assistant Director Development and Regeneration supported by Simon Lewis, Assistant Director Housing and Communities**

#### **1. Executive Summary / Purpose of the Report**

- 1.1 The Executive in November 2020 requested officers to return in early 2021 to present the best options to deliver accommodation to support the identified demand and needs for single homeless and rough sleepers. This report provides;
  - An update on progress made since November,
  - Recommendations in relation to the future use of Canonsgrove, and
  - Future actions and activity to increase the supply of accommodation and better outcomes for single homeless in the District.
- 1.2 Since the report to Executive in November 2020 the Council has progressed its support for single homeless by maintaining the volume of accommodation required to support some of the most vulnerable people in the District during the Covid crisis including the challenge of the second national lockdown. The following has been achieved:
- 1.3 Successful allocation of circa £1m Next Steps capital funding to support the YMCA Dulverton Group purchase the Gascony Hotel, Minehead providing eighteen units of single homeless accommodation and grant revenue funding to support the continuation of the Canonsgrove accommodation up to October 2021.
- 1.4 Established an understanding of the accommodation gap for Single Homeless in the District (87 units) and the relative demand of twelve requirement categories to reflect the variety of vulnerability and needs of the single homeless. The required accommodation need on an ongoing basis is 374 of which 287 is available on an on-going basis leaving 87 units of unsecured

accommodation including Canonsgrove which needs to be retained or replaced to meet single homeless demand.

- 1.5 Produced a draft Single Homeless Accommodation Strategy setting out the aspirations and requirements of the Council to single homeless need and single homeless provision by 2027 (appendix 1)
- 1.6 Commenced discussions with existing and new partners to support the provision of new accommodation supply and ensure existing supply is supporting the outcomes identified in the draft Single Homeless Accommodation Strategy and avoid the eviction of rough sleepers once the Covid emergency has ended
- 1.7 Reduced the number of single homeless living in B&B to circa 10 households.
- 1.8 The Homeless Reduction Board has developed its Terms of Reference and will meet in May to drive forward improved commissioning and partnership working to achieve better outcomes for Somerset's most vulnerable people. The Homeless Reduction Board will ultimately seek to influence service delivery through an 'integrated commissioning' approach across health, care and housing.
- 1.9 SWT has also carried out an option appraisal on the future contribution of the Canonsgrove site. The recommendations of the option appraisal are presented below and the details of this appraisal form much of this report and appendix 2. The option appraisal was required to understand the future contribution of Canonsgrove to support the Council's ambition as presented in the report to Executive November 2020 and presented in more detail in the draft Single Homeless Accommodation Strategy (appendix 1).
- 1.10 The paper proposes a number of future steps should the Executive support the recommended option including;
  - Return to Full Council for approval of the Single Homeless Accommodation Strategy along with implementation plan, any budget request, information about the first schemes and projects for approval or for noting as appropriate
  - Negotiate with the owners of Canonsgrove Bridgwater and Taunton College (BTC) to extend the lease of units to cover the period up to March 2023 to support the most vulnerable homeless during Covid and for a period to allow alternative suitable provision to be secured.
  - The service will develop a single homeless accommodation delivery plan to deliver the ambitions of the Single Homeless Accommodation strategy and establish an officer Delivery Panel to filter, prioritise and approve new supply opportunities. This panel will seek to meet both the accommodation and the support requirements of customers.
  - Progress discussions around opportunities in relation to new or improved supply through current partners Arc and YMCA Dulverton group plus emerging partners such as Citizens Somerset and the SPV.
  - Explore in greater detail the opportunity which a wholly owned corporate company could provide in terms of additional new Private Rented Sector supply and contribute towards reducing the accommodation bottleneck which

is caused by insufficient move on or permanent accommodation for single homeless. This potential new supply would complement activity to increase provision through private and social landlords, Citizens Somerset and SWTs Housing Directorate.

- Develop a significant 2021/2022 and 2022/2023 MHCLG Next Steps Accommodation bid both capital and revenue funding. Support bids by citizens Somerset and other organisations for Homes England funding. These will be picked up through normal approved delegation routes (approved separately through portfolio-holder, director and S151 Officer).
- The YMCA Dulverton Group will complete the Gascony hotel refurbishment for the start of the new financial year and will provide new long term supply for eighteen single homeless customers some of whom will be decanted from the current Covid emergency provision at the Beach Hotel.

## **2.0 Recommendations**

- 2.1 To note and support the draft Single Homeless Accommodation Strategy including its vision and objectives as a working document to articulate SWT ambition to end rough sleeping in the district by 2027 (Appendix 1).
- 2.2 Approve recommended option one as set out in paragraph 4.38 as the preferred Council option for the future contribution of the Canonsgrove site to support the provision of single homeless accommodation in the District.
- 2.3 Should option two be preferred by The Executive the service request a supplementary budget of £130k, as identified in the report to The Executive November 2020. This budget is to prepare for the purchase and conversion of Canonsgrove. Officers will return to the Council to request permission and the budget for the purchase and works for the site.

## **3.0 Risk Assessment (if appropriate)**

The option appraisal process has looked at risks in relation to the three options for Canonsgrove and sections 4 and 6 of this report and appendix 2 explore a number of these financial and non-financial risks.

## **4.0 Background and full details of the report**

- 4.1 As the immediate pressures to accommodate additional homeless people during the Covid epidemic stabilised the Council has turned towards the question of how it wishes to support homeless singles and rough sleepers in the medium and long term. The Executive in November 2020 received a paper entitled 'A proposal for delivering future rough sleeper and homelessness accommodation in SWT'. This paper set out two purposes which the council wish to address;
  - 4.1.1 An approach to identify the Council's future requirements for homeless and rough sleeper accommodation in SWT. The solutions being developed will be

twin-tacked with partnership work under the auspices of the Health and Wellbeing Board to commit to joined-up partnership support services and ultimately a jointly commissioned support service for rough sleepers that SWT accommodate.

- 4.1.2 Successful delivery of this approach will also ensure that we do not have to evict rough sleepers that were accommodated by the Council following the Covid 'Everyone In' government directive. It will also provide a big step towards helping the Council meet the government's objective to halve rough sleeping by 2022 and end rough sleeping by 2027.
- 4.2 The November report set out an ambition, which if adopted, would create a new voluntary responsibility to house a greater number of single homeless people including a higher proportion of homeless people with complex needs which previous assessments through homelessness legislation deemed SWT did not hold as a statutory duty. This vision has been elaborated through the draft Single Homeless Accommodation Strategy.
- 4.3 As a result of the second spike in Covid cases nationally and more aggressive strains of the virus the Minister for Rough Sleeping and Housing, Kelly Tolhurst MP, provided local authorities with guidance in relation to support expected of local authorities. The guidance urged local authorities to continue their excellent work supporting rough sleepers, to put in plans to mitigate increased risk, ensure rough sleepers are assessed and consider opportunities available from government for funding to support local authority provision and support. This was further reinforced by a letter from the Secretary of State on the 8<sup>th</sup> January 2021.
- 4.4 Canonsgrove is a large accommodation site on the edge of Taunton in the Trull ward used for residential institutional purposes. These purposes have included police training center, student accommodation, accommodation for trainee doctors and Homeless Accommodation. The campus has a current capacity for 194 bedrooms with shared facilities and there are two x2 bedroom flats and a sports and social facility. BTC have indicated they wish to sell the site or potentially long lease the buildings as its location no longer meets their students' accommodation needs.
- 4.5 One of SWTs responses to Covid in March 2020 was to reduce the number of homeless units available at Lindley House, Taunton and negotiate a short term lease through the YMCA Dulverton Group for the Quantock Hall block of sixty eight (68) units to provide support for a significant proportion of the District's rough sleepers. The lease for the block and sport and social facility has been renewed up to the end of July 2021. Currently Canonsgrove is providing between 11%-14% of SWTs single homeless provisions and around 45% of its more complex need single homeless provision. BTC has a ong lease for part of the site with Bristol University to accommodate trainee Doctors/ medical students training in the District. We understand this lease is for ten years and has brake clauses should the site be sold by BTC.

- 4.6 The Council appreciates the continuing support of BTC and other partners such as YMCA Dulverton Group at Canonsgrove and other partners such as Arc elsewhere in the district to help SWT provide safe and secure accommodation as the Covid crisis fails to subside. It is recognised by the Council that as the Covid crisis has progressed some of the early community support for the Canonsgrove initiative has subsided and a group who have branded as the “Trull Residents Group” is actively opposing the continuing use of the site for single homeless accommodation. The Council is also aware of organisations and individuals who have directly offered support to residents at Canonsgrove and are keen to see an end to rough sleeping.
- 4.7 Understanding Single Homeless demand in the District
- 4.8 The draft Single Homeless Accommodation Strategy (appendix 1) suggests that current demand for single person accommodation has significantly increased as a result of the ‘everyone in’ initiative. This level of need is the assumed accommodation gap which will remain if the authority agree to a voluntary commitment post Covid to accommodate single homeless to avoid rough sleeping and the number of units which will be required to replace the emergency Covid accommodation in use in response to ‘everyone in’.
- 4.9 There is measurable demand from single homeless in the three main District towns of Taunton, Wellington and Minehead, however as Taunton is larger, offers the greatest range of facilities and is a transport hub it therefore has significantly more demand. The level of need will need to be reassessed on a regular basis as the demand profile will change depending on external factors such as the economic environment and how the authority manage service demands through its own activity for example the effectiveness of its homeless prevention work.
- 4.10 The initial analysis of demand for single homeless which includes those who the Council has a statutory duty to and those the Council may extend a voluntary duty is contained in Table One. The analysis indicates that there are 374 people who fall into the single homeless category of who 287 have their accommodation needs met through the Council or its partners in purposed accommodation. There is an accommodation gap at this point in time of 87 units for this client group which has only been met on a temporary basis under the ‘everyone in’ initiative including 54 rough single homeless at Canonsgrove and 22 rough sleepers at the Beach Hotel, Minehead.
- 4.11 The analysis also identifies that some seventy four (74) of the single homeless who have accommodation are housed in provision which is not ideal. The reasons properties may not be ideal are often for one or more of the following reasons:
- Bed and Breakfast accommodation
  - Accommodation and management practices which do not appear to be helping customers stabilise their lives and to develop skills to sustain a tenancy.
  - Accommodation which insufficiently reflects the diversity of the client group. The Single Homeless Accommodation Strategy identifies twelve customer

categories including those relating to low, medium and high support needs, female and male customers, arson risk, registered sex offenders, drug and alcohol dependencies and veterans.

- Accommodation provision does not always match the demand in different locations.
- Accommodation proposed for sale or demolition such as temporary units at Sneddon Grove or those affected by asset disposal strategies of private and registered housing providers.

4.12 The Single Homeless Accommodation strategy seeks over time to see these units repurposed or replaced to generate better outcomes for single homeless.

4.13 Table One – Analysis of single homeless demand (source - draft single Homeless Accommodation Strategy)

| <b>Single homeless<br/>Headline summary of demand for units of accommodation</b> |     |
|--|-----|
| All demand   | 374 |
| Current provision  | 287 |
| Current provision - unsuitable*  | 74  |
| Current Covered emergency provision temporarily secured                          | 87  |
| Gap  | 87  |
| Need (unsuitable + gap)  | 161 |

\*Some of which can be reconfigured into more suitable accommodation

4.14 Although homeless households including single homeless households have a common need for safe and secure accommodation, their individual needs, capacities and complexity of lifestyle are diverse. Many homeless customers will be able to independently sustain a tenancy once accommodation is identified but others will need access to different types of support to maintain their accommodation and manage their lifestyle and health needs. Therefore, accommodation solutions must be accompanied by the appropriate support package to increase the opportunity for customers to stabilise their lives and develop life skills to sustain independent living.

4.15 Draft Homeless Singles Accommodation Strategy (Appendix One)

4.16 The following vision has been developed to help focus the services and partners ambition;

*Rough sleeping in SWT will end by 2027, and all single homeless people shall have access to a client centred service that will provide excellent coordinated support within a range of appropriate self-contained accommodation options that can flex according to changing demand*

4.17 The Single Homeless Accommodation Strategy seeks to map the current opportunities and identify opportunities to:



- Reduce the Council's dependency on Bed and Breakfast accommodation
- Provide directly or through partners the accommodation required to support the Council's legal obligation and any additional voluntary obligation which SWT decides to support single homeless.
- Provide accommodation which will maximise the opportunities for complex single homeless to stabilise their lives and present the opportunity for them to sustain a tenancy or other form of settled accommodation. This will mean potential change for the current supply of accommodation and the use of new and existing investment and support models
- Identify investment models which are sufficiently flexible to manage the scale and the fluid nature of homelessness. This is essential to ensure the Council de-risks its own investment and critically partners feel able to participate and invest their funds appropriately to support the Council's strategy.
- Progress the Homeless Reduction Boards commissioning role to enable commissioning partners to bend their revenue spend to improve the support to homeless customers. Success in this area should allow confidence for partners to invest capital but also reduce the concerns raised by MHCLG in relation to SWTs housing benefit levels for complex need single homeless households.

4.18 The strategy identifies the following essential elements to successfully meet demand and improve outcomes. These are describe in more detail in appendix 1 and are:

- a) Early help
- b) Creating a robust referral and allocation process
- c) Units of accommodation - flexible approach
- d) Mixing units of accommodation
- e) Accommodation that needs to remain separated
- f) Units of accommodation that need to be decommissioned
- g) Location
- h) Standard of Accommodation – Aims
- i) Standard of accommodation – other considerations
- j) Replacing Canonsgrove
- k) Move on
- l) Floating Support
- m) Commissioning

4.19 To provide momentum to the delivery of the strategy the Council will create a detailed delivery plan. The plan will outline how the additional 87 units of accommodation will be achieved by 2027 and clarify the existing and new partners who will be engaged in delivery.

4.20 The delivery plan will be used by a panel of officers reporting to the Director of Homes and Communities and Portfolio Holder for Housing to help prioritise and promote the most beneficial accommodation solutions. This panel will help ensure new supply fits the needs of the customers and its own property specifications.

- 4.21 The Panel will allow the Council to prioritise and align grant and subsidy opportunities through the MHCLG and Homes England with new supply opportunities. The delivery plan will be supported by a live database of accommodation opportunities which is already live.
- 4.22 The Council is fortunate to work with several organisations focused at supporting homeless families and individuals. These partners contributed to the ambitions set out in the draft Single Homeless Accommodation Strategy.
- 4.23 Significant leadership and contributions are made by partners such as Arc and the YMCA Dulverton Group. Retaining these partnerships will remain crucial in reducing the accommodation gap and retaining expertise. Partners and the Council will benefit from greater information sharing including work to ensure performance and outcomes are ultimately a reduction in the number of single homeless the Council need to support. A number of other partners are also important in providing accommodation including private sector landlords, housing association and SWT housing service.
- 4.24 Other organisations such as the Albemarle Centre and Citizens Somerset have raised their interest in supporting single homeless customers. The service will continue to explore opportunities through new partnerships such as SWT's corporate company, national homeless charities and private sector investment companies. The Council could become a larger provider of single homeless accommodation by requesting and facilitating the new SPV or a separate housing company to help bring forward the supply of units and in particular move on or one bed private rented sector units. An ambition of 20-40 new private rented sector (PRS) units delivered through a corporate company would provide a significant contribution to unblocking the flow of low single homeless with low support needs into independent living. This blockage often keeps customers in supported facilities for longer than their needs requires.
- 4.25 Dialogue has commenced with partners to look at their models for supporting single homeless, their accommodation and support offer, and how they manage capital and revenue costs.
- 4.26 Partners agree that the capital investment is more readily accessible than revenue funds to sustain accommodation. This means that ensuring certainty of resources for security, care and support for complex homeless is of great importance to achieving successful outcomes of the strategy
- 4.27 A greater proportion of new and existing units would benefit from en-suite facilities and being self-contained accommodation. Appendix two includes two ambitious designs and space standards which would help many customers have a better environment to stabilise their lives. However, the strategies ambition and timescales for ending rough sleeping will ultimately require a balance between shared facilities and improved space standards. Investment will need to work within the financial constraints of partner's business models. The government grant regime and housing benefit policy will also influence the affordability of a higher accommodation standard and

ability to support complex needs and increase the supply of move on accommodation. The Council's ambition to end rough sleeping by 2027 is a significant one however the strategy's emphasis is to work with partners to deliver more accommodation and not significantly increase its own provision. To become a significant deliverer of accommodation for particularly high and medium need customers would expose the council to significant financial risk.

- 4.28 Revenue for accommodation, in particular for high support and complex need, is currently over reliant on housing benefit income. The additional housing benefit requests associated with safe shared accommodation and 24/7 staffing is a concern to Government.
- 4.29 Opportunities for Canonsgrove to support the draft Single Homeless Accommodation Strategy
- 4.30 Canonsgrove has 194 single study bedrooms and two x 2 bedroom flats and a total capacity for 200 residents. The site has three residential blocks and a sport/social facility.
- 4.31 SWT leased the Quantock block and the sports/social facility at Canonsgrove from Bridgwater and Taunton College (BTC) following the Governments 'everyone in' campaign, as a direct result of the Covid epidemic.
- 4.32 The accommodation was to provide a safe living environment for up to sixty eight (68) of the District's rough sleepers and has a current occupancy of fifty four (54).
- 4.33 This accommodation not only provides safe accommodation but also allowed residents improved access to support and interventions to help improve their health and consider lifestyle changes. The scheme became an exemplar project showing the best in partnership working and rapid response to protecting vulnerable people.
- 4.34 Two blocks, Blackthorn and Mendip, are leased on a ten-year agreement to the University of Bristol Hospitals Trust UBHT for trainee doctor accommodation.
- 4.35 The Housing Directorate has led the appraisal of options to consider the future contribution Canonsgrove could have to support single homeless provision in the District. The option appraisal considered;
  - Existing service demands and future trends (table one and Appendix 1)
  - The variety of needs which single homeless customers have
  - Current single homeless provision and achievements of providers to improve the outcomes of customers
  - The vision, objectives and aspirations set out in the draft Single Homeless Accommodation Strategy (appendix 1). Importantly this includes working towards ending rough sleeping in the District by 2027.
  - Factors outside the Council's control for example commissioning arrangements and funding to support vulnerable adults.

- The Government's ambition and MHCLG Guidance in relation to rough sleepers
- Contribution currently made by Canonsgrove to the Council's homeless service council
- Canonsgrove's ownership and sale conditions, historic use, structures, facilities, carbon credentials, connectivity, planning status, capacity and potential for remodeling (Appendix 2)
- Options for redesign of Canonsgrove to increase the sustainability of accommodation and place making (Appendix 2)
- Capital and revenue requirements associated with a long term provision at Canonsgrove or alternative locations
- Views of SWT partners who support homeless provision at both Canonsgrove and in other localities
- Alternative models of delivering the required provision.
- Establish the options and their relative merits

4.36 Appendix two contains a report from gcp architects and Curtins engineers on the potential of redesigning Canonsgrove to support the Council's homeless agenda. As a result of discussions with consultants, SWT colleagues and partners' three options are presented for members to consider.

4.37 The three options are:

- 1) Retain a short term interest in Canonsgrove through a lease extension to provide accommodation protection to the most vulnerable during Covid and time to identify and deliver directly or through new or existing partners new additional accommodation supply to replace the loss of 68 units.
- 2) SWT or a Special Purpose Vehicle (SPV) such as a corporate company purchase Canonsgrove from BTC and then remodel the existing structures to reduce the site capacity dramatically from 200 to between 105-157units. The reduction in units and introduction of flatlets and 1 bed flats would better meet the single homeless accommodation specification and provide a hub for support services. There are choices of how the site and blocks can be remodeled to improve sustainability and encourage different lifestyles to coexist. The scheme income would be generated through customers' rents and lease income from third parties.
- 3) Do nothing/Status Quo – As Canonsgrove accommodation is only secured through a short term lease up to October 2021 this option would result in residents being evicted with insufficient alternative accommodation. BTC have stated a preferred wish to sell or long lease the site. SWT therefore need to make a decision to negotiate a longer lease (option one) or purchase the site (option two) if they wish to avoid an increase in rough sleeping from July 2021.

4.38 Option 1 – Short term use of the site up to March 2023 (recommended option)

- 4.39 SWT retain a short term interest in Canonsgrove through negotiating a lease extension to provide accommodation protecting the most vulnerable during Covid and time to identify and deliver directly or through new or existing partners new additional accommodation supply to replace the loss of 68 units.
- 4.40 This option would require the sentiments of the draft Single Homeless Accommodation Strategy to be progressed through a delivery plan and align investment strategies of the Council and partners to bring forward replacement supply.
- 4.41 It would require a Council commitment to supporting a proactive approach to seek grant funding to support capital and revenue requirements for the new accommodation supply and a reliance and confidence in positive outcomes from joined up commissioning arrangements at a Somerset wide level including measurable change brought about by the new Homeless Reduction Board.
- 4.42 In progressing this option the Council would:
- Enter into negotiation with BTC to retain the use of Canonsgrove for the period of up to 31<sup>st</sup> March 2023 and for circa fifty (50) rough sleepers. The terms of the lease will be negotiated with BTC including the potential for early break clauses.
  - Progress the draft Singles Homeless Accommodation Strategy and its delivery plan to identify an additional 40-64 units of accommodation to replace the current units of supply. Not all the homeless accommodation at Canonsgrove is used for complex need and although circa thirty five (35) complex single homeless would need to have accommodation and support found elsewhere up to twenty (20) residents require accommodation with significantly less support.
  - The ambition of the Single Homeless Accommodation Strategy is to end rough sleeping by 2027. However, the speed of delivery of the strategy will be significantly determined by the appetite of existing and new partners;
    - To invest,
    - Successfully bid for MHCLG/Homes England capital and revenue grant, and
    - An ability for The Homeless Reduction Board and partner organisations to deliver commissioning arrangements to the varied and sometimes complex needs of the most vulnerable single homeless.
  - Develop with existing and new partners (Arc, YMCA Dulverton, SWT Housing (HRA), SWT Corporate Company (SPV), etc. the securing of an additional 87 new units of accommodation front loaded over seven years including circa fifty units by March 2023. Opportunities for additional supply including Lindley House (Taunton) and satellite units Taunton)

and these are being progressed or discussed with Arc and YMCA Dulverton Group.

- SWT to seek investment from MHCLG and other source to support the capital requirements not able to be met through SWT or partners viability appraisals based on housing benefit rental income. SWT recently support a successful circa £1m capital bid for YMCA Dulverton group to purchase and convert the Gascony Hotel (Minehead) into eighteen single homeless units. Future bidding rounds are anticipated shortly.
- SWT continue work with partner landlords and agencies to identify support or revenue to provide safe accommodation and appropriate support for residents. The Council is aware that housing benefit income will increasingly be difficult to access in order to fund the security and support needs of the more complex single homeless customers. Therefore, the success of the emerging Homeless Reduction Board is a critical element of this approach and better outcomes for the most vulnerable.
- The merits of progressing this option also reflects the difficulty in delivering a sustainable scheme through the purchase of Canonsgrove as outlined in option two. The difficulty in delivering option two include the uncertainty of income, the sites C2 residential institution planning status, planning policy limiting the potential for alternative accommodation on the site which would limit the ability of the Council to develop or dispose of the asset if it becomes unviable, the limited proportion of the current accommodation which is required for homelessness or other council agendas. The planning status as residential institution constrains the current use of the land, its potential for creating a sustainable mixed use community and limits the ability to attract new customers/income sources to use the sites permitted accommodation blend.

#### 4.43 SWOT Analysis

| Strengths  | Weaknesses  |
|--|---|
| <ul style="list-style-type: none"> <li>• New supply to meet the accommodation gap is likely to better meet the objectives of the Single Homeless Accommodation Strategy</li> <li>• A delivery plan will have momentum and a delivery panel will be introduced to identify accommodation better able to achieve better outcomes.</li> <li>• Existing and new partners are interested in investing in</li> </ul> | <ul style="list-style-type: none"> <li>• Increases the number of units to be identified to deliver SWTs ambition</li> <li>• Revenue costs remain heavily dependent on Housing Benefit; unless other budgets can be identified.</li> <li>• Government remain concerned about SWT housing benefit levels</li> <li>• The district ideally would secure two hub locations. A non Taunton Town Centre location is preferred</li> </ul> |

|   |  |
|---|--|
| <p>accommodation to support SWTs ambition and therefore there is less need for SWT to directly invest in this site</p> <ul style="list-style-type: none"> <li>• Removes the risks associated with investing in a site which has marginal sustainability qualities</li> <li>• Limit the concerns of some local residents about the sites future use</li> <li>• Provide accommodation certainty for three years for up to 64 single homeless</li> <li>• Partner are more likely to financially support new accommodation provision and therefore less SWT capital investment and business risk.</li> </ul>      | <p>for the second although a new satellite model is also being explored</p> <ul style="list-style-type: none"> <li>• The Canonsgrove site remains subject to limited investment options under planning policy. The site could deteriorate over time without new purpose albeit this is a privately owned site.</li> </ul>  |
| <p>Opportunities</p>  | <p>Threats</p>   |
| <ul style="list-style-type: none"> <li>• Greater opportunity to progress purchasing strategies aligned to partner preferred investment routes</li> <li>• There is the potential that a hub site which is a better fit to the Council's requirements will appear over time on the market</li> <li>• Opportunity to apply new models to support single homeless accommodation</li> <li>• Opportunity to attract new investment and care partners</li> <li>• Opportunity for the/a Corporate company / SPV to diversify their investment and income to provide additional move on / PRS accommodation</li> </ul> | <ul style="list-style-type: none"> <li>• Negotiations with BTC may not be successful leading to an inability of SWT to accommodate rough sleepers after July 2021</li> <li>• New capital investment and revenue funding is not identified to increase the supply of new accommodation</li> <li>• Five hub schemes have been identified over the past five months however all have strengths and weaknesses. It is possible that the ideal site does not exist and compromise will always be required in delivering the accommodation desired by SWT</li> <li>• There is an expectation that the Homeless Reduction Board and new commissioning arrangements will support concerns relating to revenue contributions. It may take time for new commissioning arranged to emerge.</li> </ul> |

- 4.45 Option Two – SWT purchase the site as an investment opportunity with an interim use reflecting current C2 residential institution status.
- 4.46 SWT or a Special Purpose Vehicle (SPV) such as a corporate company purchase Canonsgrove from BTC and then remodel the existing structures to reduce the site capacity dramatically from 200 to between 104-157 units. The reduction in units and introduction of flatlets and 1 bed flats would better meet the single homeless accommodation specification and provide a hub for support services. There are choices of how the site and blocks can be remodeled to improve sustainability and encourage different lifestyles to coexist. The scheme income would be generated through customer's rents and lease income from third parties.
- 4.47 The density of the site could be further reduced if organisations leasing units wish to create a flatlet or 1 bed offer for their users.
- 4.48 This option would secure a significant number of units to support the Council's draft Single Homeless Accommodation Strategy (appendix 1). It would require a Council commitment to resourcing the purchase of the site outright and investing in remodeling to produce a more sustainable community and low carbon outcomes.
- 4.49 The Council or a special purpose vehicle could purchase and refurbish the accommodation and reduce the capacity of the site and generate a reasonable net yield. However there are significant concerns that the core income from the site based on rents and leasing a high proportion of the site is high risk.
- 4.50 The main challenges with this option is that SWT would need to approach the scheme as a long term investment. Much of the funding would relate to none core SWT services and the Council would be investing additional capital in services and accommodation which is not a strategic priority. It would also carry significant risk as it would need to ensure rental and lease income based on one bedroom units and a high level of occupancy.
- 4.51 The restriction of the site for residential institutional use limits most accommodation to one bed units of different sizes. The reliance on income from leases to other organisations creates a disproportionate level of investment to corporate benefit.
- 4.52 The Council would directly or through a special purpose vehicle be required to invest a significant amount of capital to create 40-64 units of homeless accommodation. The Council would only achieve a reasonable net yield for its investment if costs were managed according to the expenditure assumptions such as level of voids, bad debt, borrowing, management, maintenance and income assumptions such as rent levels and lease income.
- 4.53 A significant element of the scheme viability will be the purchase value of the land. BTC would have to be satisfied with their sale price and there is an



overage clause which means a third party has an interest in the agreed sale price.

- 4.54 At Appendix 2 there is a report from the Council's consultants gcp Chartered Architects on the site and its structures. This report explores the site history, planning status, opportunities and its constraints. The report by gcp also incorporates a report by structural engineers Curtin's on the structure of the existing buildings and their ability to be modified to accommodate design and low carbon options.
- 4.55 In progressing this option, SWT would:
- Provide circa forty (40) units of support for complex single homeless in a hub environment
  - Provide between four (4) and twenty four (24) units of training or move on accommodation units for single homeless of low support need. The number will vary depending on the ability of SWT to lease these units and suitability for clients to be houses at this location.
  - Provide between sixty (60) and one hundred and five (105) units of accommodation available to lease for students, medical professionals or for other care / support accommodation. There would need to be careful consideration on the design and customer mix on the scheme
  - Provide accommodation to improved space standards
  - Provide a number of accessible units to support the mobility and health needs of some customers
- 4.56 The report by gcp contains site designs and the engineers study to support site densities. The SWT accommodation would be flatlets, one bedroom flats and bedsits with optional and additional flatlets and one bed flats for leased accommodation. There is an opportunity to also provide the occasional two bedroom flats to support shared accommodation needs such as care requirements.
- 4.57 The report contains examples of the space standards which could be applied to the flatlet and one bedroom accommodation.
- 4.58 The scheme would retain existing structures to capture the significant embodied carbon already held in the buildings in particular in the foundations, external walls and first floor structures. Additional fabric first insulation measures would be included in the property conversion to reduce energy use with heating through renewables such as air source heat pumps. There is also, at a cost uplift, the option to install PV and secure green tariffs and create a near zero carbon scheme.
- 4.59 The scheme would reflect the sites current planning use and would not require a change of use. However, a planning application would need to be submitted to demolish two x2 bedroom flats and support the refurbishment and remodeling of existing blocks including the remodeling of the sports hall for residential use.

4.60 The ability of the Council to revise its business model if problems arose in relation to lower than anticipated income or higher than anticipated costs would be constrained as there would likely to be limited market interest due to the planning status and planning policy of the site.

4.61 SWOT Analysis

| Strengths   | Weaknesses   |
|---|--|
| <ul style="list-style-type: none"> <li>• Provides up to 64 units of single homeless accommodation including a hub facility for 40 complex single homeless</li> <li>• Could established income stream from lease by negotiating with existing users</li> <li>• The location suits some customers and its environment has led to some residents successfully stabilising their lives.</li> <li>• The hub approach has been successful for some residents and this would be a feature of the scheme.</li> <li>• The site would reduce its accommodation density and the site to be used to offset other council development would be of interest to explore.</li> <li>• The properties would accommodate remodeling and remodeling could bring about improved design quality outcomes</li> <li>• Would provide the second hub facility desired by the District and much needed move on accommodation</li> <li>• Would provide some accommodation suitable for single homeless with mobility needs</li> </ul> | <ul style="list-style-type: none"> <li>• Place making is difficult for this site and creating a sustainable community based on single bedroom accommodation on the fringe of Taunton is challenging</li> <li>• Facilities are weak in the immediate location however the scheme is within 3 miles of Taunton and therefore access to a wider range of facilities, services and transport is greater than in many parts of the District.</li> <li>• Changes to the sites planning status would be challenging not guaranteed</li> <li>• Scheme affordability is reliant on lease and rent income. If these fail the scheme would quickly become uneconomic.</li> <li>• Reliant on good scheme design and customers in the wider scheme coexisting</li> <li>• The sites planning status does not support the site being used for private rent or sale or affordable housing. Planning policy is not aligned to changing the sites agreed planning status – for example a mixed tenure housing development would not be aligned to policy.</li> <li>• The site is large and the costs associated with maintaining the grounds will be significant. As it will be hard to pass all these costs to the residents the operating margin will be squeezed.</li> <li>• The scheme is not aligned to partners models of service provision</li> </ul> |

|   |  |
|---|--|
|   | <ul style="list-style-type: none"> <li>The Homeless Reduction Board and new commissioning arrangements have not been established and therefore it is unknown if new commissioning arrangements can support a second hub in the District for complex needs. Revenue costs remain heavily dependent on Housing benefit income</li> </ul>   |
| Opportunities   | Threats  |
| <ul style="list-style-type: none"> <li>Through redesign, full occupation and good management the scheme could generate a reasonable net yield and make a significant contribution towards meeting single homeless demand.</li> <li>The site is in a strong neighbourhood with relatively high property prices. Over many years a change in planning policy may emerge to support the site to be developed for profit.</li> <li>Unitary status will provide more demand for accommodation for institutional accommodation which may allow the site to support other responsibilities such as child and adult care</li> </ul> | <ul style="list-style-type: none"> <li>The council would become a major homeless provider and direct investor in homeless accommodation and other residential institutional accommodation. It would therefore take risks associated with rent debt, damage, maintenance and changes to the LHA rent levels and housing benefit policy.</li> <li>Releasing value from the site would only be possible with significant change in planning policy</li> <li>The sites planning status limits the ability of the council to dispose of the site for residential institutional use if it has no purpose.</li> </ul> |

#### 4.62 Option Three – Do Nothing Status Quo

4.63 As Canonsgrove accommodation is only secured through a short term lease up to October 2021 this option would result in residents being evicted with insufficient alternative accommodation.

4.64 BTC have stated a preferred wish is to sell or long lease the site.

4.65 SWT therefore need to make a decision to negotiate a longer lease (option one) or purchase the site (option two) if they wish to avoid an increase in rough sleeping from October 2021.

### 5.0 Links to Corporate Strategy

5.1 The report and its recommendations strongly supports our ‘Homes and Communities’ corporate priority and in particular our ambition to “work to end homelessness and rough sleeping in the District.”

## 6.0 Finance / Resource Implications

- 6.1 Officers have undertaken an options appraisal to assess the future contribution that the Canonsgrove accommodation site will provide to support the Council's provision of single homeless accommodation in the district. Within this report, officers have presented three options to the Executive for consideration:
- 6.1.1 **Option 1:** Short Term extension of lease at Canonsgrove until the 31st March 2023 which will involve the Council needing to underwrite £284k estimated cost pending confirmation of grant funding from MHCLG and to progress the draft Single Homeless Accommodation Strategy.
  - 6.1.2 **Option 2:** Purchase Canonsgrove from Bridgwater and Taunton College (BTC).
  - 6.1.3 **Option 3:** Continue with the current lease at Canonsgrove until the 30th September 2021 which will involve the Council needing to underwrite £21k estimated cost pending confirmation of grant funding from MHCLG.
- 6.2 Whilst Officers are recommending that Option 1 is approved by the Executive, the financial implications of each option have been considered below.
- 6.3 Financial implications for Option One
- 6.4 This option proposes for the YMCADG to extend the current short term lease at Canonsgrove from BTC until the 31st March 2023 (a further two financial years), with a phased decant programme. The YMCADG would continue to receive housing benefits directly for residential claimants to fund both the lease and the operational service charges. However, the housing benefit income does not fully fund the costs to operate this site.
- 6.5 There is a funding shortfall of approximately £3500 per month as explained in the 18<sup>th</sup> Nov 2020 report to the Executive. This shortfall has been calculated based on approximately 44 units being used at the site with housing benefit income covering a weekly room charge of £105pw and shared service charges of £175pw. The variance between costs and income received is the estimated £3500 per month.
- 6.6 As the phased decant programme progresses, over the two years, the number of residents will reduce at a rate dependent on finding suitable alternative accommodation. Whilst the per bedroom charge will reduce, the fixed running costs such as management fees, security and other services will remain the same irrespective of the number of residents on site. Therefore the 'share' of service costs per resident per week will increase and thus increase the funding shortfall.
- 6.7 The YMCADG is having regular conversations with the SWT Housing Benefit Specialist to maximise the service charge cost recovery through the amount that can be claimed through housing benefits to help reduce the increasing

shortfall as resident numbers decrease. Whilst there is some scope to achieve this, this will still leave a financial shortfall.

- 6.8 Officers have modelled various phased decant numbers and estimate that it would be prudent to set aside funds for 2022/23 of £284k should the costs escalate and if the subsidy from housing benefits and grant applications are unsuccessful.
- 6.9 The Council will need to underwrite the total estimated shortfall in funding of £284k. One proposal is to consider the proposed year end carry forward request being made from the Homelessness budget. If this option is approved officers will explore options and ensure funds are set aside. In the meantime the Council will be submitting a bid for further grant funding from MHCLG through the Rough Sleepers Initiative scheme. SWT was successful in being awarded a grant in 2020/21 from the Next Steps Accommodation Project (NSAP) scheme.
- 6.10 The financial risk is that these costs are difficult to estimate as the service does not know with certainty the demand required at the site and how the phased decant programme will progress with regards to securing suitable alternative accommodation. Therefore the true shortfall in cost is not known and is currently estimating a prudent position at this point in time. There is also uncertainty in the success of further subsidy being received in the form of grant funding from MHCLG, especially when bidding on an annual basis.
- 6.11 In order to reduce the Council's exposure to funding the increased shortfall the following would need to take place:
- 6.11.1 The MHCLG funding bids for 2022-2023 will include a higher revenue requirement for Canonsgrove to manage the additional costs associated with decanting in the later period.
  - 6.11.2 The supply of new accommodation will be timed to complement the decanting needs for Canonsgrove. A sharp taper will minimise the risks of costs escalating either on the Council or on the Housing Benefit service. By sharp taper it is meant that residents are decanted over a short time period and therefore alternative accommodation for all residents needs to be timed during the 2022-2023 period.
  - 6.11.3 Decanting post Covid is important to minimise the Council's financial exposure as the service charge element of the accommodation is estimated at circa £113pw per unit more during Covid to manage the additional resources for example enhanced cleaning regime, protective equipment, changes to staff and contractor working practices. The difference between decant during or after Covid is estimated at an additional £7k per week.
  - 6.11.4 Partners providing support to Canonsgrove and to other homeless resident in the district delivery will consider how the service can be delivered differently and cost effectively during the decant period.

- 6.11.5 An application to amend the housing benefit level to reflect the sharing of services over fewer customers can be made. Discussions have been held with the housing benefit service on the opportunities for them to reconsider the agreed weekly rate during the decanting of customers.
- 6.12 This option also proposes to progress the draft Single Homeless Accommodation Strategy and a delivery plan. The strategy is seeking to work primarily with partners to increase the provision of accommodation and support. Any SWT costs associated with the strategy will be brought to full Council in June 2021 along with the final version of the strategy for Members to consider.
- 6.13 Financial implications for Option Two
- 6.14 If the Executive are minded to further explore this option of purchasing Canonsgrove then a further financial investment appraisal would need to be undertaken to take into consideration the cost of preparation works, the purchase of asset and site development costs, as well as the ongoing operational running costs and consideration for any income generated from the proposal to lease some of the units.
- 6.15 So far officers have only obtained indicative site development costs (see Appendix 2) and considered the preparation costs involved such as site development designs and costs associated with conveyancing and lease negotiations with third parties. This would require the approval of a supplementary budget of £130k to develop this proposal further.
- 6.16 Therefore this option would require further investigation and a subsequent report presented to Members detailing the scheme and budget required for approval by Full Council prior to purchase.
- 6.17 Financial implications for Option Three
- 6.18 This option proposes for the YMCA to continue with the current short term lease at Canonsgrove from BTC until the 30<sup>th</sup> September 2021 (a further 6-months during 2021/22). The YMCA would continue to receive housing benefits directly for residential claimants to fund both the lease and the operational running costs. However, as mentioned above, the housing benefit income does not fully fund the costs to operate this site.
- 6.19 This option would also require the Council to underwrite the estimated funding shortfall of £3500 per month for 6 months (a total estimate of £21k). One proposal is to use the proposed carry forward request being made by from the Homelessness budget whilst the Council submits a bid for further funding from the Rough Sleepers Initiative grant from MHCLG.

## **7. Legal Implications**

- 7.1 None identified

## **8. Climate and Sustainability Implications**

- 8.1 The draft Singles Homeless Accommodation has not as yet included a low carbon requirement on homeless accommodation. This will be considered as an appendix to the strategy
- 8.2 Option two would maintain the existing structure at least up to first floor level and through this retain the embodied carbon already in the buildings. The converted buildings will include a fabric first approach, have no fossil fuel use and include renewable energy where possible and where the final budget agreed by the council permits.
- 8.3 The new Delivery Panel will include sustainability as one of the measures of accommodation suitability including access to public transport routes, facilities, green space, walkways and cycle ways.
- 8.4 Any accommodation that hosts a number of rough sleepers can expect some level of noise nuisance and related anti-social behaviour, particularly where tenants have poor mental health, learning difficulties and addictions. The impact of this and measures to mitigate this will need to be considered as part of any long term proposal.

## **9. Safeguarding and/or Community Safety Implications**

- 9.1 The Single Homeless Accommodation Strategy provides an ambition to provide sustainable accommodation and support for rough sleepers. This will enhance our ability to safeguard a group of very vulnerable adults. The average life expectancy of a rough sleeper is 47 which indicates the extent of risks faced from living on the streets which this proposal will help mitigate. The proposal greatly promotes the welfare of adults at risk.
- 9.2 Any accommodation that hosts a number of rough sleepers can expect some level of noise nuisance and related anti-social behaviour, particularly where tenants have poor mental health, learning difficulties and addictions. The impact of this and measures to mitigate this will need to be considered as part of any long term proposal.

## **10. Equality and Diversity Implications**

- 10.1 An Equality Impact Assessment can be found at Appendix 4.
- 10.2 The three aims that we must have regard to when considering our Public Sector Equality Duty are:
- Eliminate discrimination, harassment, victimisation;
  - Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
  - Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
- 10.3 In terms of the legislated protected characteristics, in the Equality Act a disability means a physical or a mental condition which has a substantial and long-term impact on your ability to do normal day to day activities. There is a

substantive body of evidence that shows that homeless people are disproportionately affected by poor physical and mental health. Evidence includes <https://www.mentalhealth.org.uk/statistics/mental-health-statistics-homelessness> which cites that 80% of homeless people in England have reported poor mental health with 45% having been diagnosed with a mental health condition.

- 10.4 Our proposed solutions will provide more and better accommodation and support to the homeless and rough sleeping population which will help address inequalities.
- 10.5 The Council has also recognised locally the following characteristics when developing policy: - Carers, Military status, Rurality, Low income, Economic and Social Disadvantage, Digital Exclusion. The people we are seeking to support with this initiative will all have one or more of these characteristics.

## **11. Social Value Implications**

- 11.1 Ultimately we are seeking to jointly commission with partners support services for our rough sleeping community which will have clear social value implications socially but also economically for this group. We have engaged with the DWP to see how they can support our work so that not only can we help people address social and health issues, but can help move them ultimately to greater independence with a focus on improving skills and ideally accessing employment opportunities.

## **12. Partnership Implications**

- 12.1 The success of any future accommodation proposal will require strong partnership working with accommodation providers such as the YMCA, Arc and others as well as a wide range of support services partners including SCC (Social Care, Public Health), NHS, Somerset Partnership, Turning Point (drug and alcohol service), Avon and Somerset Constabulary, Second Step, Salvation Army, Probation, Open Door and local church and voluntary and community groups.
- 12.2 The principle approved through the Health and Wellbeing Board is that we should develop a joint commissioning approach for support services and we will continue developing this approach alongside the work we do on accommodation.

## **13. Health and Wellbeing Implications**

- 13.1 The project objectives have the support of the Health and Wellbeing Board and this includes the proposal from the Board to create a Homelessness Reduction Board that will report into the Health and Wellbeing Board. There are clear links between people being health and being suitably accommodated so there is a strong alignment between the objectives of this report and improving health and wellbeing. One of the three Health and Wellbeing priorities for Somerset is “Somerset people are able to live independently” and therefore this provision will be key to enabling this.



#### **14. Asset Management Implications**

- 14.1 Option two would create a new asset for the Council or a Council Corporate company.
- 14.2 Option two would create an asset which would require a detailed financial plan to ensure its income managed its expenditure and the asset was maintained or improved through good management.
- 14.3 Option two would benefit from subsidy in the form of MHCLG or Homes England grant

#### **15. Data Protection Implications**

- 15.1 None at this stage. We will require information sharing agreements between the Council and any providers and support services that we use.

#### **16. Consultation Implications**

- 16.1 This report is publically available however the Council would wish to provide a copy to the Trull Residents Group and the Trull Parish Council which have shown an interest in the future of Canonsgrove and to be available to discuss the report.
- 16.2 There is public interest in the option appraisal recommendations and we have received a number of representations from local councillors, members of the public and the Trull Parish Council have conducted their own survey. Some of the representation is provided at Appendix 5.
- 16.2 Option one does not propose a long term use of the site y SWT however the service and council may wish to consult more widely on the ambitions of the Single Homeless Accommodation Strategy. We would also want to seek to improve the dialogue with representative organisations in Trull to try and develop a more constructive conversation about interim use of the site. We have engaged with an MHCLG Specialist Rough Sleeping Adviser who has brokered facilitation through the local church to hopefully move forward positively in this direction.
- 16.3 Option two would require some consultation to help any planning requirements which are not allowed under permitted development.
- 16.4 As the Council identifies new sites to support single homeless accommodation requirements consultation will take place at the appropriate time.

#### **17. Scrutiny Comments / Recommendation(s)**

17.1 Scrutiny Committee discuss the paper 3<sup>rd</sup> March and provided the following comments/recommendations to be noted for executive:

**The Scrutiny Committee, therefore recommend that, the Executive:**

- Only consider **option 1**, with clear wind down and end date of March 2023, but ideally 6 months before March 2023, having alternative location/s identified, therefore take out item 3.3 from the recommendation.
- Take into account the recent survey’s report by the Trull Parish Council, which provides the needed evidence of the adverse impact of current use of Canonsgrove to the community.
- Provide better management, community safety measures by communicating with the residents to allay current and future concerns by:-
  - 1) Looking at alternative accommodations within the district close to all the amenities now.
  - 2) Work out a wider appraisal to deliver other accommodation options that are tested against the draft strategy with homelessness providers and support agencies, and inform Trull Residents Group, local Parish Councils about future plans, whereby other alternatives are identified and report back to the Scrutiny/SWT council within the next 6 months on plan to exit Canonsgrove.
  - 3) Create a joint liaison Committee to improve two way communication between the Council and relevant local stakeholders

Democratic Path:  
 Scrutiny Yes (03/03/21)  
 Cabinet/Executive – Yes (15/03/21)  
 Full Council – No

Reporting Frequency: Dependent on option selected

List of Appendices (delete if not applicable)  
 Appendix 1 – Draft Single Homeless Accommodation Strategy  
 Appendix 2 – Option appraisal report (retention) gcp Chartered Architects and Curtin’s Civil engineers (this appendix is still being refined)  
 Appendix 3 – Site map  
 Appendix 4 – Equality Impact Assessment  
 Appendix 5 – Representations

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## **Single Homelessness Accommodation Strategy – 2020 to 2027**

Mark Leeman, Strategy Specialist, Housing and Communities

### **Introduction**

Accommodating single homeless is a significant challenge for any locality. Over recent years this challenge has increased due to the repercussions of the recession/austerity. This has resulted in ongoing funding pressures, changes to benefit regimes, and worsening case complexity. The pressures across SWT are significant. SWT has a high number of complex homeless and rough sleepers. The ongoing Covid emergency, and the government's 'Everyone In' initiative, shined a spotlight on both the challenges of housing and supporting complex clients, but also the opportunities that are apparent.

To plan a way forward, multi-agency workshops (on-line, facilitated by Ark Consultancy) were held during the during Summer 2020. A range of partners were involved, from district council representatives, housing providers, and the commissioners and providers of support services. These workshops highlighted a number of important contextual considerations. These include:

- Locally, we have strong partnership arrangements (strategic, tactical and operational)
- There are not enough units of accommodation both in the social rented and private rented sectors
- The opportunity to improve commissioning and support arrangements through the Homelessness Reduction Board
- Increasing case complexity and the threat of Covid to worsening the current levels of homelessness

A SWOT analysis is provided at Appendix 1.

Partners agreed that now is the time to build on the pace and good will generated by the Covid response/Everyone In.

Commonly agreed ambitions are now to:

- End rough sleeping
- Develop a prevention approach that is client centred
- Provide flexible pathways within a range of accommodation options
- Provide quick and easy access to support services
- Facilitate timely move on to secure and affordable accommodation

The strategy that follows reflects these ambitions. It is also informed by *Better Futures for Vulnerable People in Somerset (Better Futures Programme - SSHG/Ark Consultancy - 2020)*. This is an LGA sponsored multiagency programme that seeks to provide appropriate support to the most vulnerable in society. It also seeks to

close the 'revolving door' that often traps customers in a perpetual 'toing and froing' between services.

## **Vision**

*Rough sleeping in SWT will end by 2027, and all single homeless people shall have access to a client centred service that will provide excellent coordinated support within a range of appropriate self-contained accommodation options that can flex according to changing demand*

## **Objectives**

### Accommodation

- Suitable / self-contained accommodation
- Flexible
  - according to level of need
  - between singles and families where appropriate
  - Between licence and tenancy where appropriate
- More accessible units
- In locations consistent with demand and access to services
- A range of move-on accommodation options

### Support

- Prevention first
- No wrong door
- Person centred approach- right client, right place
- Floating support – goes to the client
- Ensuring the right level of support
- Improved working between housing options and providers of accommodation in order to provide
  - Better initial assessment and placement
  - Timely and effective move on
- Working together to ensure tenancy sustainment
- Working together to develop customer skills and access to training and employment

### Cost

- Affordable for client
- Affordable for SWT and providers (accommodation, management and support)
- Reduce the use of enhanced Housing Benefit
- Eliminate the need for Bed & Breakfast accommodation / expensive leasing arrangements
- Joint funding

### Commissioning

- Support the Somerset Homelessness Reduction Board on the development of strategic integrated commissioning arrangements
- Local (SWT) SLAs and monitoring- improve on commissioning arrangements
  - Co-production
  - Flexible use of budgets

- Client wellbeing –physical and mental
- Monitoring e.g. duration of stay, move on, nomination rights etc

## **Client Groups and accommodation options**

Data and intelligence\* tells us that there are a range of client groups that require the availability of specific accommodation options:

1. Short-term assessment accommodation for those believed to be in priority need
2. Multi Agency Public Protection Arrangements (MAPPA) Accommodation for high risk offenders approved by police and probation
3. Emergency Assessment Accommodation for Rough Sleepers
4. Supported short/medium-term accommodation for medium/high risk individuals
5. Trainer flats – to prepare individuals for independent living
6. Accommodation for those new to the streets
7. Temporary self-contained accommodation for those owed a statutory duty
8. Veteran Accommodation
9. Dry house / abstinence house
10. Move-on (shared and self-contained)
11. Under 25's with additional support needs – P2I service
12. Crash pads for under 25s (emergency provision) – P2I service

\*Data and intelligence drawn from SWT housing options service and rough sleeper initiative

More detail can be found at Appendix 2

## **Demand**

Demand for a single person homeless accommodation by client group is shown at Appendix 3. This is a snap shot in time (Autumn 2020) and is fairly typical of the prevailing situation for the previous two or three years.

The analysis of demand includes those whom the council has a 'statutory duty' to support, together with those the council may offer a 'voluntary duty'. The analysis indicates that there is demand for 374 units of accommodation for people who fall into the single homeless category of whom 287 have their accommodation needs met through the council or its partners.

There is an accommodation gap of circa 87 units for this client group. This gap is largely accounted for by the chronic shortage of move-on accommodation (see item j) below.

The study also identifies that some of the single homeless are housed in accommodation which is unsuitable for one of the following reasons:

- Bed and Breakfast – which is not ideal for the customer due to its very temporary nature, and high cost to the Council

- Shared accommodation
- Accommodation where management practice and support services do not appear to be helping customers stabilise their lives and develop skills to sustain tenancies
- Accommodation which insufficiently reflects the diversity of the client group, low, medium and high support needs, female and male customers, arson risk, registered sex offenders, drug and alcohol, mental and physical health needs
- Accommodation location that does not sufficiently match locations of need of customers
- To reflect anticipated loss of accommodation currently available (such as temporary units in Sneddon Grove, Taunton due for regeneration).

It is estimated that there are 74 units of accommodation that are deemed 'unsuitable' and that need to be decommissioned / considered for alternative use. See section f) below

In addition to the above, it is also recognised that there is often a failure of partner services to provide the necessary support to the customer. This impacts on the ability of the housing provider to stabilise and work with vulnerable clients. This is an issue for all accommodation settings, although good progress has been made at Canonsgrove and Lindley House with the development of hub arrangements. There are also good practices being developed where the service is able to flex and come to the client (physically/digitally).

| <b>Single homeless<br/>Headline summary of demand for units of accommodation</b> |     |
|--|-----|
| All demand   | 374 |
| Current provision  | 287 |
| Current provision - unsuitable*  | 74  |
| Gap  | 87  |
| Need (unsuitable + gap)  | 161 |

\*Some of which can be reconfigured into more suitable accommodation

### **Meeting the demand**

Below are described the essential elements that comprise this Single Homeless Accommodation Strategy. The *Better Futures Programme* is an important reference point, and will complement and support our local aspirations

#### *a) Early help*

Early help means taking action to support a person or their family as soon as a problem emerges. It can be required at any stage in a person's life and applies to any problem or need that the family can't deal with alone. It requires agencies (health, housing, education, social care, DWP, police etc) to be linked and to understand each other's role, and to understand the valuable contribution that can be made by the local community and voluntary sector assets, including sports,

leisure and recreation. The Better Futures Programme has established a working group that will define the approach, set direction, influence others and monitor impact. This early help initiative is critical. It will eventually work to stem the flow of people falling in to homelessness

*b) Creating a robust referral and allocation process*

Notwithstanding the Early Help project, there will be those who will be unfortunate enough to fall into homelessness and/or rough sleeping. For these individuals, it is essential that we develop an informed and consistent process of referral and allocation. Through the *Better Futures Programme* it has been agreed that the most effective way of ensuring that customers obtain the most appropriate accommodation and support is to form an allocations panel comprising of representatives from housing providers, social care providers and support providers. This panel will assess a person's needs, and identify the most appropriate accommodation solution having regard to the level of support required.

More detail is provided at Appendix 3

*c) Units of accommodation - flexible approach*

There is a limited supply of accommodation and, at present, clearly not enough. Adopting a flexible approach is essential to meet the demand. This includes flexibility within the current stock, even that which is defined as suitable within the current analysis.

*d) Mixing units of accommodation*

It is considered that the following accommodation types could be mixed within the same building

- Short term-assessment accommodation
- Emergency assessment accommodation
- Supported short/medium-term accommodation for medium/high risk customers
- Could also include Trainer flats, but these could also benefit from being dispersed

The above could be in one place and closely linked with support provision/hub arrangements. This would aid with specialist assessment and access to those services that are most needed by this client group.

*e) Accommodation that needs to remain separated*

The following need separate accommodation solutions and cannot be mixed with others

- MAPPA

- Under 25s – currently provided by the P2I service
- Dry house / Abstinence
- Women Only

Some women will actively benefit from female only accommodation options. At present we have none, other than the refuge for victims of domestic abuse. This matter needs active consideration (including catering for the needs of pregnancy and children) to assess the level of need. As a broad estimate – of the 50 beds at Canonsgrove we have had between 5 and 10 women resident at any one time

*f) Units of accommodation that need to be decommissioned*

The following existing units are unsuitable and need to be decommissioned

- Arc crash pads (but could be used for something else) – reconfiguration currently in progress
- B&B
- MAPPA – i.e. current provision which is 'out of area'
- Temporary Accommodation units (Wheatley Crescent/Sneddon Grove)
- Homes in Multiple Occupation i.e. Rough Sleeper Initiative (RSI)/No First Night Out (NFNO)

*g) Location*

Convenient access to services is a fundamental consideration. Accordingly, provision will need to be met primarily in Taunton and its environs, with some also being met at Minehead and Wellington. The table at Appendix 3 provides more information, by client group.

For any new provision, impact on adjoining neighbours / communities will be an important consideration.

*h) Standard of Accommodation - Aims*

Canonsgrove is a temporary facility at Trull on the south-west fringe of Taunton. It has capacity for approx. 60 individuals designated as complex homeless/rough sleepers. It was provided in response to Everyone In. The Canonsgrove project reflects much of what is now regarded as best practice for hostel accommodation. There are a number of factors that have made it a success:

- Partnership working – all main services working collaboratively
- Self-contained units (and the ability for segregation in the presence of covid)
- On-site provision of housing management and support services (e.g. mental health, drugs and alcohol)
- Surrounding green space providing opportunities for relaxation, recreation and sport
- Communal areas within the building
- Engaging activity
- A sense of community



Many of these features are replicated at other provision. For example, Arc have recently opened an on-site GP surgery at their Lindley House facility.

However, there are issues. It can be difficult to segregate the most challenging individuals from those who are less complex and require less intensive support. This can have the effect of holding back progress for some individuals. This raises questions over the size of the facility and the ability to segregate the different levels of need and complexity. These are problems that have challenged housing services for many years.

Hostels are the most common homeless accommodation projects in the country and will continue to have a role locally. However, the recent Covid situation as emphasised that we (providers and support services) need to enhance the quality of the offer. We have undertaken best practice research on Homeless Hostels. This research is invaluable. A useful summary of recent research in this area was provided by Homeless Link in their report 'The Futures Hostel (2018).

*Summary from Homeless Link "The Futures Hostel" (2018)*

- Hostels account for 90% of all homeless accommodation projects
- Most provide medium level support.
- Key metrics are successful move on; unplanned moves, plus other measures (Outcome Star); employment & training participation rates etc
- Important to help develop skills, abilities, resources and personal development for independence

*We should aim for:*

- *Supportive staff with positive, engaging culture who can build trust. Interventions to be personalised and responsive to individual needs, goals, and aspirations.*
- *Strong partnership working with agencies (housing, addiction services, mental health services, financial support, physical health, training etc). The more integrated these services are, the better.*
- *Accepting dogs (otherwise this becomes a barrier for some homeless)*
- *Good range of engaging activities for the tenants*
- *Support for tenants to engage with mental health support, including emotional support, counselling and advisory.*
- *Floating Support to follow tenants during and after Move-On is key. This needs to be part of local housing pathway*
- *Some flexibility around rules and regulations. Alternatives considered and residents involved in developing (e.g. communal space for visitors)*
- *Good quality and range of food offered*
- *A lack of affordable housing is the main issue and needs to be addressed.*
- *Hostels should see their role as time limited, and should focus on supporting people to move towards independence*

- *Consider the benefits of Trauma-informed care and Psychologically Informed Environment*

\*Homeless Link are the national membership charity for organisations working directly with people who become homeless in England

These aims are recommended for all future hostel provision across SWT. They are also consistent with the aspirations of the *Better Futures Programme*. This will ensure that our future homeless provision complies with what is seen as best practice. We will require reporting and monitoring that evidences the outcomes and successes described. See item l) below

- i) *Standard of accommodation – other considerations*

DETAILS TO BE INCLUDED ON THE FOLLOWING

Preference for units of self-contained accommodation / en-suite

Minimum unit sizes (these could vary according to type)

There is demand for accessible units of accommodation (see Appendix 3). Financial assistance is available (see Finance Model below)

- j) Replacing Canonsgrove

At any one time there are approximately 50 residents at Canonsgrove. Of this, approximately 30 can be regarded as having complex needs. Approximately 20 have less complex needs, and should ideally be in other accommodation options including move-on, if there was capacity in the system.

The Canonsgrove facility will be stood down during the early part of 2023. This gives us two years to find alternative capacity. There are two options:

Option A: A single facility of at least 30 units (possibly more) with the ability to segregate different clients groups e.g. possibly different wings of a building, or separate buildings within a ground. It must also have the ability to flex the accommodation e.g. rooms that could flex from accommodating complex clients, to trainer flats, to move on (i.e. can flex according to demand). This option (due to its critical mass) will have a better chance of securing on-site hub/support arrangements. The possible downside is the potential difficulty of separating the different client groups.

Option B: Three or four smaller facilities (10 bed units) that can be specifically pitched at certain levels of need, from the less complex to the more complex. This has the advantage of having individuals with similar needs at one locality, and so potentially easier from a housing management perspective. The disadvantage is the difficulty of delivering support services to dispersed facilities. This will need careful consideration. Dispersed facilities in close proximity may be a solution

SWT will consider proposals for both options. Whatever is proposed, we expect the best practice aims (item (h) above) to be adhered to, and this will be established within commissioning / contractual arrangements.

Housing First – Pilot. In addition to the above two options, we shall also actively explore Housing First. 'Housing First' is a recovery-oriented approach to ending homelessness that centres on quickly moving people experiencing homelessness into independent and permanent housing and then providing additional supports and services as needed. The fundamental ethos of Housing First asserts that housing is not contingent upon readiness, or on 'compliance' (for instance, sobriety). Rather, it is a rights-based intervention rooted in the philosophy that all people deserve housing, and that adequate housing is a precondition for recovery. We see the potential for a pilot project. This option will only cater for a small number of people – possibly four to six in the first instance, as we would wish to test the application of the model before making any further commitments.

#### *k) Move on*

Lack of affordable single rented accommodation is a national problem and key issue to resolve in this accommodation strategy. Simply put, without an adequate supply of suitable and affordable accommodation for single people, both supported housing accommodation and the council's temporary accommodation becomes silted up. Locally, average rent exceeds local housing allowance levels exacerbating the issue.

Homeless Link have published a report "Moving on from homelessness – how services support people to move on" which found that nationally 30% of people ready to move on are unable due to lack of supply. Lack of move-on accommodation was our main issue from the rough sleeping workshops held in June and July 2020.

Different Housing Providers and services refer to Move On in a number of ways however for our purpose we mean a home to move into from supported housing, be that a room in a HMO or self-contained accommodation. An important element of move on is the ability of individuals to sustain accommodation and ensuring they are supported appropriately to avoid repeat homelessness.

Our strategy to increase move on includes the following:

- Increasing the capacity and focus in our homeless team to work with the private rented sector to increase supply for our client group
- Explore case for a Housing Company to procure units of single accommodation available for our client group
- Provision of floating support to increase supply from nervous landlords and to improve sustainability of tenancy across all tenures.
- Encourage social landlords using schemes such as tenancy accreditation to take a greater proportion of homeless directly from supported accommodation
- Utilise shared HMOs with lower support e.g. Arc satellite accommodation

- Engage with supported housing, registered provider and other partners to increase supply locally through lease arrangements

Appendix 2 provides more commentary on move-on. This includes the financial considerations, together with key success factors for those individuals placed within move-on accommodation

#### l) Floating Support

Floating Support is key to improving the sustainability of a tenancy once homeless clients have moved on from supported accommodation. P21 in Somerset has adopted this approach and evidenced success. It was also raised as important by the Supported Housing Providers at the Rough Sleeper workshops facilitated by Ark Consultancy on behalf of the Council during Summer 2020. It is also a fundamental component of the *Better Futures Programme* (work stream 5)

The St Mungo's research paper 'Home for Good: The role of floating support in ending rough sleeping (December 2018)' describes floating support (or tenancy sustainment) as helping people, who might otherwise struggle to cope, to live independently in their own home. It helps prevent vulnerable people from losing their home and can prevent a return to the street, for those who were rough sleepers. Support is delivered by skilled case workers who visit people in their homes or meet them somewhere close by.

Benefits include improved outcomes for their customer group, increased independence and more homes available for vulnerable people to rent, by providing more reassurance for landlords. The St Mungo's report also highlights that funding cuts to 'Supporting People' has led to a reduction in this support across the country.

Further information on best practice relating to floating support is provided at Appendix 2.

SWT regards floating support as an essential component of this single homeless accommodation strategy. It is as important as any other element and without it the strategy will fail. Ideally floating support should be provided in collaboration with partners, as all elements of the housing, health and care sectors have a vested interest in keeping clients secure and stable. The resourcing and commissioning of floating support will require cross sector conversations within the auspices of the Homeless Reduction Board. However, this may take a couple of years to develop. Before then SWT will invest in the provision of floating support

#### m) Commissioning

Commissioning operates at two levels, strategic and local

(this needs further work – key elements are below)

Strategic commissioning: Need to reference the MoU, HRB and *Better Futures programme* (and fingers crossed... the Changing Futures Programme), and the drive towards strategic integrated commissioning. Within this remit comes conversations around P2I, Positive Lives and Step Together. Also a fundamental review of systems and services across the health, care and housing sectors, looking at how we can close the revolving door, and invest in prevention based services e.g. floating support. Unitary conversations tie in with this.

Local commissioning: This relates to the contractual arrangements that SWT has with local providers. Again the *Better Futures programme* is highly relevant here, alongside the best practice sighted within the strategy (Homeless Link / St Mungos). The Better Futures Programme has devised a set of metrics that have been agreed among partners. These are a key reference point, in helping to shape and monitor contracts, and are included at Appendix 5

### **Equalities considerations**

Equalities considerations are important to the provision of new accommodation options. The recently adopted Somerset Homelessness and Rough Sleeper Strategy is supported by a comprehensive Equalities Impact Assessment which highlights the following issues:

#### Gender

- Currently no specific accommodation / service for females

#### Age

- Significant issues for under 35s and young adults – rising incidence of case complexity, care leavers and access to supported accommodation and move-on accommodation, overcrowding, sofa-surfing, reluctance to use / lack of awareness of Homefinder
- Need to consider ageing population. We are seeing more presentations from older homeless clients with age related health issues

#### Armed Forces Veterans

- Case complexity, need for support services, access to Homefinder

#### Disability

- increasing complexity of mental health problems for rough sleepers/complex homeless, lack of accessible/adapted properties for physical and mental disabilities;

#### Rurality

- Distance from services, lack of accommodation options, & lack of transport options.

Note: further commentary and consideration required. The strategy has picked up specific consideration of the following: female only accommodation, armed forces veterans (no additional presenting need at the moment); accessibility; and meeting

the needs of those with complex mental health issues. We need to say a bit more about age related considerations.

## Finance model

To enable the delivery of the strategy will require a significant financial investment, utilising external grants, SWT funding, partner funding and a review of current commissioning arrangements for support services. A mix of capital and revenue funding is required. Capital is required to secure properties, while revenue is critical for the maintenance and development of support services. Capital is much easier to secure as it is usually a one-off payment, and can sometimes bring a return on investment, Revenue funding is much harder to secure being a commitment to year-on-year financial investment. A strategic review of commissioning arrangements for support services (health, care and housing) should identify opportunities to develop holistic system-wide prevention based services, with coordinated funding arrangements for support services. This will be driven by the *Better Futures Programme* (and hopefully Changing Futures) within the auspices of the Homelessness Reduction Board.

Key to the success of the strategy, and beyond the control of SWT and local partners, is the current housing benefit regime, including Local Housing Allowance. There is pressure on HB spend (particularly enhanced HB that is used to support tenants with complex issues), with MHCLG encouraging councils and their partners to deliver targeted and financially sustainable models of support. As noted elsewhere, local rents exceed LHA rates, which presents an additional challenge.

Some of the key funding streams /opportunities are explained in the table below. Financial considerations will impact significantly on the timetable for the delivery of certain aspects of this strategy.

### Capital funding

| Source                    | Amount                | Year  | Purpose                                 | Comment           |
|---------------------------|-----------------------|---|---|-------------------|
| MHCLG - NSAP              | £1M approx            | 20/21, with further funding available to bid for in 21/22 | 18 bedroom accommodation at Minehead    |                   |
| HPC Housing Fund          | £112k                 | 21/22   | Temporary Accommodation (West Somerset) |                   |
| SWT investment*           |                       |   |   | See comment below |
| Disabled Facilities Grant | Up to £x per property | Ongoing   | Grants available for improving          |                   |

|                               |                  |         |  |                   |
|-------------------------------|------------------|---------|--|-------------------|
|                               |                  |         | access in and around homes                           |                   |
| Voluntary sector investment** | To be determined | Ongoing | Our provider partners continue to invest in property | See comment below |

\*SWT/SWT Corporate Company – SWT to explore investment through the new corporate company or alternative new corporate company to build/purchase and manage up to 40 units of 1 bed units as Private Rented Sector homes to increase the provision of move on/permanent new supply of 1 bed units. The pace at which the company are able to support the new supply would depend on achieving an appropriate net yield for the council and company.

\*\*Voluntary sector investment – Existing partners and potential new partner have investment models which use their own borrowing strength to purchase accommodation. Each partner has its own business model. Sometime the voluntary sector would welcome capital grants to support their investment however revenue costs tend to be a greater consideration. Existing partners are also being asked to consider their current provision to better achieve outcomes and in some cases this will divert capital investment away from new supply.

#### Revenue funding

| Source                         | Amount            | Year                                 | Purpose  | Comment                                      |
|--------------------------------|-------------------|--------------------------------------|--|--|
| MHCLG - NSAP                   | £167,000          | 20/21                                |  |  |
| MHCLG - RSAP                   | ?                 | 21/22                                |  |  |
| MHCLG - RSI                    | £337,220          | 20/21                                | Coordinators, outreach workers, tenancy sustainment, etc |  |
| SWT revenue funding            |                   |                                      | Floating support   | To repurpose homelessness funding            |
| HPC Housing Fund               | £150k             | 21/22                                | Complex needs  |  |
| Public Health - Positive Lives | £70k pa (approx.) | Until 22/23 when it will be reviewed | To support complex adults                                |  |
| Others partners                |                   |                                      |  | Ongoing discussions to provide support staff |
| Enhanced Housing Benefit*      |                   |                                      | To support complex clients                               | See appendix x                               |

|                         |  |                                  |   |   |
|-------------------------|--|----------------------------------|---|---|
| Local Housing Allowance |  |                                  | Rental support for those in the private rented sector | Does not cover local rents  |
| Strategic commissioning |  | Conversations to start this year |   | To deliver early help, prevention and system redesign and coordinated support |

## Timescales and Delivery Plan

The Council will create a detailed single homeless accommodation delivery plan to support the ambitions of this strategy. The delivery plan will outline how the additional 87 units of accommodation will be achieved by 2027 and clarify the existing and new partners who will be engaged in delivery. The delivery plan will be used by a panel of officers reporting to the Director of Housing and Communities and Portfolio Holder for Housing to help prioritise and promote the most beneficial purchases and leases. This panel will help ensure new supply fits the needs of the customers and its property specification. The panel will also allow the Council to align grant opportunities through the MHCLG and Homes England with new supply opportunities. The delivery plan will be supported by a live database of accommodation opportunities which has been set up.

## Summary

In summary there are several key elements to this strategy. We shall work with our partners to meet the demand for single homeless accommodation and to end rough sleeping by 2027. We shall do this in accordance with the *Better Futures programme* and by delivering the following:

- A more effective regime of early help and prevention
- A new assessment and referral panel and procedures
- Flexibility of provision within our accommodation choices
- Very high standards of accommodation
- The decommissioning of Canonsgrove and replacement with suitable alternatives (we have identified two options)
- The stabilisation of residents through working collaboratively with support services
- The provision of additional move-on accommodation through the activity of a SWT housing company. We shall also look to other providers to help with the provision of move-on accommodation
- The provision of enhanced levels of floating support (SWT to take the lead)
- The delivery of specialist accommodation



- MAPPA
- Trainer Flats
- NFNO
- Women only
- Housing First – pilot
- Others
- The successful establishment of a Homeless Reduction Board, working with partners to undertake a fundamental review of strategic commissioning arrangements
- To deliver effective local commissioning within an appropriate monitoring regime

### **Areas that require further work**

- Accommodation standards relating to self-contained (or ensuite)/ space standards
- Youth housing (P2I) – this needs consideration
- Commissioning and monitoring arrangements (linked to Better Futures person centred / community/ service outcomes)
- Equalities considerations – including further work to clarify the need for accessible units of accommodation, female only accommodation, age specific matters
- Social value – we need to demonstrate that working with providers can deliver other benefits e.g. employment and skills – this needs to be worked in to contractual arrangements (there are also specific opportunities for SWT)
- Finance model including contribution of SWT capital and revenue support
- Timetable/delivery plan (including comprehensive database of new supply)
- Appendices





Canonsgrove Options Study:  
An investigation of homelessness and open market rental accommodation  
For Somerset West and Taunton Council

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**Document Control**

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**Somerset West  
and Taunton**

**Introduction**

**About the options study**

This report has been prepared by gcp Chartered Architects on the instruction of Chris Brown, Assistant Director Development and Regeneration Somerset West and Taunton Council.

The report accompanied work being undertaken internally by the council to understand the need for further investment in the permanent provision of homelessness accommodation throughout the district.

This site is referred to as Canonsgrove but forms part of a larger site originally conceived in 1825 as Canonsgrove House, a private residential property. The site was occupied as private dwellings until it was requisitioned for the second world war effort in circa 1941. Following the war, it provided accommodation for a police training college and several blocks of en-suite study bedrooms. A range of sports provision was added in the grounds over a number of years. In circa 1995 the site was split with the main Canonsgrove House reverting to private residential use, the study bedrooms were acquired by Bridgwater and Taunton College. The site this report focuses upon is land acquired by the college as identified in Figure 1: Land subject to study.



Figure 1: Land subject to study

The residential blocks have historically been referred to as Quantock, Blackthorn, Mendip and a sports hall which is referred to as Brendon. For simplicity, this referencing has been continued within this report as indicated in Figure 2: Naming of blocks.

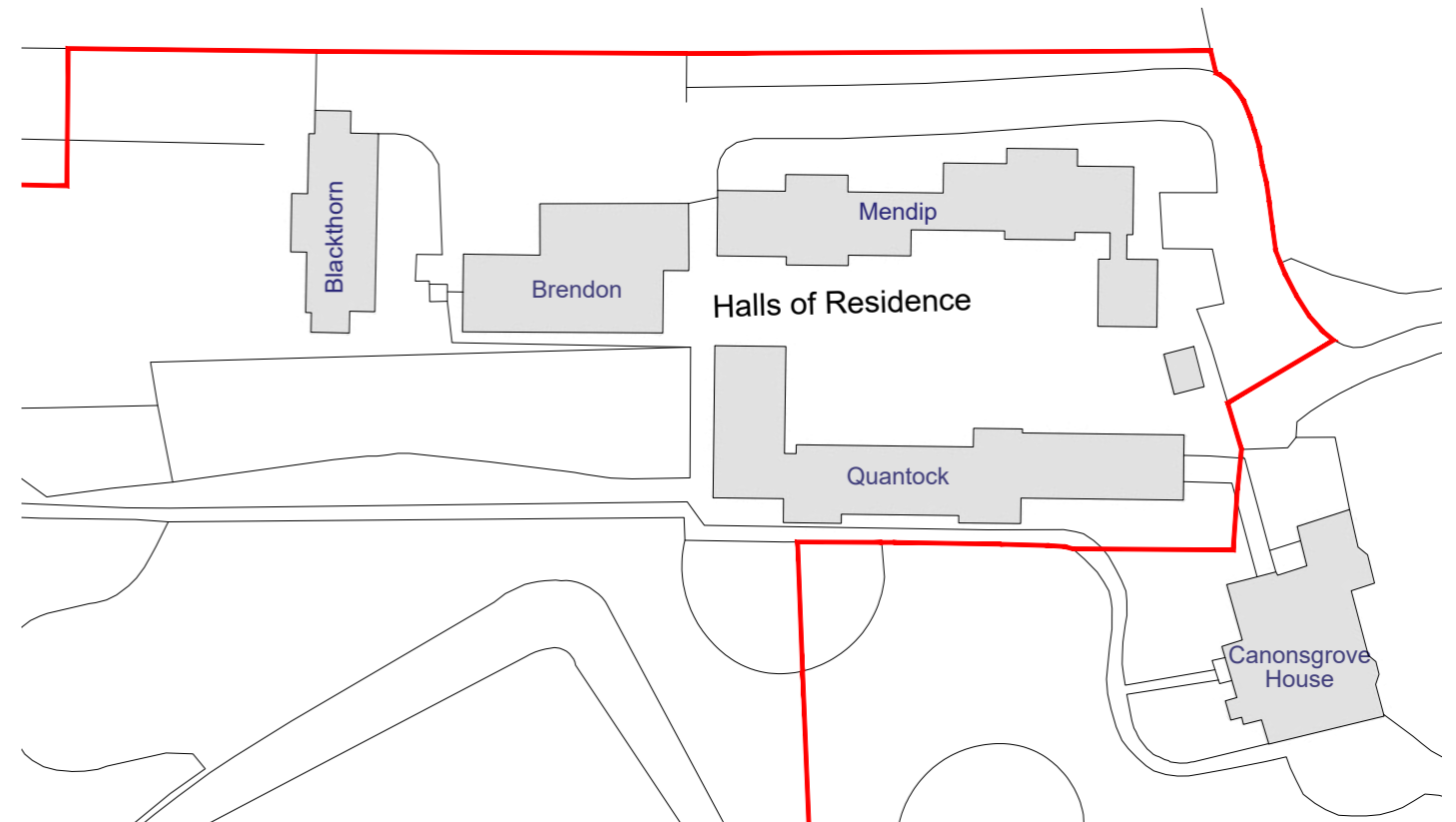


Figure 2: Naming of blocks

This report also refers to Canonsgrove. This is the proposed development site as indicated in Figure 1. The site address is Canonsgrove Halls of Residence, Trull, Taunton, TA3 7HP. Canonsgrove should not be confused with the original Canonsgrove House, the adjacent private dwelling.

The site is owned by Bridgewater and Taunton College. Quantock and Brandon are leased to Somerset West and Taunton Council as part of an interim solution to the governments everyone in initiative to support the homeless in the district amid the covid-19 emergency and currently provides accommodation for about 48 people, both men and women. Blackthorn and Mendip are leased on a ten-year agreement to the University of Bristol Hospitals Trust UBHT for trainee doctor accommodation. The site has capacity for over 200 residents.

**About gcp Chartered Architects**

gcp Chartered Architects have experience of designing a wide range of residential accommodation from one-off low energy PassviHaus homes through to very specialist housing projects such as those for homeless move on accommodation (very similar in desired outcome to the Canonsgrove project), young mothers support housing and gypsy and traveller provision. The challenges of developing Canonsgrove for both homeless and private rented accommodation is a core part of their experience as designers and construction development advisers.

## Background

Following the Governments 'everyone in' campaign, as a direct result of the Covid epidemic in March 2020, one of three residential blocks and the sports hall was leased from Bridgwater and Taunton College (B&TC) at their Canonsgrove Campus. The accommodation was to provide a safe living environment for up to sixty eight (68) of the District's rough sleepers. This accommodation also allowed residents improved access to support and interventions to help improve their health and consider lifestyle changes. The scheme became an exemplar project showing the best in partnership working and rapid response to protecting vulnerable people. There are now around fifty four (54) single homeless living on the campus.

### Homelessness in SW&T

The council has identified the following types of accommodation required to support the varied needs of homeless

- Accommodation closely linked to support:
  - Short term-assessment accommodation
  - Emergency assessment accommodation
  - Supported short/medium-term accommodation for medium/high risk customers
  - Trainer flats (although these do not necessarily need to be in the same locality as the support)
- Accommodation that needs to remain separated:
  - MAPPA
  - Under 25s
  - Dry house / Abstinence
  - Women Only
- *Move on or permanent affordable accommodation:*
  - Training flats (these may or may not be linked to support hubs)
  - Move on accommodation
  - Affordable one bed housing

### Accommodation brief for Canonsgrove

The Canonsgrove site has the potential to provide both supported and move on or permanent affordable accommodation. No fixed accommodation brief has been provided for this options study. Instead, the site is to be assessed in terms of the capacities of the different types of accommodation that could be provided and how they might be distributed across the site.

Three main types of accommodation unit are proposed:

- Existing student style bedrooms – to be retained for lease to the college.
- Supported studio apartments designed to facilitate semi independent living supported by communal hub facilities. These facilities to include communal space, space for onsite support staff, training rooms, one to one meeting spaces.
- Move on accommodation in the form of 1 bed flats.

### Somerset West & Taunton consultants' brief

The initial brief for this work was agreed in late October 2020 and comprised:

*Overview: The site is a large site which is providing 48 complex homeless rough sleepers, an everyone in solution. The owners of the site are Bridgwater and Taunton college. There are three hostel blocks / student accommodation, sports centre and full-sized football pitch in extensive grounds. There are circa 200 units within the three blocks with one block leased to the NHS, one block used by rough sleepers and one block currently unused.*

*Scope of work: The brief is to explore the initial ideas for the site which include reducing capacity by approximately 50% and changing the planning status (if required) of two blocks to one bed self-contained units with support hub for permanent homelessness move-on accommodation. The initial concept designs would need to focus on creating a sustainable scheme and that could help make the scheme more acceptable to the local community.*

The scope was expanded part way through the commission to include a high-level assessment of the main planning policy issues relating to the site and its possible use for private rented residential accommodation. This expansion was deemed beneficial in that it would provide a more rounded appraisal of the site and its potential to deliver the homelessness accommodation as well as being financially viable.

The scope of the commission was clarified so that when assessing the development capacity of the site, the playing field should be excluded from modelling. The rationale being this is a valuable asset for both the current residents and similarly is likely to be enjoyed by any future residents.

Separately of this commission, Somerset West and Taunton have appointed Curtin & Partners as structural engineers. Their appointment has been to assess the structural integrity of the buildings and the implications of any alterations required to deliver the concept designs. Their work is incorporated into this report.



## Timescales and project management

The work was commissioned in late October 2020 with an anticipated delivery date during early January 2021. To support this delivery, gcp provided a broad programme to deliver the report as commissioned, but with acknowledgement that Covid-19 restrictions might delay delivery. Site inspection was critical to understanding the construction of the residential blocks and fortunately these were completed in line with prevailing Covid protocol in place at the end of 2020.

The commission acknowledge access to current / accurate information pertaining to both the buildings and the site in the time available would be a limiting factor. The council had very limited information. Therefore, as there was insufficient time to commission new site survey information verifying the source and scope of any available record available information would be a priority.

Regular Zoom progress meetings were coordinated with the team to review latest findings and actions agreed.

## Approach

### Introduction

At the outset of the commission, the scope of work was expanded to detail all main task the team agreed were essential investigate so that redevelopment options could be developed with sufficient confidence that the council could be confident if their subsequent decision making in relation to the long-term use of Canonsgrove.

The work comprised the following:

- Desk research
- Site visits
- Consultations

### Desk research

The desk research stage comprised: existing site information / record drawings; planning history and Historic land use.

Existing site information / record drawings: During this period, the limitations of available record information were explored and confirmed. The following is a summary of information made available to the team during the study:

- Topographic survey: no survey data available, although Ordnance Survey plan purchased for this commission
- Site plan: not available other than as Figure 3: Existing site plan
- Building plans by block, Quantock, Brandon, Blackthorn and Mendip.

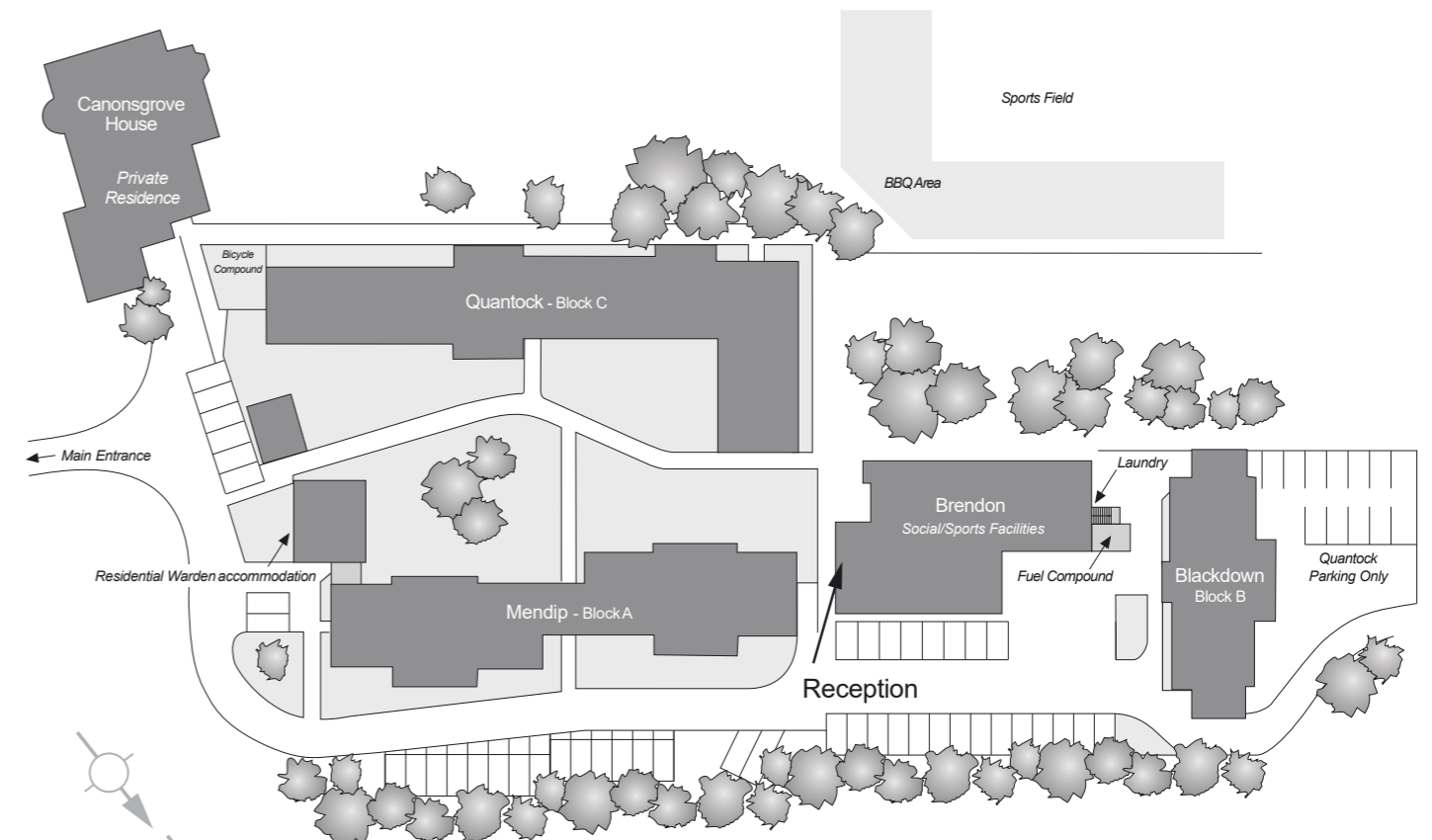


Figure 3: Existing site plan

**Planning history:**

Historic planning records for the site are not available online. Due to Covid-19 restrictions a search of the councils' archives has not been possible to date.

Historic land use: A provisional review of historic mapping indicates the site has been in residential use since around 1850. This accords with other research that suggests Canonsgrove House was built circa 1880 Figure 4: Historic land use plans. It is interesting to note that the house from the very earliest days had two entrances, the main entrance off Honiton Road, and a secondary entrance off the unnamed road to the west.

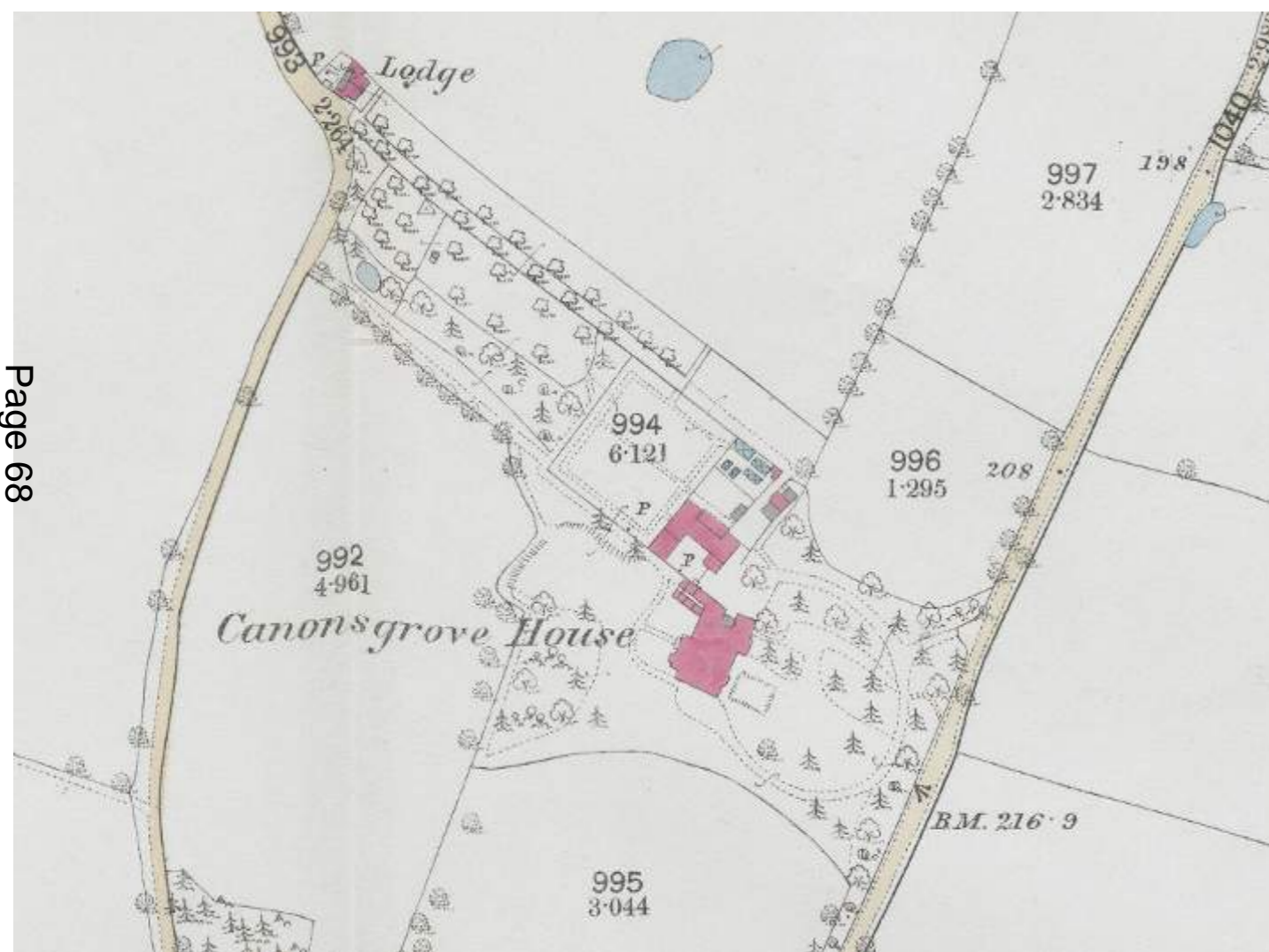


Figure 4: Historic map - 1848-1888 OS map

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**Site visits**

Two site visits were undertaken. The first was undertaken as a fact-finding exercise and to develop an appreciation of the site and its surroundings. The visit around the site was escorted by the manager of the homeless provision on site. The main findings of this visit are summarised below:

- Entrance from Honiton Road is for both vehicles and pedestrians. This is unattractive and cluttered with no dedicated / segregated footway access. The approach is unsympathetic to the historic setting and feels like the splitting of the site was done with minimum financial outlay and with little consideration to the to the overall composition of the site. The division looks unplanned and ill-considered – visitors are first confronted with an electricity substation on entering the site
- Navigation around the site is poor with limited signage and little natural progression through the site. The reception as it is in Brendon and is hidden from view.
- The spaces around the buildings are poorly maintained and not really fit for current use. There is no clear waste strategy with commercial refuse paladins taking the place of car parking spaces
- There is a cycle shelter for 20 bikes in the car park although it was noted that the YMCA were storing bikes belonging to the homeless in the sports hall for security.
- The landscape is not loved with the grass being mown at best. There are significant trees on site as part of the original 1880 estate. These need maintenance and management
- The relationship and boundary between the private house and the residential accommodation is not well conceived and is permeable
- There is a rear access to the site off unnamed road to the west of the site. Historically this has been an access point for the site but currently it is somewhat moribund.
- The playing fields are poorly maintained. Currently access is only available through the residential blocks. Access for external use / hire could be made however through the rear site access.

The second site visit was undertaken with Curtins with the specific task of investigating the structure of all the buildings. The main findings of this visit as summarised in the Curtin report attached as Appendix to this report.

All visits were undertaken within strict social distancing protocols.

**Consultations**

To support the options appraisal a small number of key organisation / people external to Somerset West and Taunton Council were identified as consultees to help the team get a better understand of how the site could be repurposed to provide facilities for both homeless and open market rental.

The following organisations were consulted with main comments noted:

- YMCA Dulverton Group: Canonsgrove Centre Manager:
  - Site liked by residents particularly in respect of the open space, private accommodation, sports facilities, place to keep bicycles
  - Reasonable relationship with occupant of Canonsgrove House
  - Rear access off unnamed road is not used
  - Site easy to manage and the rural environment creates a calmness unknown at town centre sites



- On the day of the visit, they were supporting 51 residents
  - Residents generally older than 24 with some couples
  - Six rooms had been allocated for Covid-19 isolation purposes that was currently adequate
  - They work with a number of organisations in addition to the normal support agencies to help their residents including Somerset Activity and Sports Partnership, On Your Bike, art therapy etc.
  - The UBHT students tend to be 3rd, 4th and 5th year medical student at Musgrove Park Hospital
  - Privacy measure have been introduced at ground floor level outside windows by installing Heras fencing
- Bridgwater and Taunton College: Estates Manager:
    - Provided record information.
    - Blackthorn block has just been renovated to enable some residents of Mendip block to be moved across to provide greater privacy from the homeless provision on site.

## Context

### Introduction

Understanding the context of a site is important when considering any new development or alteration to an existing provision. This becomes even more important when the proposed development is likely to present a challenge to the status quo or could be conceived as a radical departure.

The context for the Canonsgrove site is interesting given the adjacent residential property and its relative rural location to the south of Taunton.

### South Taunton, Trull and Staplehay

Canonsgrove is located to the south of Taunton between the villages of Trull and Staplehay and the M5 motorway and is in the parish of Trull. Trull and Staplehay are the main close residential communities in the locality. To the west of Canonsgrove is the small hamlet of Sweethay. The Canonsgrove site is largely masked from view on the public highway (Honiton Road) by extensive mixed deciduous and coniferous tree cover. The area between Canonsgrove and Trull, Staplehay and Sweethay is open farmland intersected with hedgerow typical of the Vale of Taunton.

### Planning policy comment

This is not an in-depth review of planning policy pertaining to development on this; rather it is an advice note highlighting the need to undertake a thorough planning policy review to ensure whatever use is ultimately selected for the site that the appropriate evidence base is established to justify the proposed use.

The [Taunton Deane Core Strategy 2011 – 2028](#) (adopted September 2012) is the most important planning policy document when considering development on this site. The [Site Allocations and Development Management Plan 2028](#) (adopted December 2016) includes specific and detailed development management policies and should be read alongside the framework of the adopted Core Strategy.

Somerset West and Taunton Council are in the early stages developing the Local Plan 2040 although progress on this has been severely delayed due to the pandemic. The council are at the early stage of this plan making process. The [Issues and Options Consultation Document](#) (January 2020) indicated an approximately two-year period for the development of the new local plan concluding in December 2021 with the adoption of the plan. There is no update on the delivery timescale, but it should be noted as work is completed on the new local plan it will assume greater weight in determining planning applications.

In making any planning application for development on the Canonsgrove site reference should be made to the above policy documents together with relevant guidance notes eg Policy Guidance for change of use of rural service provision and conversion of existing buildings (February 2014) and the National Planning Policy Framework.

The site is currently designated as having a Use Class C2 Residential Institution use in planning policy. This allows uses includes residential care homes, hospitals, nursing homes, boarding schools, residential colleges, and training centres. Use Class C2 (residential institutions) can benefit from limited permitted development opportunities to change use without requiring a full planning application. Currently the permitted development is restricted to a change to a state-funded school or registered nursery. This would be subject to Prior Approval Application.

There have been several recent planning applications relating the development of the halls of residence accommodation and the wider Canonsgrove site. The planning approvals, or refusals for these schemes will give a good indication of issue that are likely to be relevant in developing any application on the site. These applications are:

- 42/95/0038: Full Planning Application for Demolition of Three Houses and Garage Block and Erection Of Two Residential Blocks And Refurbishment Of Existing Study Bedrooms To Form An Additional 142 Study Bedrooms And Two Staff Flats And Formation Of Car Parking At Canonsgrove House, Staplehay, Taunton. Status: Conditional Approval. Scheme has been implemented via the construction of Mendip and Blackthorn blocks.
- 42/05/0024: Outline Application for Erection Of 14 Houses, Erection ff Student/Staff Accommodation and The Tennis Court, Erection of Theatre Workshop Building and Formation Of Associated Car Parking At Canonsgrove House, Staplehay, Trull. Status: Withdrawn

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42/13/0079: Outline Application for Residential Development Comprising Up To 37 Dwellings with Associated Parking and Landscaping at Canonsgrove Halls Of Residence, Honiton Road, Staplehay. Status: Withdrawn. This application was made by Somerset College, now part of Bridgewater & Taunton College

Having said that, it is interesting to note the site is not located within the Green Belt, Conservation Area, or is in the grounds of a Listed Building. This helps significantly in terms of well-known limiting planning policy doesn't apply to this site although the historic setting within the curtilage of Canonsgrove House is likely to be a material consideration. There are several Tree Preservation Orders (TPO's) applied to individual and groups of trees across the site. In developing any proposals for the site due consideration should be given to retaining all TPO trees wherever possible.

To the south of the site, beyond the M5 motorway some quarter of a mile away is Poundisford Park (Grade II Listed status). This is the most notable historic asset in the vicinity but if development is constrained as suggested above it is unlikely to have any material impact on this property. Given the distance from the site and lack of clear lines of site between the two this is not considered to have a material impact on the potential of the Canonsgrove site. The Canonsgrove site is well bounded by trees hence it could be argued that there would be no or minimal impact on adjacent landscape or heritage designated areas.

Two miles to the south is the Blackdown Hills Area of Outstanding Natural Beauty (ANOB) which warrants consideration in terms of key views into the site. It should be noted these are long distance views and so long as any development is constraint as indicated above this should not pose a significant challenge.

In terms site specific development restrictions, the site is registered as having Outdoor Sports Facilities (Taunton Deane Green Space Strategy, Issue number: 4, 1st April 2014), but these facilities are not recorded as having 'Unrestricted



Figure 5 TPO map from Taunton Deane website

Access'. This indicates there is more than one pitch and it is therefore assumed the pitch indicated on the historic mapping for Canonsgrove House has also been counted in this assessment. This might impose restrictions on what use the football / playing pitch can be put to in the future. Sport England have strongly object to previous applications and have recommended that development that resulted in the loss of the playing pitch is refused.

To the immediate north of the site, on the land between Canonsgrove and Staplehay a major outline application (42/13/0018) for up to 170 new homes was refused in 2014.

### Planning considerations

The previous applications referred to above provide useful guidance on the likely response from the local planning authority on most key issues pertaining to the site such as heritage, fauna and flora etc, but it should be noted that whilst these applications establish a precedent, the prevailing planning policy at the time of application will carry greatest weight.

The preference for student accommodation close to their place of study and in a town centre location has driven Bridgewater & Taunton College to seek alternative use for the site. The site until early 2020 had been used solely as halls of residence, albeit not by Bridgewater & Taunton College, but by University of Bristol for student doctors working at Musgrove Park Hospital as part of their training. This use is completely in line with the current land use designation for the site.

In response to the Covid-19 global pandemic Somerset West and Taunton Council in early 2020 and in liaison with Bridgewater & Taunton College, repurposed Quantock Hall and Brandon to provide much needed homelessness accommodation with the aspiration that Canonsgrove could form part of the long-term solution to the homelessness issue in the district. This approach was in line with the government's 'Everyone in' initiative, but the legality in planning policy terms of using Canonsgrove for this type of occupation either on a temporary or permanent basis is subject to a separate review. Therefore, the planning status of the current homelessness use / occupation of the site is not part of this report.

The site to the north of the Canonsgrove was categorised as a 'Non-developable Site' by Taunton Dean in the latest strategic housing land availability assessment SHLAA. No specific reason is published for its categorisation, but this further reinforces the view expressed in the refusal decision for outline application (42/13/0018) that residential development in this part of the district might not be appropriate. In 2019 this view was further emphasised with the updated SHLAA but again no reason was published for its exclusion as developable land. These policy decisions indicate the authority consider housing between Staplehay and the Canonsgrove site inappropriate development, and therefore this policy position is likely to have an impact on any proposals for permanent residential accommodation on the Canonsgrove site.

A way around this impasse, as the Canonsgrove site already exists with a significant amount of built accommodation, with significant levels of embodied carbon, would be for Somerset West and Taunton Council to develop Design Briefs for the site as in other circumstances. The drive should be to find an appropriate use for the existing buildings at Canonsgrove, that preserves the asset, but repurposes it through over cladding / insulation to deliver much needed low energy accommodation. This approach supports the Climate Emergency declared by Somerset West and Taunton Council on 22nd February 2019 that is supported by [Carbon Neutrality and Climate Resilience \(CNCR\) Action Plan](#) and a Somerset wide [Somerset Climate Emergency Strategy](#) published by Climate Resilient Somerset. The approach, given the commitments above, should be to wherever possible renew, reuse, repurpose any existing assets.

Access is a key issue for the Canonsgrove site. The current consent allows for 200 plus students and support staff to occupy the site and it can only be assumed that many would need to rely on public transport, cycling or walking to access Taunton. Two bus services (97 and 98) are infrequent, and only runs every two hours between 8.15am and 5.38pm.

There is no Sunday service.

Whilst vehicular access off Honiton Road is safe and issue free, pedestrian and cycle access is a 2.5mile journey to the centre of Taunton is more challenging. Access along Honiton Road in the direction of Staplehay is relatively safe for pedestrian's courtesy of a narrow pavement. Cycling is possible but the Honiton Road is prone to high car speeds and there is no dedicated cycle route. The pavement could be adapted to provide a shared surface for pedestrians and cyclist.



**Building analysis**

**Introduction**

The building analysis undertaken as part of this commission was a high-level spatial analysis rather than an in-depth building condition survey etc. The main point of the analysis is to assess if it is possible to reconfigure the existing buildings with the minimum amount of work to make them fit for purpose to accommodate the defined client groups in respect of the homelessness provision and separately provide desirable open market flats for rental / sale.

This spatial analysis is supported by the structural engineering analysis summarised below.

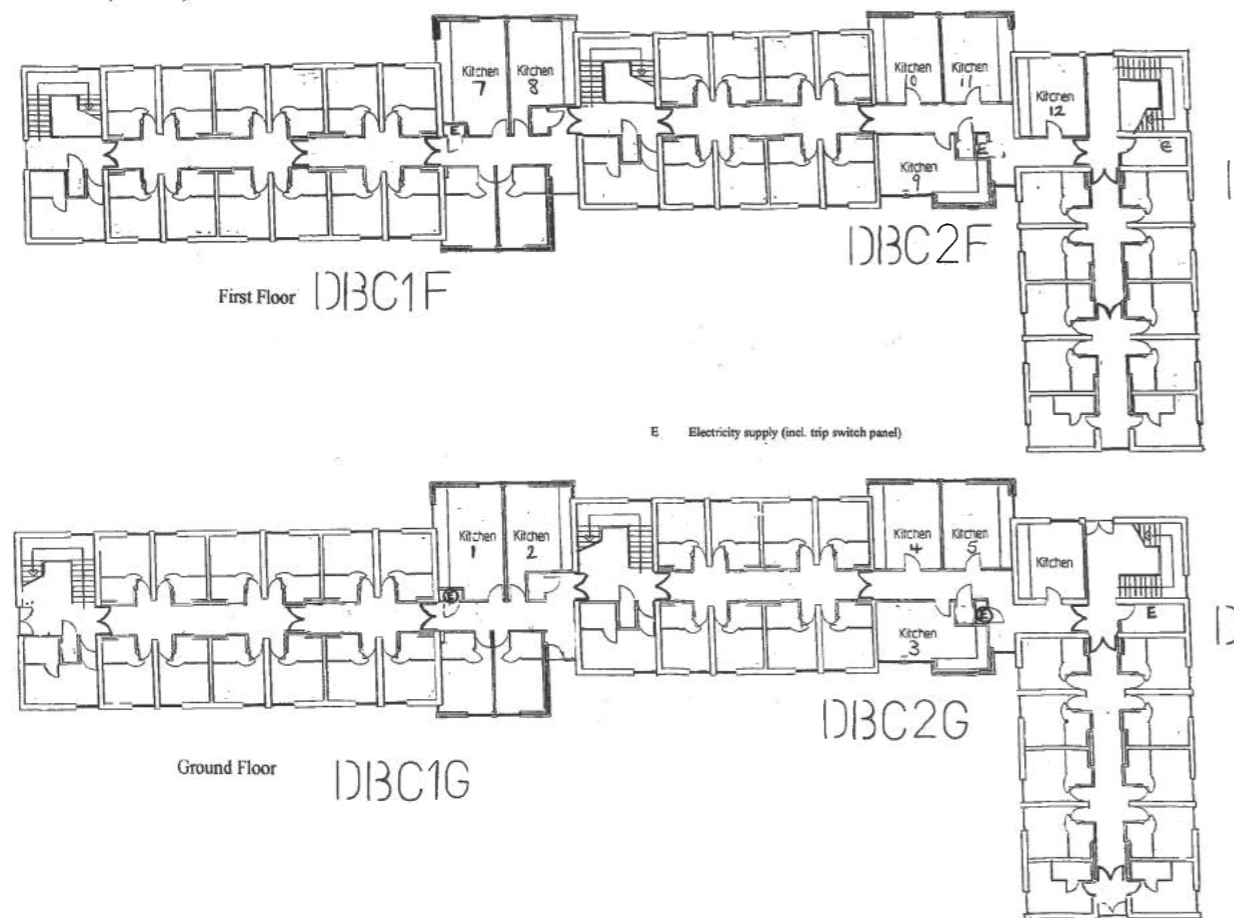
**Building by building analysis**

- Quantock, Halls of Residence:

The block, originally built as three separate block was constructed at the same time as Brandon. The block is comprised of two floors in loadbearing fair-face brick / masonry with precast concrete floors and a flat roof. The original blocks have been joined together with small link buildings in a similar construction. The accommodation floor to floor is identical and comprises small ensuite study bedrooms. Communal kitchens in the original blocks have subsequently been converted to further ensuite rooms.

Heating is provided by electric panel radiators. Hot water via electric hot water tanks with one tank per approximately 10 rooms.

This block is need of maintenance and refurbishment.



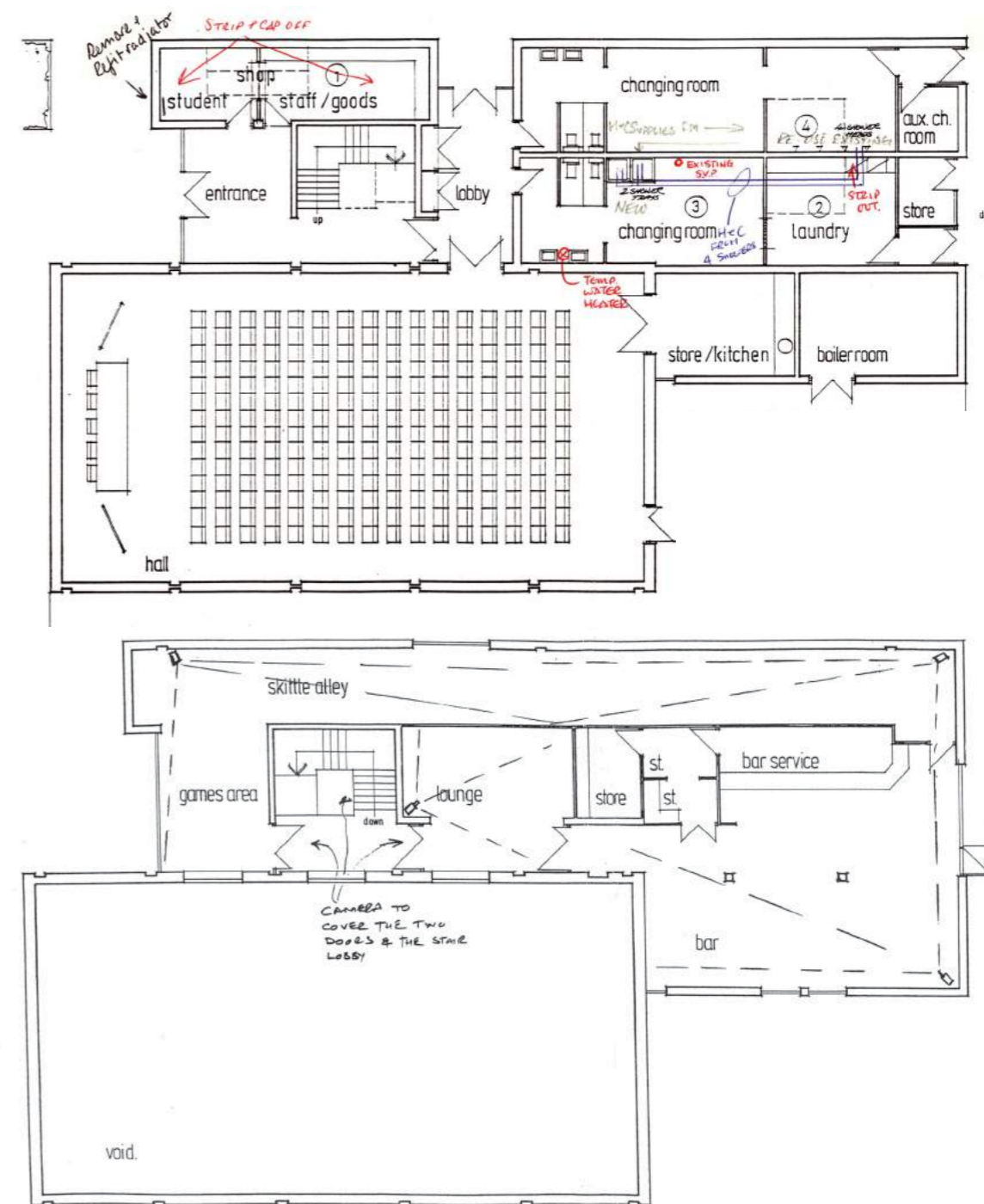
- Brandon, Sports Facilities:

The block comprises a sports hall with ancillary accommodation such as changing and club room space with skittles alley. The construction methodology of ancillary accommodation is very similar to that of Quantock with some areas supported via a steel frame with infill panels fair-face brick / masonry eg the sports hall. This block is largely unaltered since it was originally constructed.

Heating and hot water is believed to be via gas boilers in a dedicated plant room.

Again, the load bearing nature of the construction with insitu floor and the steel frame of the sports hall makes this block easily adaptable.

This block is need of maintenance and refurbishment.



• Blackthorn, Halls of Residence:

Built at the same time as Mendip block in the late 1990's this block comprises three floors in loadbearing fair-face brick / masonry with precast concrete floors and a pitched tiled roof. The accommodation floor to floor is identical and comprises small ensuite study bedrooms arranged into blocks of seven with a communal kitchen.

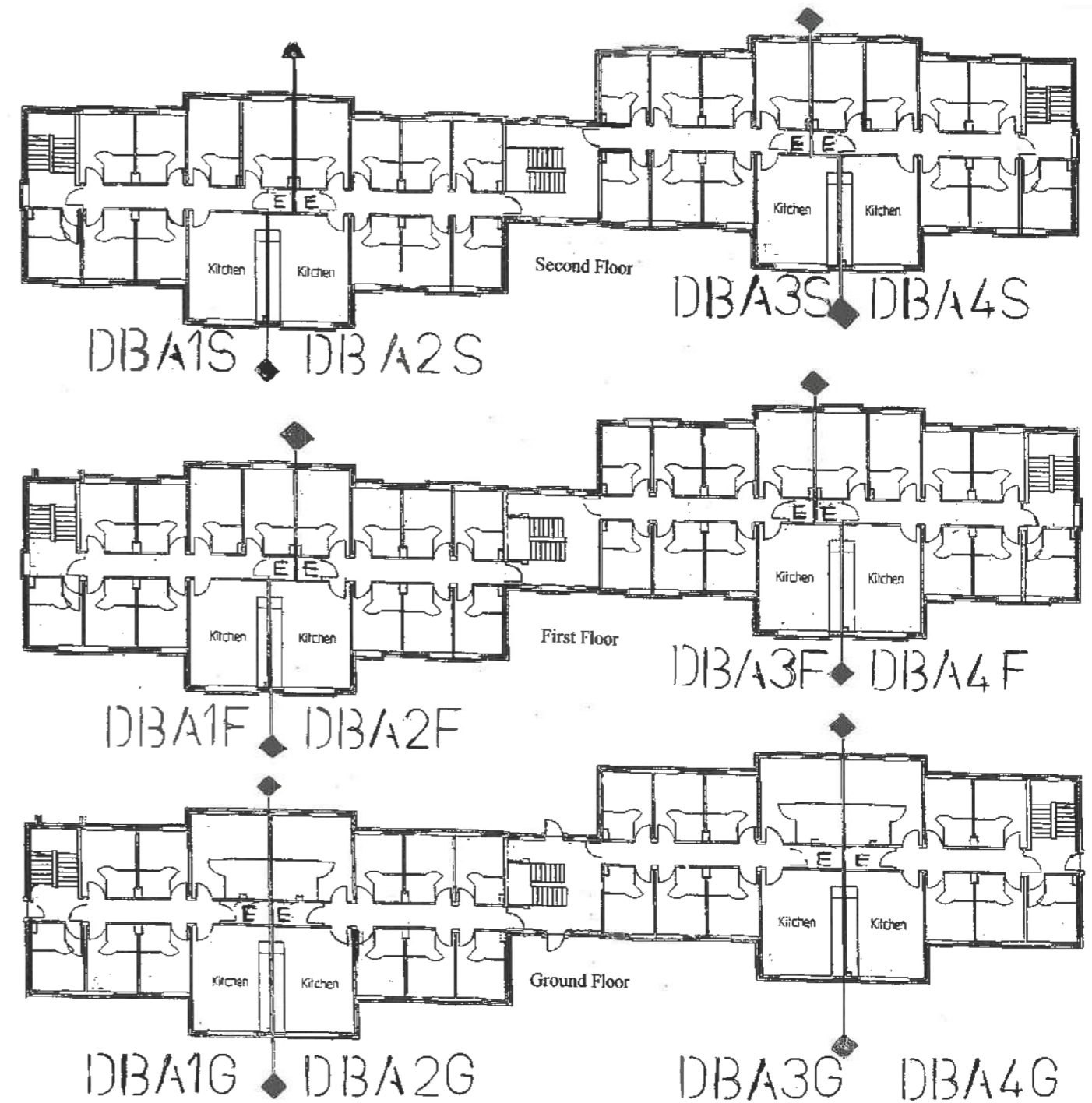
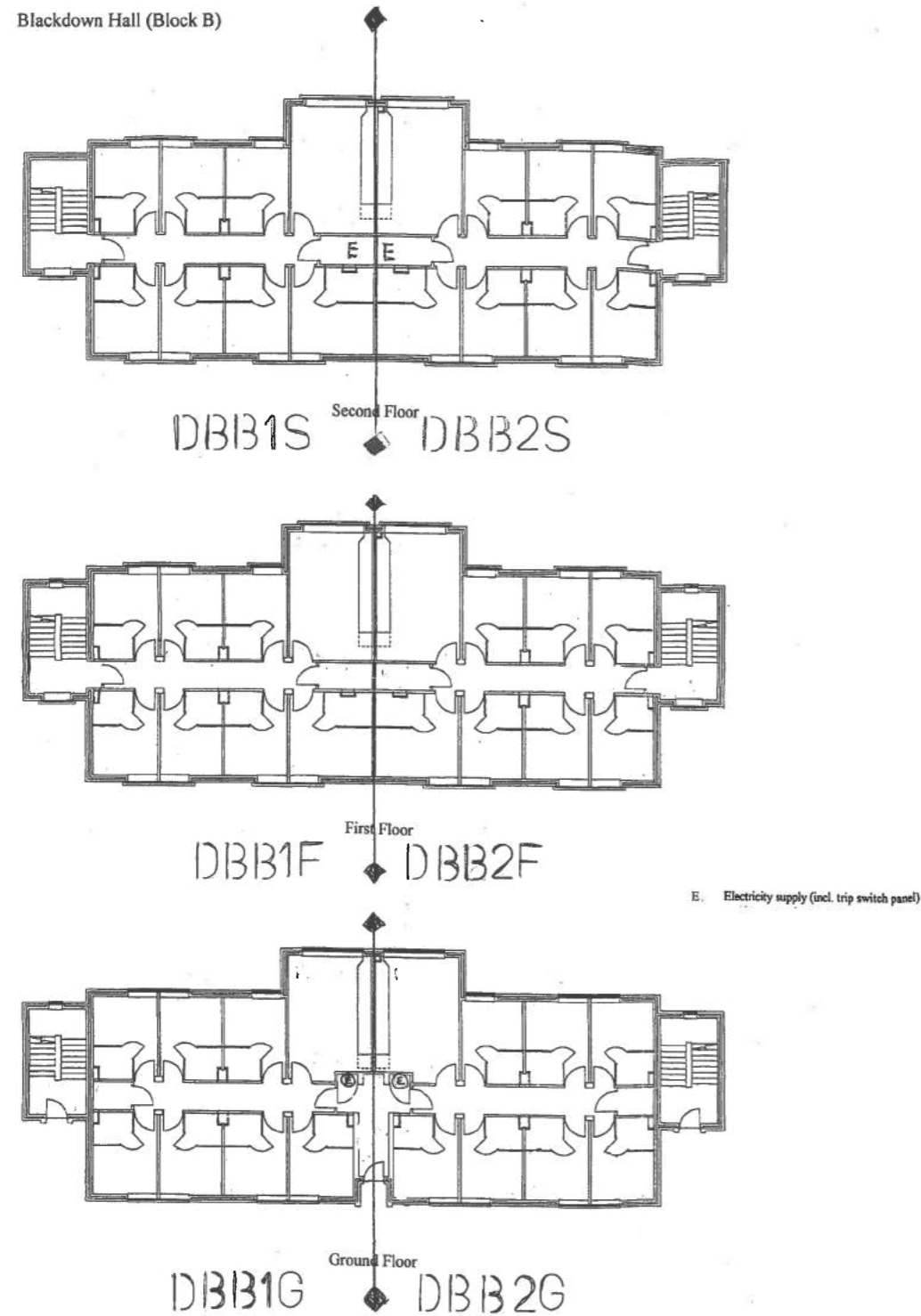
Heating is provided by electric panel radiators. Hot water via electric hot water tanks with one tank per block.

The load bearing nature of the construction with insitu floor makes this block easily adaptable.

• Mendip, Halls of Residence:

This block is of identical construction to Blackthorn only with twice the footprint and number of bedrooms. There is a wing on the east end with a couple of larger rooms designed as warden's accommodation.

Again, it is envisaged that this block will be easily adaptable.





## Provisional site options

### Introduction

The accommodation brief sets out the Somerset West and Taunton Council expectation in terms of their requirements for the site. The key issues that effect the site planning are:

- Are all residents, staff and guests restricted to using the vehicle access off Honiton Road, or can the access to the rear of the site be utilised? The options explore using both site entry points
- If the rear entrance were employed to provide vehicle access for some residents, could restraint access be provide through the site to the bus, cycle and walking route along Honiton Road? The options assume this would be possible
- In planning the site, would it be preferable to separate out the blocks used for homelessness and those deployed for private rented accommodation, ie there is no mixed tenure? The options assume this would be desirable
- To provide the level of support facilities needed for the homelessness accommodation some new build accommodation will be needed. The options assume this would be acceptable and likely to achieve planning approval if the development was constrained within the overall footprint perimeter of the existing development.
- Given the development was originally conceived as a police training college and therefore not automatically appropriate for the proposed use, some demolition of the existing building might facilitate a better / more efficient / more manageable layout. The options assume this would-be possible accommodation, and even desirable in planning terms

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### Accommodation type options

Based on the existing layouts we have developed three possible accommodation units that the buildings could be readily converted to:

#### Bedrooms:

retains the existing density of accommodation with small study bedrooms (approximately 10m<sup>2</sup>) with en-suites. Minimal construction work required only a general refurbishment / redecoration of the existing layouts.

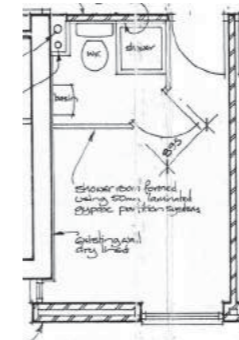
#### Studios:

By combining two or three of the existing rooms together studio rooms (approximately 20m<sup>2</sup>) are created which provide a small kitchenette / dining / sitting area as well as bed space and bathroom. These rooms are designed to support more independent living. Communal facilities would still be required for the supported accommodation. Spaces for communal recreation, one to one meeting space, training spaces, laundry, staff offices, etc.

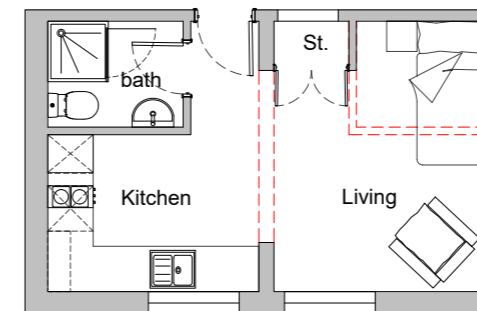
#### Flats:

By joining more of the existing rooms together 1 bed 2 person flats conforming to national space standards (50m<sup>2</sup>) can be formed. These flats would be suitable for open market use or as part of the supported homeless accommodation offering encouraging even more independent living as move on accommodation.

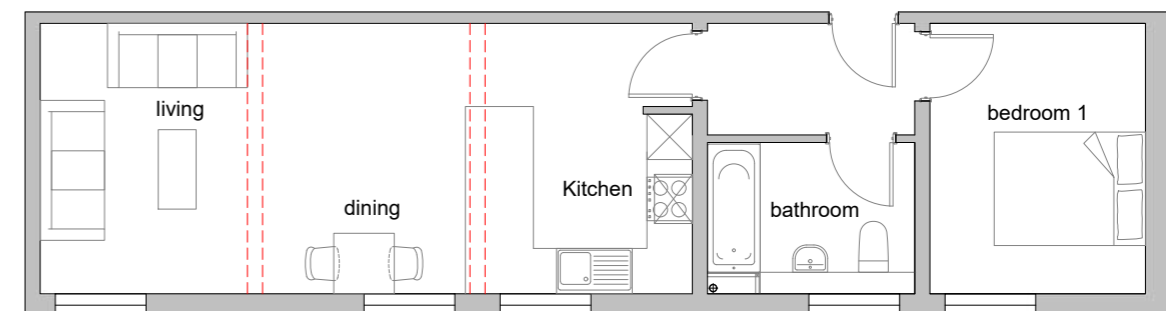
Using the accommodation types developed above we explored what the capacity of each building would be depending on the type of accommodation within it as illustrated on the following pages:



Typical Bedroom - 10m<sup>2</sup>



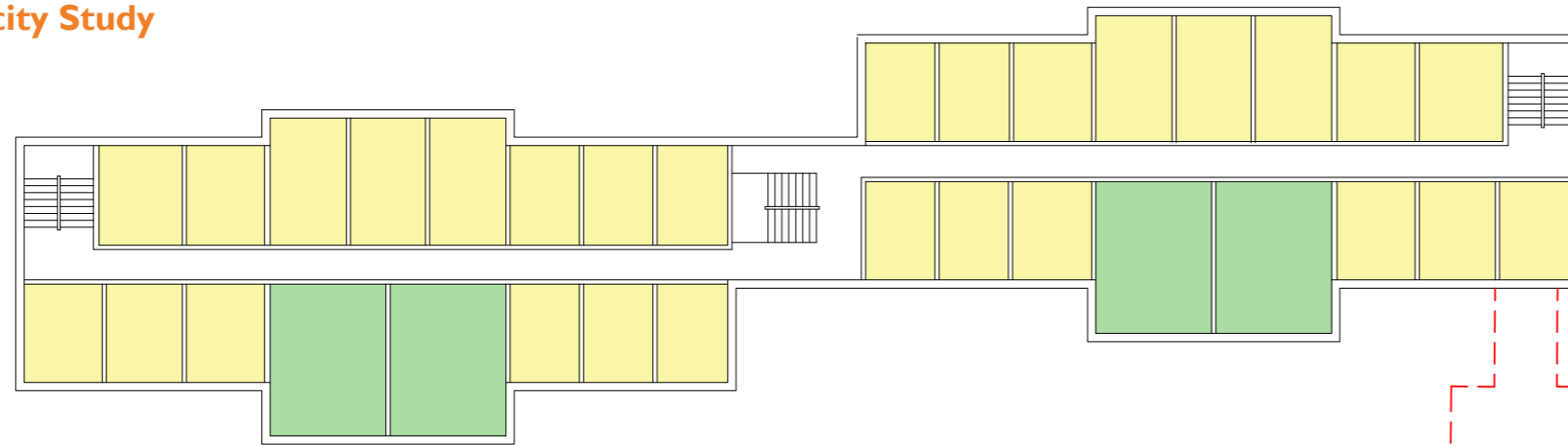
1b1ps - 20 m<sup>2</sup>



1b2pf - 50 m<sup>2</sup>

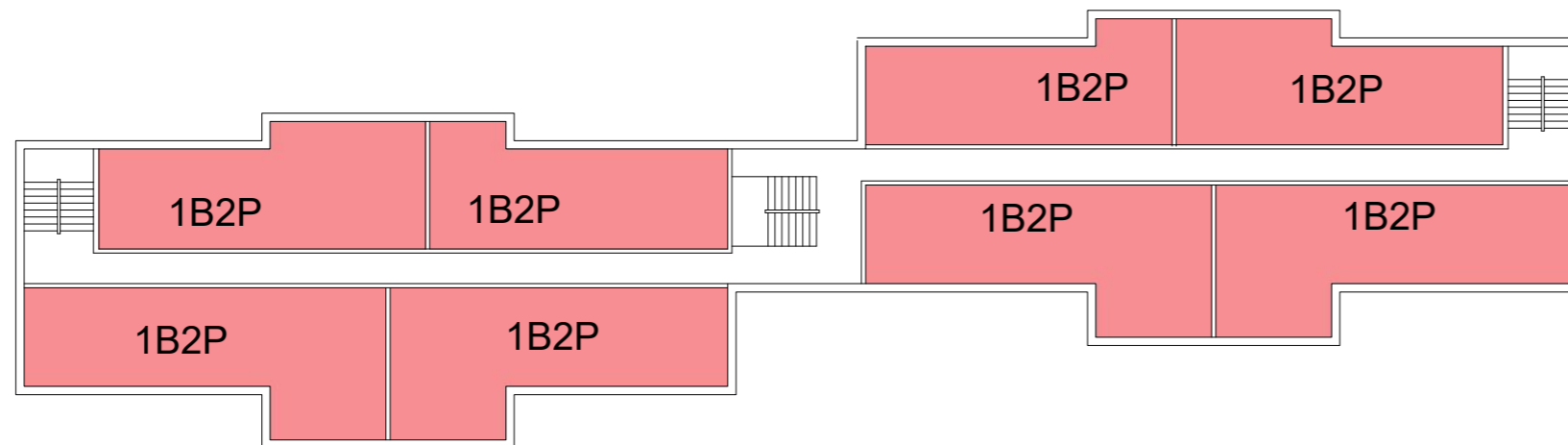
### Typical Accommodation options

Mendip Block Capacity Study

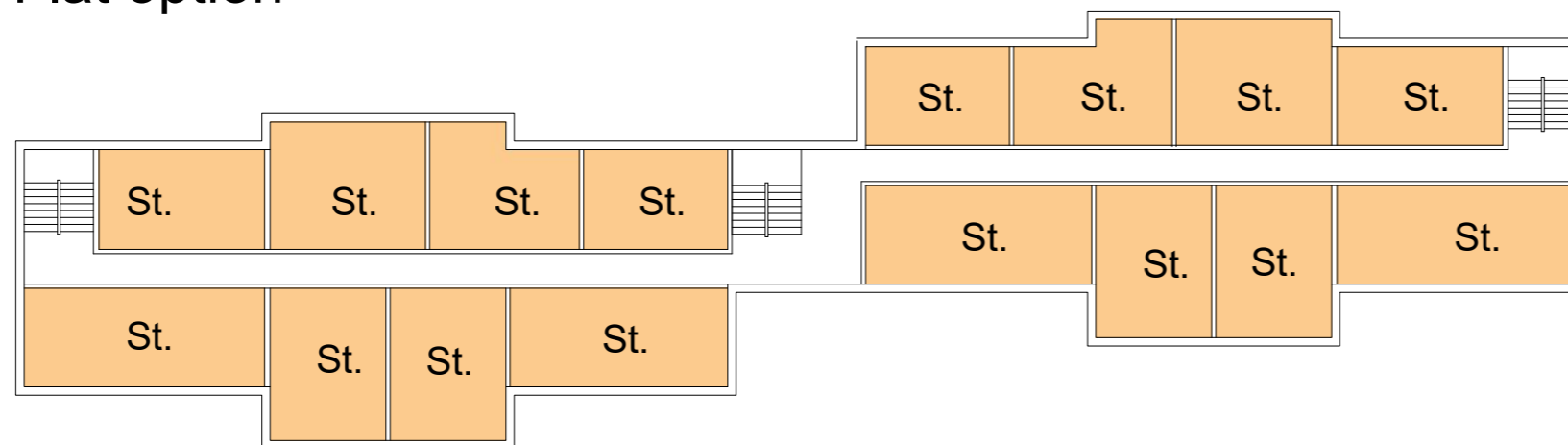


Existing

possible demolition of extension to improve site layout (no existing drawings available)



Flat option



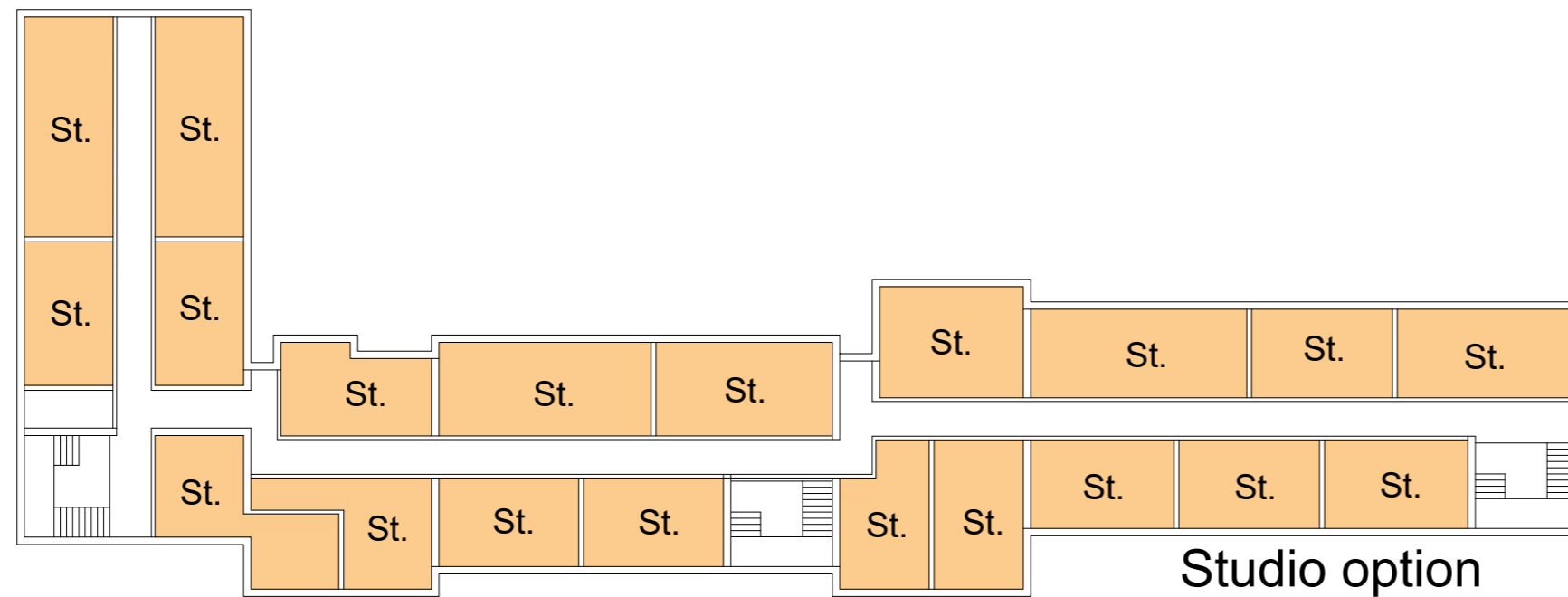
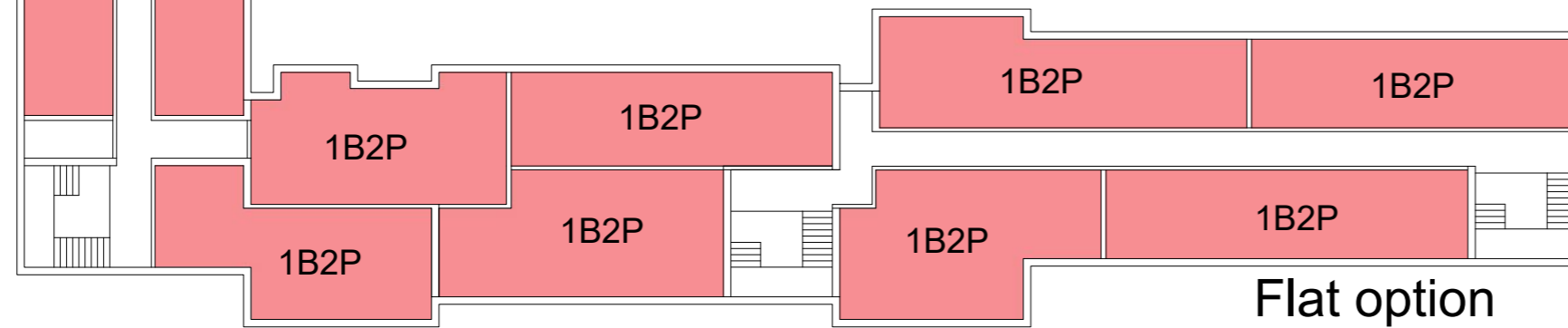
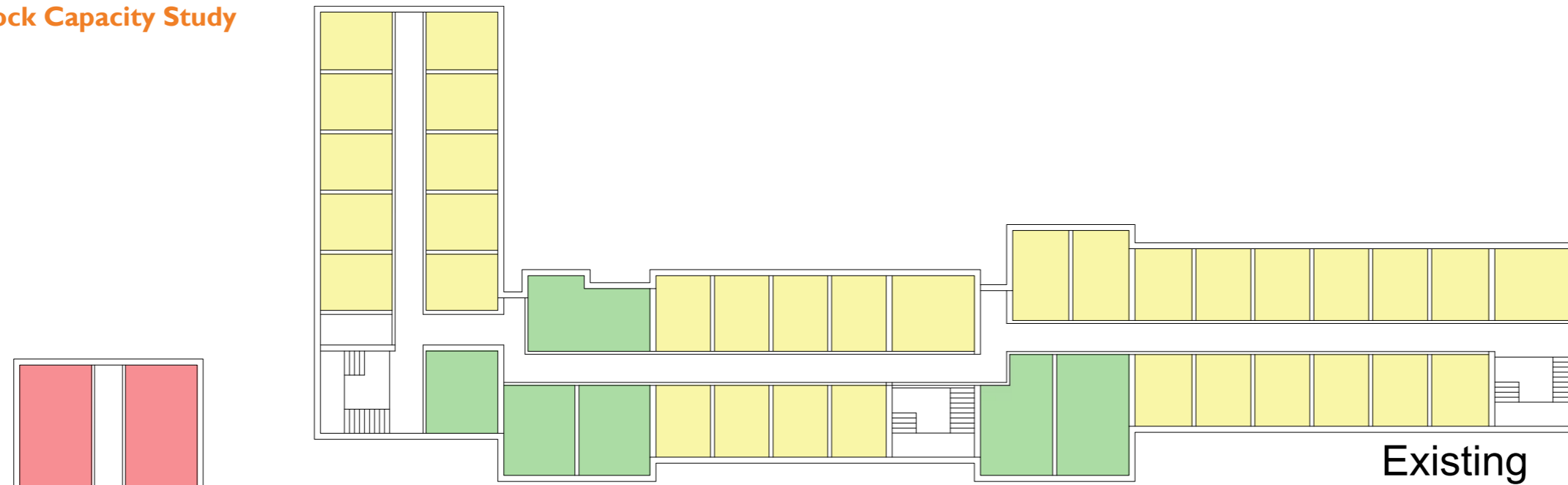
Studio option

- Existing Bedrooms
- Existing Communal
- Flatlette
- Apartment

Capacity:  
 Existing - 84 x bedrooms  
 Flats - 24 x 1B2P F  
 Studios - 48 x 1B1P S

Note: studio option will require some communal / support areas. This will potentially reduce the number of rooms available.

Quantock Block Capacity Study



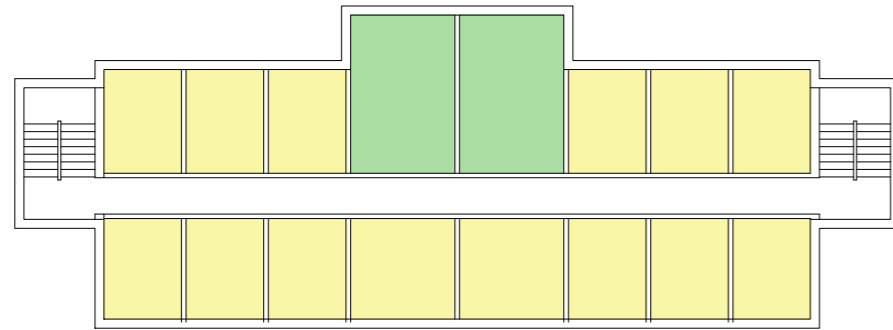
- Existing Bedrooms
- Existing Communal
- Flatlette
- Apartment

Capacity:  
 Existing - 68 x bedrooms  
 Flats - 20 x 1B2P F  
 Studios - 40 x 1B1P S

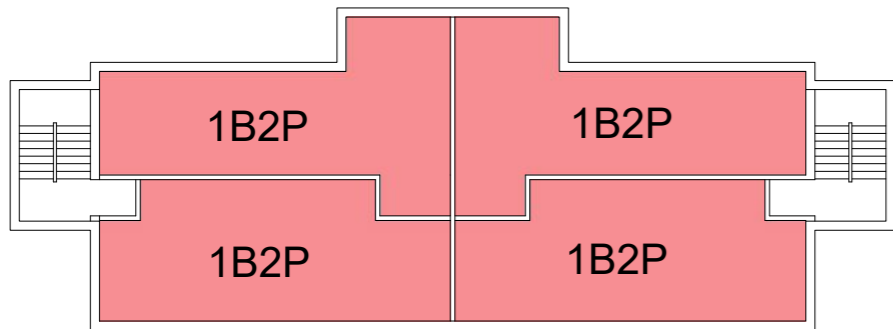
Note: studio option will require some communal / support areas. This will potentially reduce the number of rooms available.



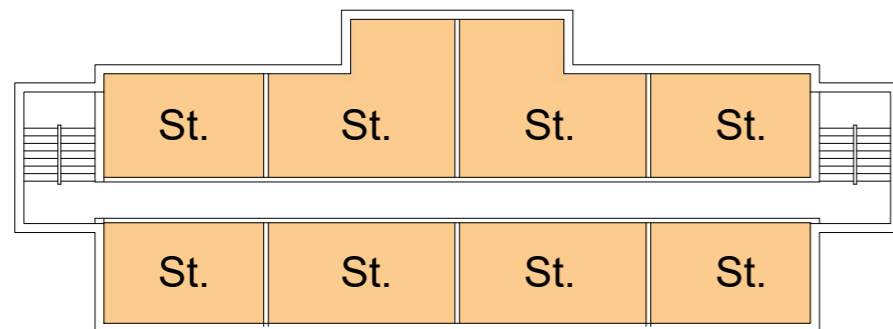
**Blackthorn Block Capacity Study**



Existing



Flat option



Studio option

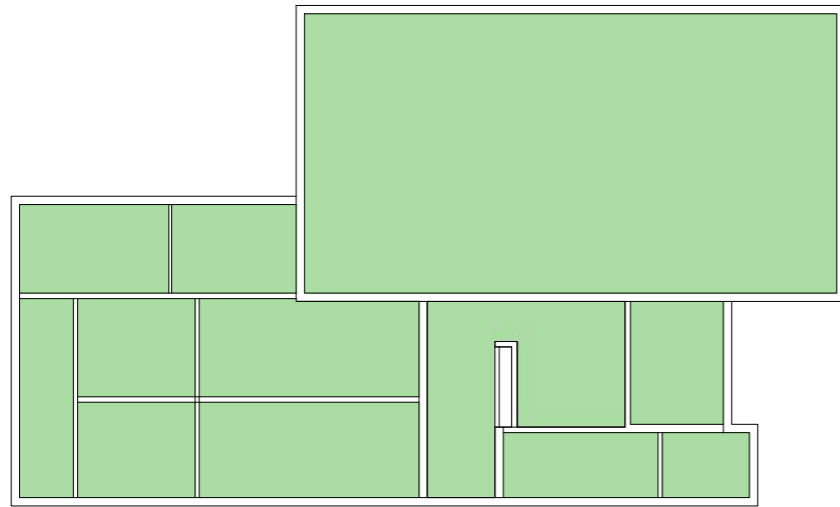
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- Existing Bedrooms
- Existing Communal
- Flatlette
- Apartment

Capacity Blackthorn:  
 Existing - 42 x bedrooms  
 Flats - 12 x 1B2P F  
 Studios - 24 x 1B1P S

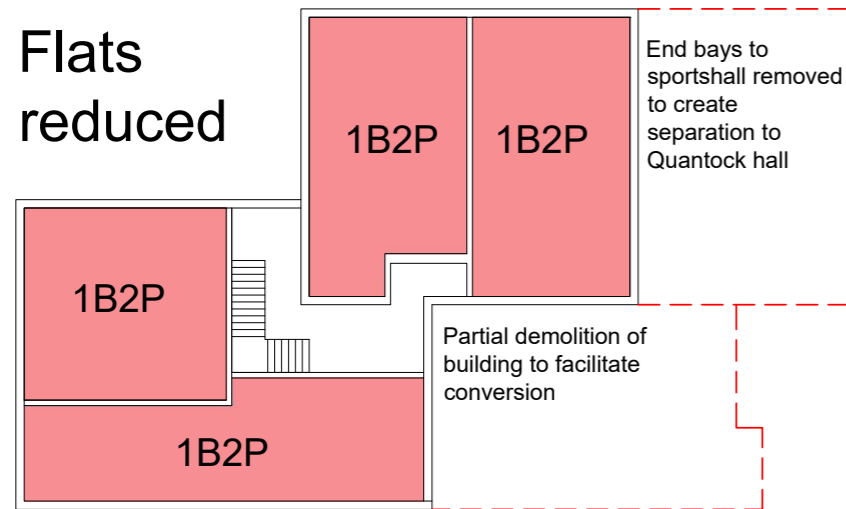
Note: studio option will require some communal / support areas. This will potentially reduce the number of rooms available.

**Brendon Block Capacity Study**

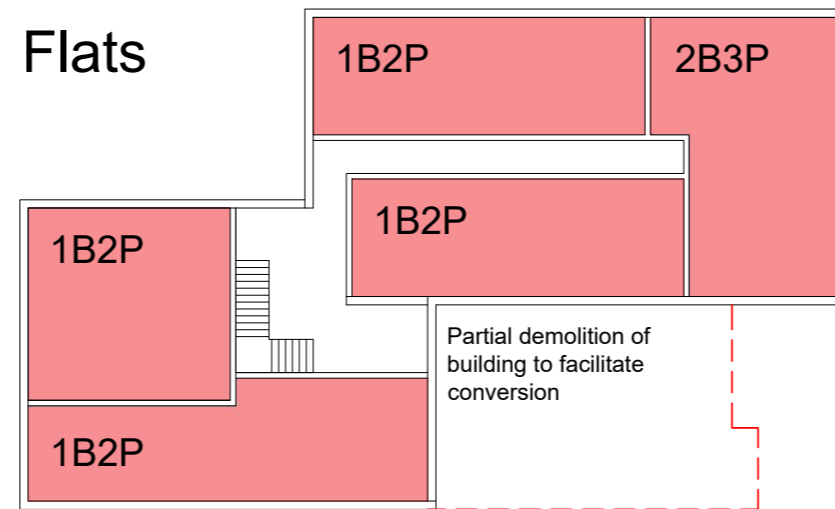


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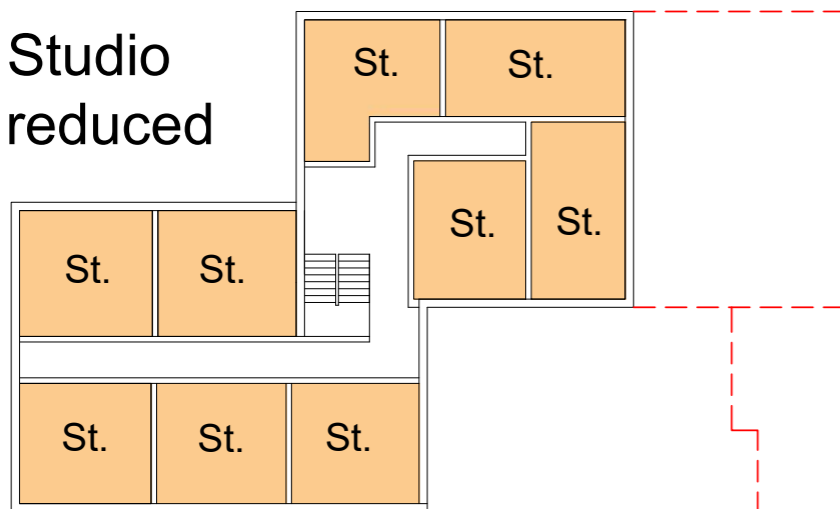
**Flats reduced**



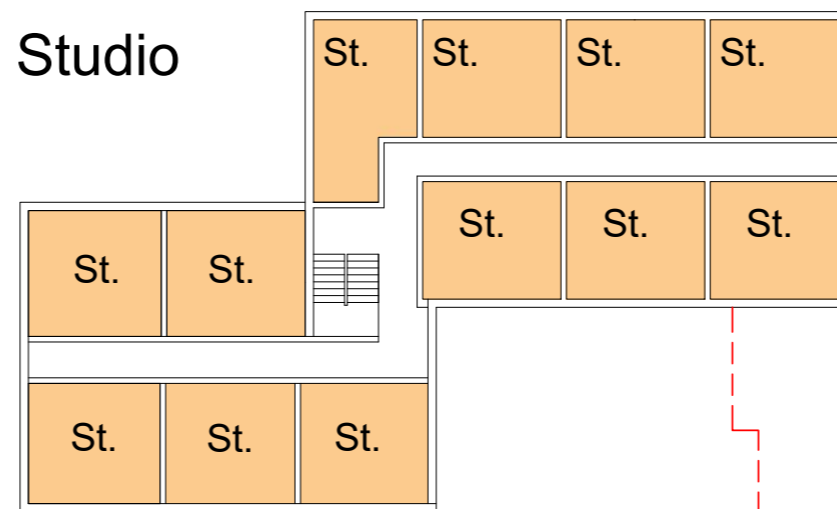
**Flats**



**Studio reduced**



**Studio**



- Existing Bedrooms
- Existing Communal
- Flatlette
- Apartment

Capacity Brendon:  
 Flats - 8 x 1B2P F, 2 x 2B3P F  
 Studios - 24 x 1P1B S  
 (studio option will require some communal areas in addition)

Capacity Brendon (reduced footprint):  
 Flats - 8 x 1B2P F  
 Studios - 18 x 1P1B S

Note: studio option will require some communal / support areas. This will potentially reduce the number of rooms available.

### The site layouts options

Different combinations of these layouts were then used to develop some outline site plans to illustrate the different ways in which the site might be used. The key difference between the options is around the degree of separation and access arrangements for the different uses on site:

### Option One

#### Capacity:

Open market options:

46 x 1B2P F

96 x 1B1P S

Sheltered Accommodation options:

68 x bedrooms

20 x 1B2P F

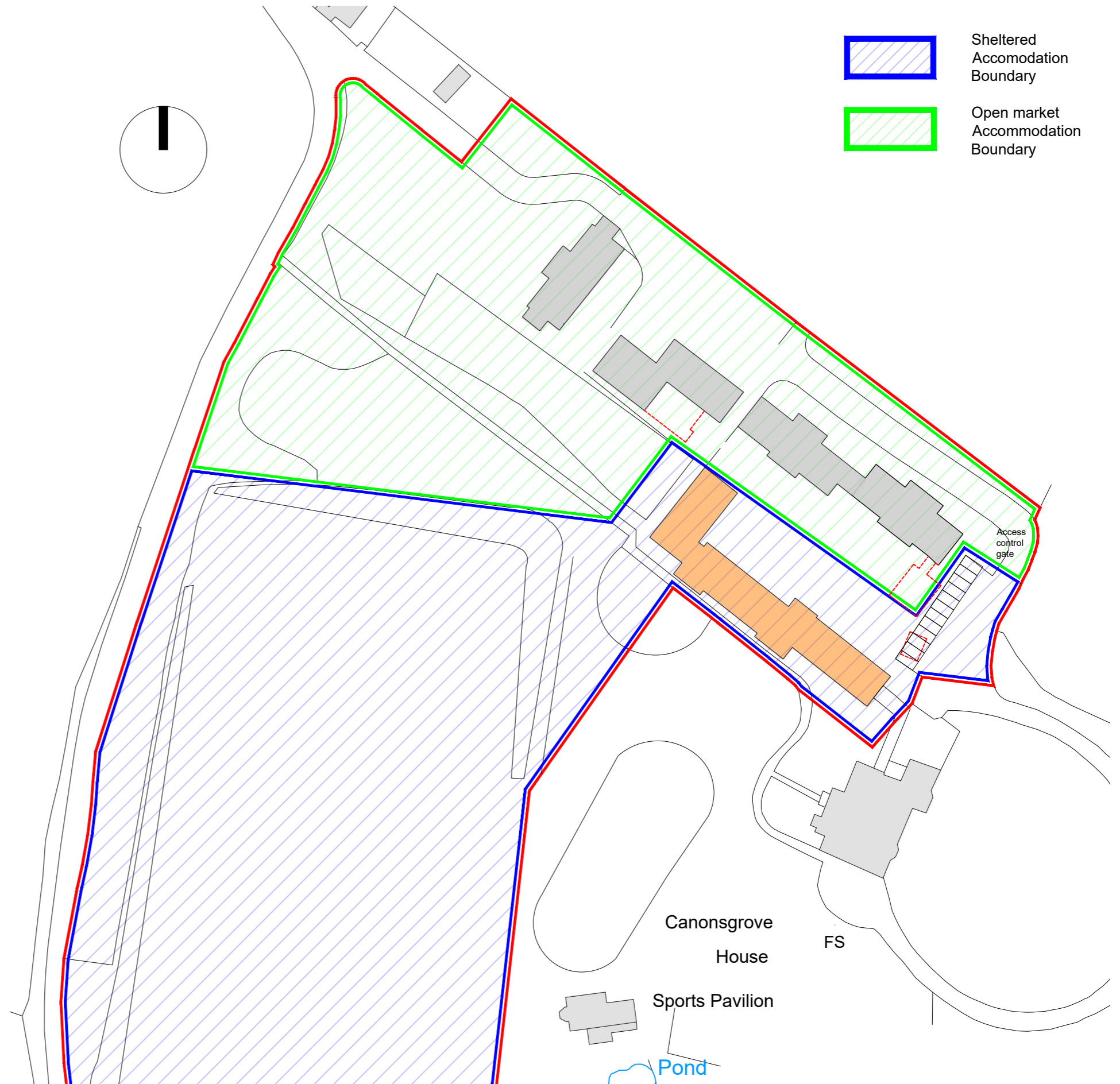
96 x 1B1P S

Note: some additional space required for communal uses from studio option.

#### Access

All traffic from main road. Rear access grounds maintenance only.

Note: controlled gate access in to open market accommodation.



### Option Two

#### Capacity:

Open market options:

46 x 1B2P F

94 x 1B1P S

Sheltered Accommodation options:

72 x bedrooms

20 x 1B2P F

42 x 1B1P S

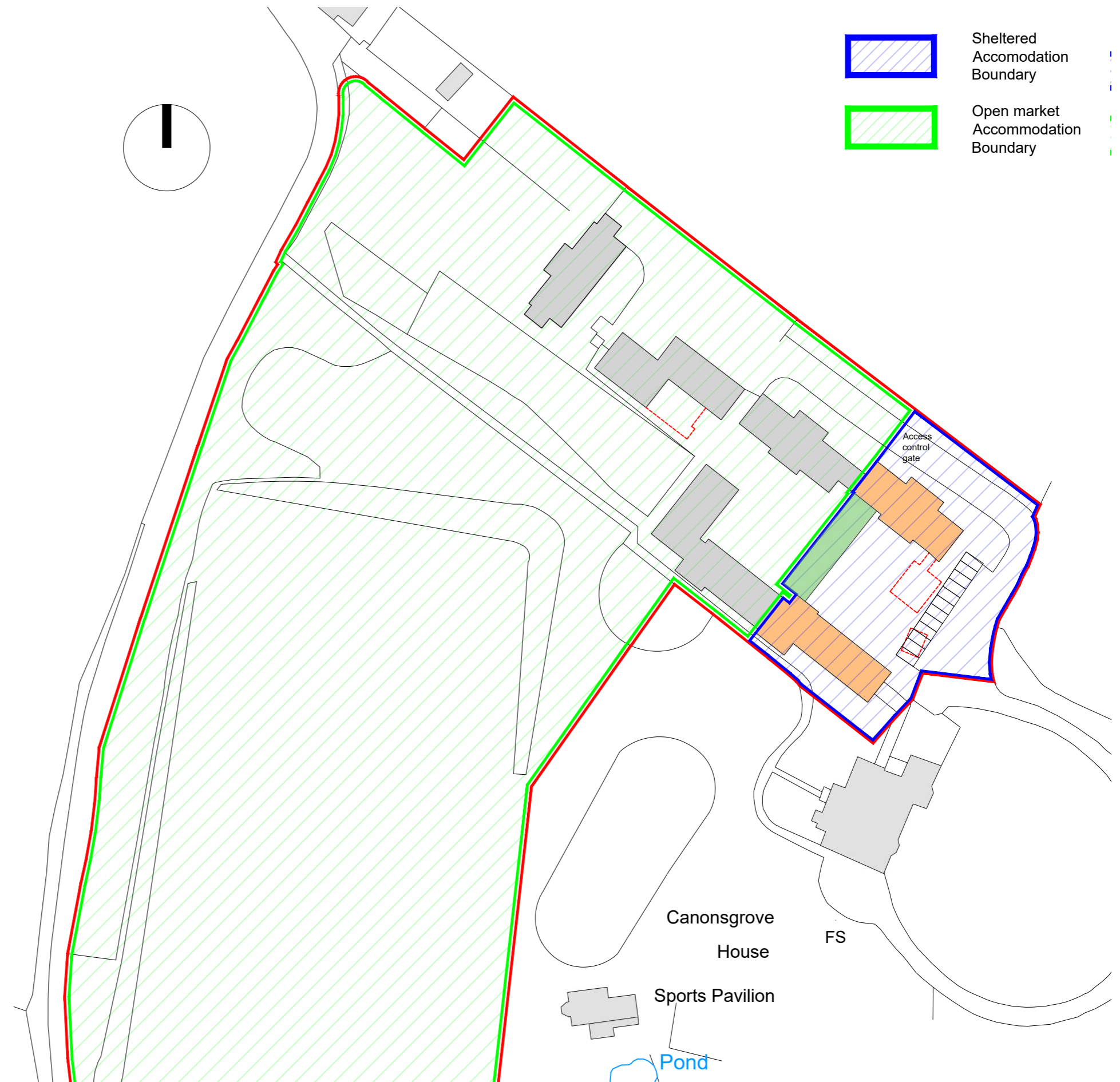
Note: some additional space required for communal uses from studio option.

#### Access

All traffic from main road.

near access grounds maintenance only.

Note: controlled gate access to open market accommodation



### Option Three

#### Capacity:

Open market options:

46 x 1B2P F

94 x 1B1P S

Sheltered Accommodation options:

72 x bedrooms

20 x 1B2P F

42 x 1B1P S

Note: some additional space required for communal uses from studio option.

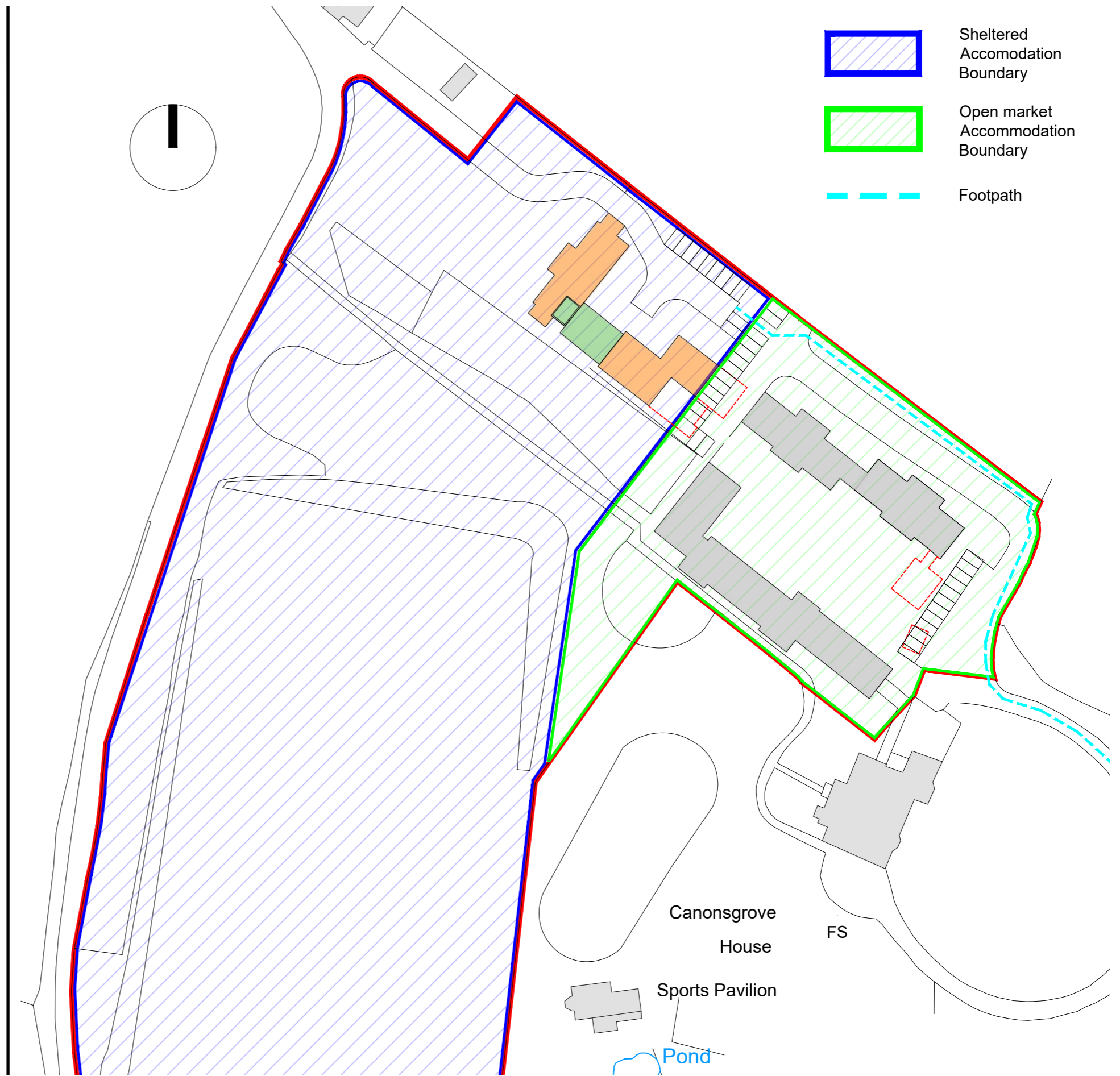
#### Access

All traffic from main road.

Year access grounds maintenance only.

Note: controlled gate access to open market accommodation

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### Headline development costs

A high level cost estimate has been generated for the construction work required on site based on £/m2 rates from other similar projects. The following assumptions have been made.

- £800 / m2 cost to redecorate and upgrade energy performance where existing internal arrangement is retained
- £1300 / m2 cost to refurbish, including internal alterations to form flats or studios including energy performance enhancements
- £1800 / m2 cost for conversion of Brendon (sports hall) to residential accommodation
- 10% contingency
- 15% consultant fees
- Allowance made for external works and Utilities alterations.
- No allowance is made for the purchase of the site.

A high and low range of development costs are derived depending on which of the site options is preferred as the tables below. The lower cost is for the option where the internal configuration of Mendip block is retained.

#### Lower range cost

| Block           | area m2 | m2 cost | Total                |
|-----------------|---------|---------|----------------------|
| Mendip          | 1530    | £ 800   | £ 1,224,000          |
| Blackthorn      | 685     | £ 1,300 | £ 890,500            |
| Quantock        | 1375    | £ 1,300 | £ 1,787,500          |
| Brendon         | 830     | £ 1,800 | £ 1,494,000          |
| External works  |         |         | £ 150,000            |
| Utilities       |         |         | £ 50,000             |
|                 |         |         | <b>£ 5,546,000</b>   |
| Contingency     |         | 10%     | £ 554,600.0          |
| Consultant fees |         | 15%     | £ 831,900.0          |
| <b>Total</b>    |         |         | <b>£ 6,932,500.0</b> |

#### Upper range cost

| Block           | area m2 | m2 cost | Total                |
|-----------------|---------|---------|----------------------|
| Mendip          | 1530    | £ 1,300 | £ 1,989,000          |
| Blackthorn      | 685     | £ 800   | £ 548,000            |
| Quantock        | 1375    | £ 1,300 | £ 1,787,500          |
| Brendon         | 830     | £ 1,800 | £ 1,494,000          |
| External works  |         |         | £ 150,000            |
| Utilities       |         |         | £ 50,000             |
|                 |         |         | <b>£ 5,968,500</b>   |
| Contingency     |         | 10%     | £ 596,850.0          |
| Consultant fees |         | 15%     | £ 895,275.0          |
| <b>Total</b>    |         |         | <b>£ 7,460,625.0</b> |

Note - the above figures are high level estimates only. If more accurate advice is required it is recommended a quantity surveyor is appointed to review the proposals and provide a cost estimate.

### Engineering implications

A full copy of the engineering report on the existing buildings is attached as appendix A. The executive summary is as follows:

#### Existing Ground Conditions

The site has a layer of topsoil and made ground sitting over a layer of clay to a depth of around 2.5m and is underlain by mudstone bedrock.

#### Existing Building Structure

The existing buildings were constructed in the 1970's and mid 90's with the residential buildings being of a load bearing masonry with concrete floor construction, whilst the sports hall has elements of steel framing along with load bearing masonry.

The foundations of the existing building appear to be mass concrete foundations that likely extend down to the mudstone rock formation below. These strip foundations are located under the load bearing walls. It is anticipated that pad foundations or thickenings to the strips will be encountered under the columns to the sports hall.

#### Constraints

The below is a list of the key constraints identified at this stage.

- Existing foundation depth and sizes - and the interaction of proposed works with existing substructures
- Variable ground conditions
- Existing below ground drainage runs and their connection points
- Existing structural load paths and headroom constraints
- Existing stability system
- Restricted access due to the existing building

#### Proposed Structural modifications

The proposals to refurbish the buildings will depend on what can be easily achieved structurally. The nature of the existing buildings and their current load paths mean that any proposed modifications will ideally be limited to non-load bearing walls. Where this is not practical these should ideally be limited to single door width openings to link adjoining rooms where possible, as to do anything more will result in significant works to provide support to the existing floor structure and will result in the likely introduction of down stand beams within these spaces, which may or may not have headroom issues.

#### Below Ground Drainage

The proposed below ground drainage network will need to maintain the existing runs but also include for an allowance for additional rainfall if required as part of any planning condition. As the extent of the existing hardstanding isn't due to increase then existing provisions would appear to sufficient subject to confirmation from the local planning and water authorities.

A CCTV survey of existing below ground drainage network will be required to ascertain the geometry of the existing below ground drainage network. Once the CCTV survey has been confirmed and the information is available then a capacity check would need to be carried out to assess the existing network for the proposed alterations. On the back of this study, we would highlight any reinforcement that may be required.



**Further investigations and surveys required**

- Phase 1 Ground Investigation to assist with planning submission
- Asbestos survey
- CCTV Survey and mapping of existing below ground drainage
- Topographical survey
- Below ground services drawing
- Investigations to existing walls to be removed to confirm they are non-load bearing
- Structural record drawings for main Quantock, Brendon and Mendip blocks

**Planning risk overview**

**Introduction**

Wherever development is proposed, planning risk exists. No development is risk free. The proposal to repurpose Canonsgrove to provide both open market rental flats and more specialist homelessness accommodation presents a range of specific potential risks. This risk overview touches on the main risks identified during this Options Study. This isn't a detailed appraisal of potential planning risks and therefore should the repurposing of Canonsgrove be pursued then a more in-depth assessment of the planning risks should be commissioned.

This overview does not address the issue of if C2 use is appropriate for the homelessness accommodation that is currently being explored by Somerset West and Taunton Council. Depending on the outcome of this work, it might be appropriate to include this risk in any future commissioned work.

This overview assumes that any planning application includes all the National and Local List requirements for the submission of a planning application and takes note of recent planning decision in the locality to inform any application. Failure to prepare a well informed and detailed application will result in far more planning risks than indicated below.

**Main planning risks**

- **Use - Open market housing:** Open market housing is now problematic in rural location. The issue relates to effectively demonstrating the location is sustainable in respect of Core Strategy policy. Policy SP 1 Sustainable Development Locations and Policy DM 2 Development in The Countryside have been used by Somerset West and Taunton to refuse consent in the district, thereby establishing precedent that the policy is sound and defensible. Making an application for open market housing in this location would be a direct challenge to this policy unless a convincing argument can be made justifying the location is sustainable can be made
- **Acceptable form of development:** Given the site is already developed and has consent for the magnitude and scale of development on site, any proposals that seek to alter the form of that development that maintains or reduces the status quo should present minimal risk. Proposals that increase the footprint of development within the perimeter of the existing building blocks should also be acceptable, particularly if the development is of a minor nature and single storey in height. If development is proposed that falls outside the existing footprint of the development perimeter, this is likely to be more contentious and open to serious challenge, particularly if it increases the magnitude of units of accommodation available. To mitigate these and other planning risks, should the council wish to purchase the site and develop the scheme it is

recommended a Pre-planning Application is submitted to Somerset West and Taunton Council. This is a non-public application process that seeks the opinion of the local planning authority as to the likelihood of an application for development being successful. The process seeks opinion from a range of internal developments and provides a brief response based on information submitted. Typically, the more detailed the information submitted the more considered the response.

**Comparative case study**

Forecastle, Thornbury, Bristol, is a long establish development owed and run by Elim Housing Association. The development provides accommodation very similar in nature to that proposed by Somerset West and Taunton for the repurposing of the Canonsgrove site. This site was subject to a £1.1m Homes England funded redevelopment that completed in 2018.

See Appendix B for further details.

**Other potential risks**

Planning is not the only risk for a scheme such as Canonsgrove. To date the scheme has been managed by YMCA Dulverton Group which appears to be working well. Should the commissioning model change or the YMCA pull out of providing such services then this presents a risk. This is particularly relevant if they drive the detail of any ultimate design brief, making the scheme bespoke to their operating model eg not having on-site management office as the organisation has this elsewhere in locality. The main mitigation against this risk would be to agree a design brief that has in built flexibility that allows for different operating models to deliver the on-site management needed.

Providing housing for the homeless is always contentious. The local community of Staplehay and Trull have proved with historic applications lodged in the locality that they have both the resources and ability to mount effective lobbying campaigns against development they find objection to. Their strength of conviction against certain types of development, particularly housing, has been seen to be resolute. Their communication has been channelled through Trull Residents Group (TRG). Engaging with the Trull Residents Group in meaningful dialogue will help to explore the issues associated with finding a viable long-term use for the Canonsgrove site. Along with the Trull Residents Group, Trull Parish Council also provides an effective statutory lobbying organisation that represents the whole of the local community. To help mitigate the risk from the local community of generating hostile press coverage and mounting a vociferous campaign against any proposals put forward for the redevelopment of the site, it is recommended a community engagement strategy is devised that includes regular communications with both Trull Residents Group and Trull Parish Council.

## Opportunities

The Canonsgrove site has a considerable amount of embodied carbon tied up in the existing buildings. A real opportunity exists to find an acceptable use for these buildings that could provide much needed residential accommodation without resorting to demolishing the blocks. The blocks could be repurposed and upgraded to provide an exemplar low carbon development with low energy consumption. This approach would underpin Somerset West and Taunton's Climate Emergency declaration.

There are significant opportunities to introduce new tree planting across the site and develop an active regime to better manage the natural environment around the site. This would support policies and objectives in the Core Strategy around developing tree cover Objective 8 and would also support the Taunton Dean Green Infrastructure Strategy (2009) through the enhancement of the Green Wedge concept.

Phosphate: a recent court case regarding phosphate pollution affecting areas of special scientific interest has changed planning policy to require that all development is nutrient (phosphate) neutral. Given that most development involves the discharge of waste materials into the sewer system, nutrient neutral development can practically only be delivered by offsetting. Local councils are in the process of setting up offsetting schemes for developers to buy into but in the meantime until this is in place no planning consents are being granted in the area. It is unclear at this time how long it will take to resolve the situation.

It is an untested approach, but it could be argued that by reducing the capacity at Canonsgrove, which would result in a reduction in the amount of phosphate generated by the site, this could be used to offset other development off site. This development would have to be within the same water treatment area. Given that there are over 200 bedrooms on the site and phosphate output is calculated per bedroom there is the potential for quite a lot of capacity to be used elsewhere. Given the cost of offsetting schemes there is a potential asset for the site.

## Conclusions

- Current planning policy would indicate it is unlikely consent for open market rental or sale flats would be supported
- Alternative options that are likely to be supported could include anything that falls under the C2 planning use class or under permitted development. eg:
  - Care / retirement home
  - School (under permitted development)
- Research indicates that any development is likely to be challenged by the local community.
- The council's policy on climate emergency and zero carbon development is in advance of current planning policy that has the potential to stifle the Council's aspirations.

## Recommendations

- Seek alternative uses that would compensate for projected income lost from the open market accommodation
- Develop any proposals for the site in conjunction with the local community
- Work with the planning department to prepare a development brief for the site.
- Confirm project development costs via appointment of a Quantity Surveyor



**APPENDIX A - Engineering report**

# Canonsgrove Hall

## Civil and Structural Feasibility Report

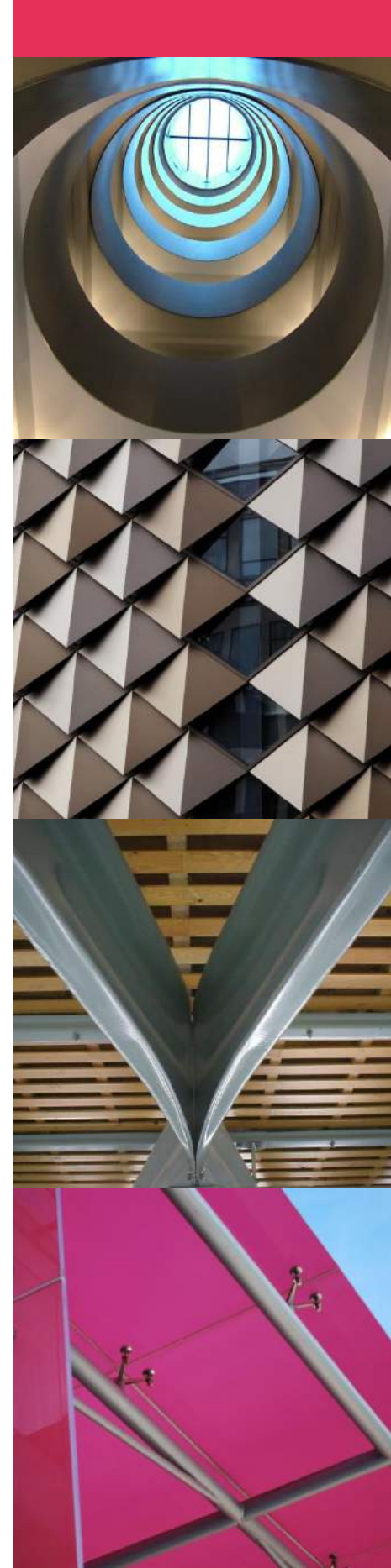
Curtins Ref: 077700-CUR-00-XX-RP-S-00001

Revision: P02

Issue Date: 22 January 2021

Client Name: Somerset West and Taunton Council

Site Address: Canonsgrove Halls, Trull, Taunton TA3 7HP



| Rev | Description               | Issued by | Checked | Date       |
|-----|---------------------------|-----------|---------|------------|
| P01 | DRAFT Issue               | NW        |         | 12/01/2021 |
| P02 | Update following comments | NW        |         | 22/01/2021 |

This report has been prepared for the sole benefit, use, and information for the client. The liability of Curtins Consulting Limited with respect to the information contained in the report will not extend to any third party.

| Author  | Signature  | Date       |
|---|--|------------|
| <b>Nick Weller</b><br>MEng (Hons) CEng MICE<br>Principal Engineer |  | 12/01/2021 |

| Reviewed | Signature | Date |
|----------|-----------|------|
|          |           |      |

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## Executive Summary

### Existing Ground Conditions

The site has a layer of topsoil and made ground sitting over a layer of clay to a depth of around 2.5m and is underlain by mudstone bedrock.

### Existing Building Structure

It is believed the existing buildings were constructed in the 1970's and mid 90's with the residential buildings being of a load bearing masonry with concrete floor construction, whilst the sports hall has elements of steel framing along with load bearing masonry.

The foundations of the existing building appear to be mass concrete foundations that likely extend down to the mudstone rock formation below. These strip foundations are located under the load bearing walls. It is anticipated that pad foundations or thickenings to the strips will be encountered under the columns to the sports hall.

### Constraints

The below is a list of the key constraints identified at this stage.

- Existing foundation depth and sizes - and the interaction of proposed works with existing substructures
- Variable ground conditions
- Existing below ground drainage runs and their connection points
- Existing structural load paths and headroom constraints
- Existing stability system
- Restricted access due to the existing building

### Proposed Structural modifications

The proposals to refurbish the buildings will depend on what can be easily achieved structurally. The nature of the existing buildings and their current load paths mean that any proposed modifications will ideally be limited to non-load bearing walls. Where this is not practical these should ideally be limited to single door width openings to link adjoining rooms where possible, as to do anything more will result in significant works to provide support to the existing floor structure, and will result in the likely introduction of down stand beams within these spaces, which may or may not have headroom issues.

### Below Ground Drainage

The proposed below ground drainage network will need to maintain the existing runs but also include for an allowance for additional rainfall if required as part of any planning condition. As the extent of the existing hardstanding isn't due to increase then existing provisions would appear to sufficient subject to confirmation from the local planning and water authorities.

A CCTV survey of existing below ground drainage network will be required to ascertain the geometry of the existing below ground drainage network. Once the CCTV survey has been confirmed and the information is available then a capacity check would need to be carried out to assess the existing network for the proposed alterations. On the back of this study we would highlight any reinforcement that may be required

### Further investigations and surveys required

- Phase 1 Ground Investigation to assist with planning submission
- Asbestos survey
- CCTV Survey and mapping of existing below ground drainage
- Topographical survey
- Below ground services drawing
- Investigations to existing walls to be removed to confirm they are non-load bearing
- Structural record drawings for main Quantock, Brendon and Mendip blocks

## 1.0 Introduction

Curtins has been appointed to carry out the Civil and Structural high level review of the proposed works at Canonsgrove Halls to convert and reconfigure some the existing buildings to be more suitable for the proposed updated use to provide housing for the homeless persons under the care of Somerset West and Taunton council. The following document outlines the Civil and Structural implications of the project and provides design commentary for the project which is at initial feasibility stage. It also identifies key risks with the emerging design and how further investigation and alterations may improve buildability, economy and quality of the proposed works.

## 2.0 Site History and Existing Ground Conditions

The current site consists of two 2 storey buildings and two 3 storey buildings currently used as residential accommodation. One of the buildings was originally used as a sports hall, with skittle alley, changing rooms and social club. The buildings were constructed during two phases, the first double storey buildings in the 1970's followed by addition of the two 3 storey buildings added during the mid 90's.

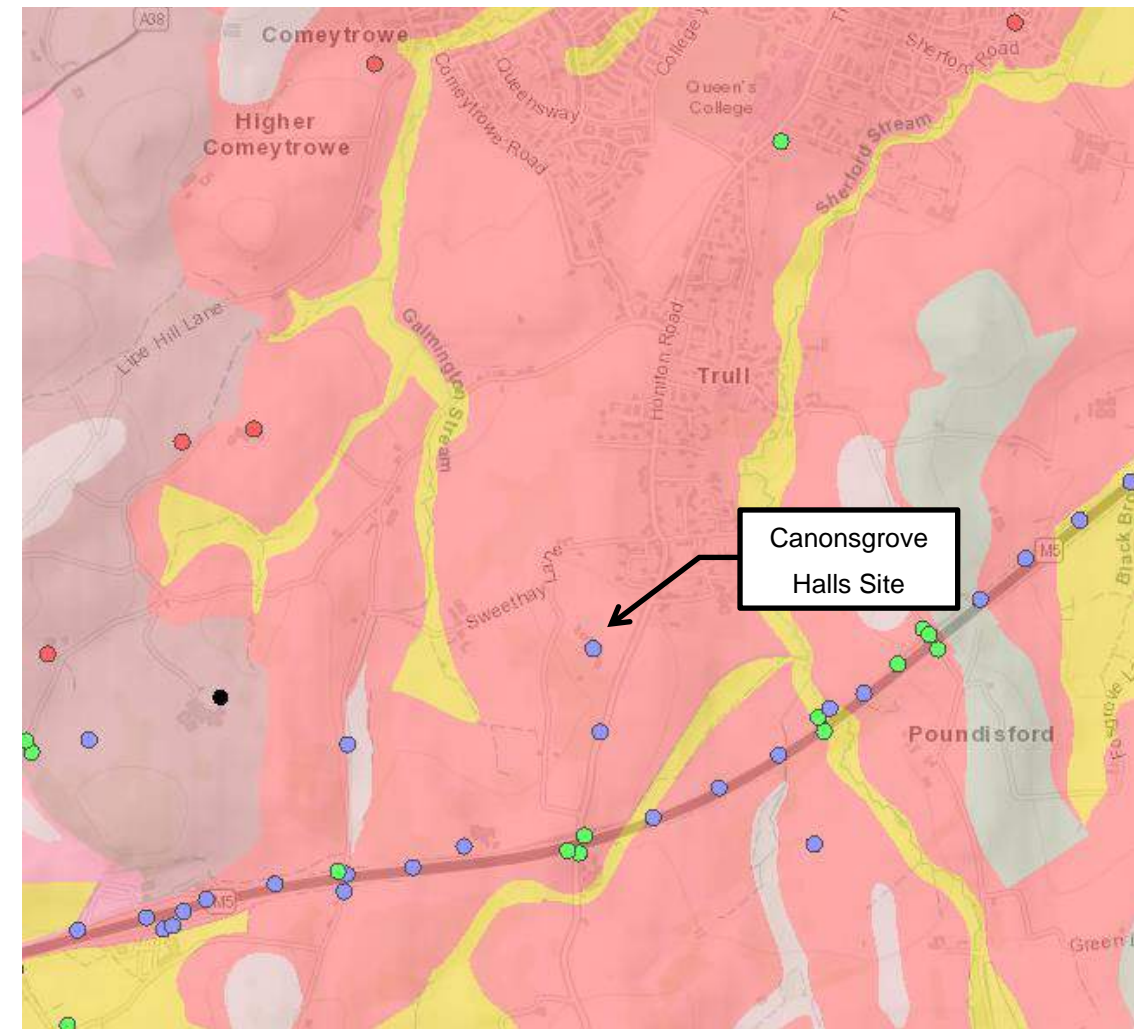
### 2.1 Ground Conditions

It is understood from review of the British Geological Survey information that the site is underlain by mudstone bedrock. The Bedrock geology is defined as: Branscombe Mudstone Formation - Mudstone. Sedimentary bedrock formed between 228.4 and 201.3 million years ago during the Triassic period.

At this stage, site investigations have not been specified. There are however several historical trial pits dug on the site along with some deeper boreholes within 400m from the site as per the blue dots on the plan.

From reviewing this existing information, the site has a layer of topsoil and made ground sitting over a layer of clay to a depth of around 2.5m and is underlain by the mudstone bedrock.

From these investigations the anticipated allowable bearing capacity at the depth of the mudstone is of the order of 90-100kN/m<sup>2</sup>



### 2.2 Existing Trees

There are several existing trees that are near to the existing buildings and further investigations would need to be undertaken to see if there has been any impact of their proximity on the existing buildings. If any of these are to be removed as part of the proposed works then the impact of removing these trees and the potential volumetric changes that may occur due to the differing water demands should be considered with any final foundation solution.



### 3.0 Existing Building Structure

The existing buildings were constructed in the 1970's and mid 90's with the residential buildings being of a load bearing masonry with concrete floor construction, whilst the sports hall has elements of steel framing along with load bearing masonry.

The Quantock residential block consists of precast floor units that span between the bedroom party walls. The corridors typically span the same direction and utilise steel beams to support the precast floor units, spanning across the corridor to the load bearing masonry party walls between rooms. The span of the roof matches the floors and is constructed of a metal deck with insulation over.

The Quantock block used to be three separate blocks that were joined when the additional blocks were constructed in the 90's. The construction of these link sections is similar to the newer blocks although adopts load bearing masonry, however the floor construction utilises beam and block rather than wider precast floor units. The spans of the 1<sup>st</sup> floors are also in the opposite direction with the beam and block floor spanning between the external wall and the internal corridor walls. Due to the spans steel beams have been utilised within the kitchens to one of the link buildings which are supported on the dividing wall. The roof construction is timber, and spans across the shortest distance.

Brendon block is the social/sports facilities. The construction of this block is different than the Quantock block due to the use of the building. The building does however appear to adopt a similar construction where possible with precast floor units being supported off load bearing masonry walls at ground floor where the spans allow. The larger more open plan spaces are achieved via steel beams and trusses that span across the spaces. These typically are supported on the masonry walls but in the case of the sports hall these larger trusses are supported on steel columns embedded in the external walls. Limited existing structural information is available for this building.

The residential blocks Blackdown and Mendip constructed in the 90's are both of load bearing masonry construction. These blocks utilise beam and block floors that span between the external and internal corridor walls with the exception of the areas where the kitchens are located as the increased spans have resulted in the orientation being adjusted to span across the rooms between the internal walls.

The roofs to these blocks consist of timber roof trusses spanning between the outside walls along with the internal corridor walls matching with the floors below. The orientation of these roof trusses matches the orientation of the floors below, with the same load bearing walls being utilised as the floors.

#### 3.1 Foundations

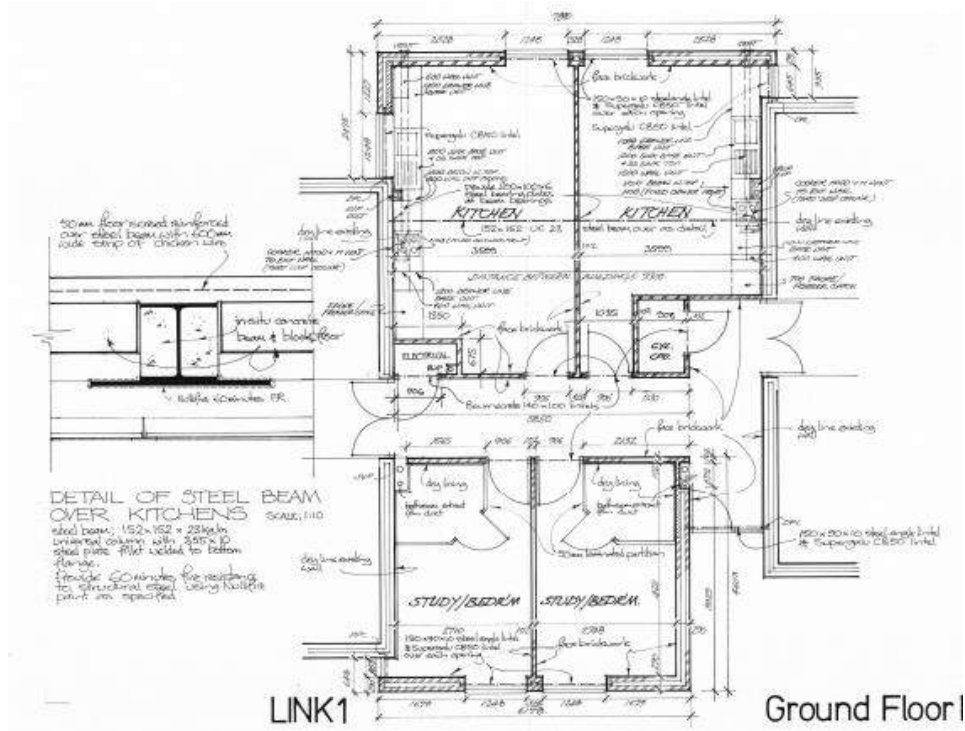
The foundations of the existing building appear to be mass concrete foundations that likely extend down to the mudstone rock formation below. These strip foundations are located under the load bearing walls. It is anticipated that pad foundations or thickenings to the strips will be encountered under the columns to the sports hall.

#### 3.2 Stability

Stability of the existing buildings is thought to be provided via the masonry walls of the building which resist lateral wind loads rather than via stiff core elements. The sports hall likely utilises the end walls as stability to the open space along with the infill masonry panels between the columns providing restraint.

#### 3.3 Existing building condition

A detailed condition survey of the existing building has not been undertaken due to it being occupied and the limitations of potential asbestos contained within the building fabric. Once the building has been decamped and the removal of the existing finishes has been carried out then the condition of the building fabric will be able to be better determined. It should be noted that from the walkaround site that no obvious structural defects were picked up in the blocks visited.



Link building steel beam details

## 4.0 Constraints

There are a number of constraints that are associated with the proposed works. The below is a list of the key constraints identified at this stage.

- Existing foundation depth and sizes - and the interaction of proposed works with existing substructures
- Variable ground conditions
- Existing below ground drainage runs and their connection points
- Existing structural load paths and headroom constraints
- Existing stability system
- Restricted access due to the existing building

## 5.0 Proposed Structural Modifications

The proposals to refurbish the buildings will depend on what can be easily achieved structurally. The nature of the existing buildings and their current load paths mean that any proposed modifications will ideally be limited to non-load bearing walls. Where this is not practical these should ideally be limited to single door width openings to link adjoining rooms where possible, as to do anything more will result in significant works to provide support to the existing floor structure, and will result in the likely introduction of down stand beams within these spaces, which may or may not have headroom issues. Specific commentary on each of the blocks will be given further in the subsequent sections.

### 5.1 Loading

The proposed usage of the floors after the refurbishment works are of a similar in type to the original and under current standards the imposed floor loading would be taken as A1 Domestic residential areas where a load of 1.5kN/m<sup>2</sup> would be adopted.

### 5.2 Services

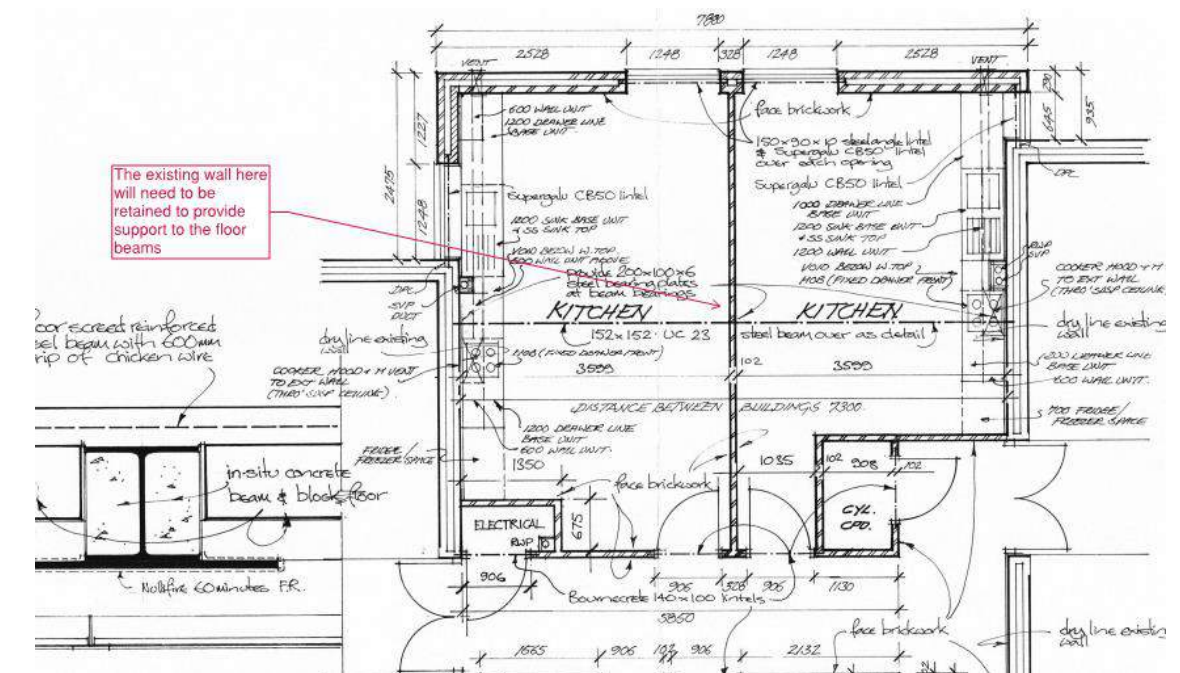
It is understood that the servicing strategy would be kept generally light touch with mainly services replacement and these works will involve some minor alterations but do not require the modification of significant structural elements.

## 5.3 Existing Wall Removal - Quantock

The span of the existing floors and roof for the majority of the block span across between party walls, the exception to this are the later two link sections of the building that were constructed at a later date. As such modifications or openings to be created these walls would require structural works to reinstate the vertical load paths. Small single width openings created between existing rooms could be achieved via the introduction of new lintels or steel beams up to 2.2m to support the existing precast floor units although this would likely introduce a downstand and it would need to be confirmed if there is sufficient existing headroom to accommodate this.

There would be greater flexibility at first floor to create wider openings as the load here is less and it might be beneficial to consider this in the final proposed room layouts adopting a more open plan at first floor but retaining the majority of the structure at ground floor. Although it is important to retain the lateral stability of the building and as such consideration needs to be made to ensure full walls are retained per bay where possible by handing room layouts so that sufficient walls are retained.

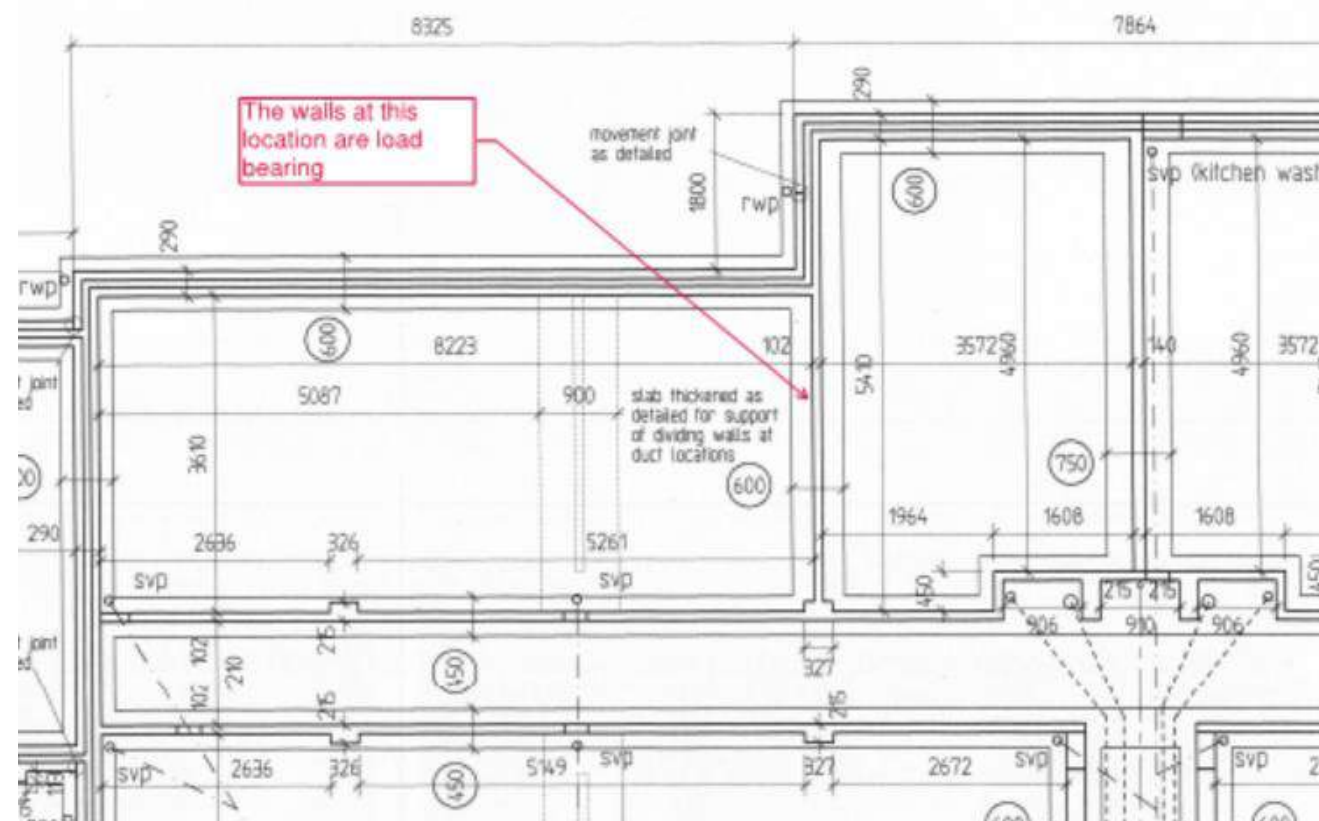
The two link sections utilise different structural spans and the requirements for openings in the load bearing elements will need to be considered for these. The presence of the existing steel beams supported on the party wall between the kitchens to one of the links will require a minimum length of this wall to be retained limiting the possibility to open up this space.





**5.4 Existing wall removal – Blackdown & Mendip**

The span of the existing floors are principally front to back across the buildings between the external and internal corridor walls. Modifications to the party walls between rooms should be straightforward and will not require significant structural works thus making the creation of larger more open plan units easier. There are some exceptions where the existing kitchens are located where the span of the floors is rotated by 90 degrees and spans across between the party walls. At these locations it is possible to form door openings, but these will require further assessment.



Due to the extent of the changes, the proposed solution should try to adopt the existing load bearing ground floor masonry structure as is, where possible, to reduce the requirement to create new foundations or adjust the current load path and support to the existing first floor.

It is unlikely that the existing steel columns supporting the existing roof will have sufficient strength or design capacity to accommodate supporting any new floors without being strengthened and as such it is anticipated that the new floors could potentially be constructed independently within the sports hall space with new foundations as necessary.

If the existing structure is changed too much, it might prove uneconomical to retain the existing structure, as the stability of the existing building and vertical load paths may be compromised to such an extent with the alterations, that the works required to adjust the existing structure would lead to demolition of the existing building completely and provide a specific purpose built building that allows for dedicated provision with more inherent flexibility being a more suitable option.

**5.5 Modifications – Brendon**

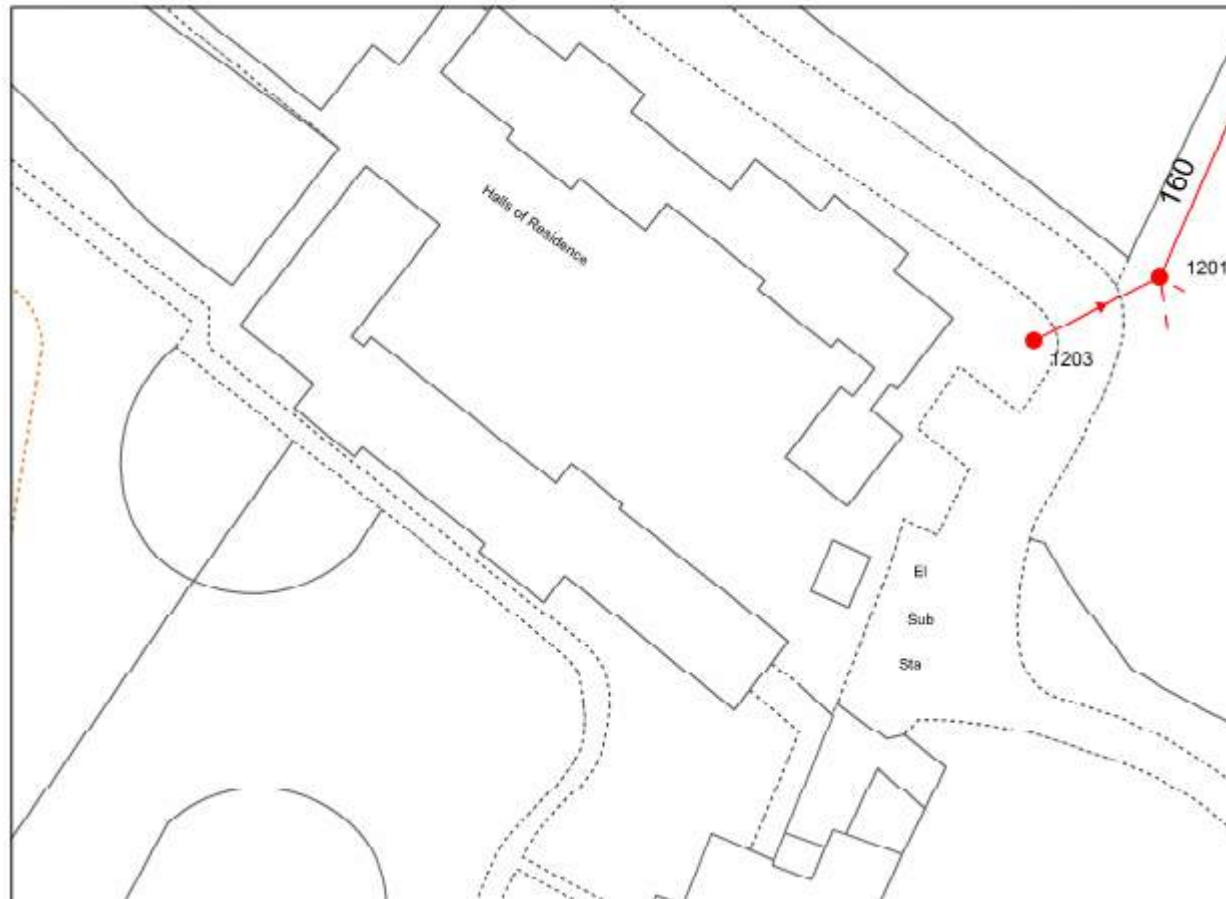
The proposals to the sports hall and the rest of Brendon block are fairly significant and will require the most amount of work to convert the existing building into the proposed room layouts. The first floor of the building spans between load bearing masonry whilst the roofs are typically steel trusses or timber joists spanning between steel beams supporting metal deck roofing.

## 6.0 Below Ground Drainage

### 6.1 Existing

Information hasn't been made available on the existing below ground drainage storm and foul networks although it is understood the foul network connects into the main sewer to the North East of the site.

Wessex Water Network Map



It is anticipated that any existing runs and connections would need to be maintained as part of the works. If there is an increase to the overall occupancy, then confirmation will be required over the existing flow rates to ensure that these remain within acceptable agreed limits.

It is understood that the existing surface water network will feed into soakaways located on site.

### 6.2 Proposed

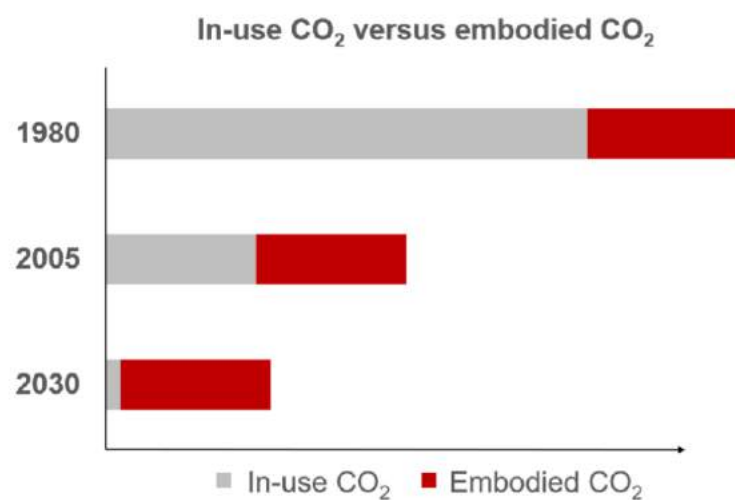
The proposed below ground drainage network will need to maintain the existing runs but also include for an allowance for additional rainfall if required as part of any planning condition. As the extent of the existing hardstanding isn't due to increase then existing provisions would appear to be sufficient subject to confirmation from the local planning and water authorities.

A CCTV survey of existing below ground drainage network will be required to ascertain the geometry of the existing below ground drainage network. Once the CCTV survey has been confirmed and the information is available then a capacity check would need to be carried out to assess the existing network for the proposed alterations. On the back of this study we would highlight any reinforcement that may be required.

## 7.0 Embodied Carbon

### 7.1 Introduction

There are two main types of carbon impact associated with buildings and their infrastructure: **embodied carbon** which is locked into the construction materials, and **operational carbon** which results from their use through heating, lighting and ventilation. The total carbon impact of buildings has reduced significantly over the last 50 years, as shown in the diagram below. But perhaps what is most noticeable in the diagram is that this reduction has been achieved almost solely from the reduction in operational carbon. This is due to improved insulation, LED lighting, more efficient heating and the increased use of renewable energy. Part L of the Building Regulations has been revised several times over this period, with each iteration requiring higher building performance and an associated reduction in carbon impact. These requirements are bound into legislation, and so the construction industry and clients have had to adopt the changing requirements. The results of this action are clear.



The image also shows clearly that the amount of embodied carbon impact in a building has hardly changed over this time: we're still building largely in concrete and steel. When the Government talks about 'Zero Carbon', it is referring to operational carbon in use, not the embodied carbon impact. Indeed, there is no UK legislation that sets any quantified embodied carbon content for our projects.

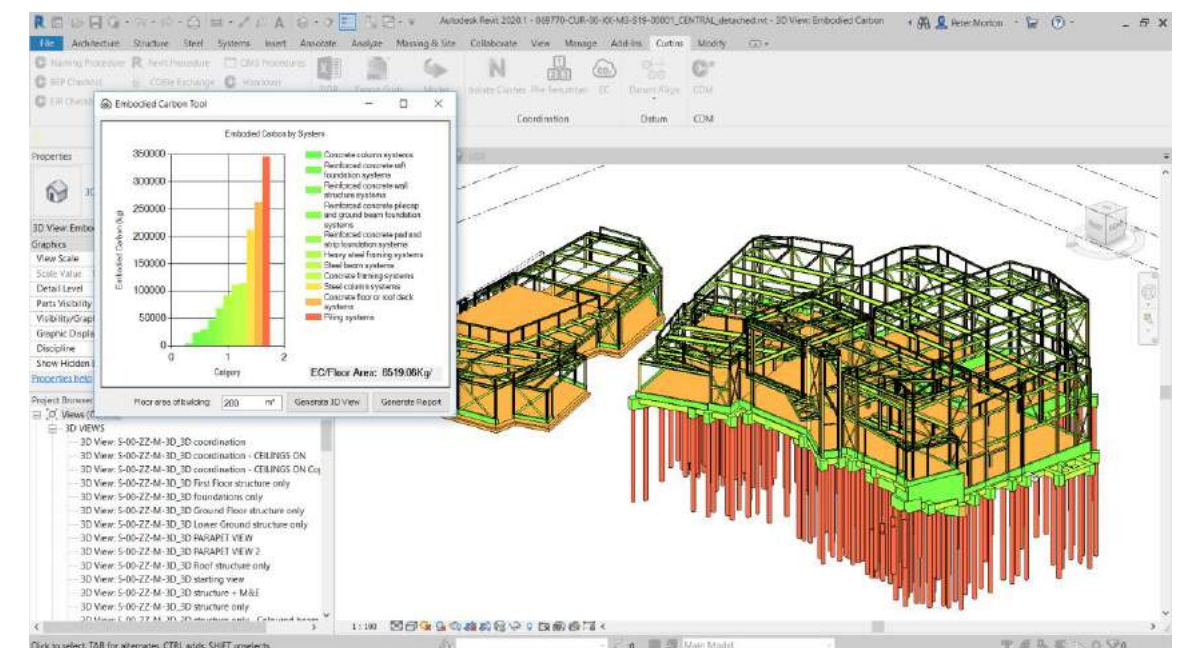
As civil and structural engineers, we are responsible for much of the material content of buildings and their associated infrastructure. Our main materials have a significant embodied carbon content, due to the energy used in production and the production process itself (for example, CO<sub>2</sub> is a by-product of cement production).

Over the decades, Curtins has been associated with many projects that have sought to re-use and refurbish existing building fabric to reduce embodied carbon impact. With new-build projects, we also seek to minimise the material content. However, other considerations often determine the eventual engineering choices, and legislation is focussed on the operational carbon content, as indicated above, not embodied.

The increased awareness of climate change and the impact of engineer's activities on the environment has prompted Curtins to consider embodied carbon in its projects in greater detail, and to quantify the effects of different engineering options. We are also anticipating that embodied carbon targets will come in to force in the future, and we want to be ready for this.

We have developed a simple carbon assessment spreadsheet that calculates the carbon in each of the principal materials (steel, concrete, timber, etc) and delivers a total embodied carbon impact for each chosen solution. Structural elements have a far greater carbon impact than infrastructure items such as earthworks, hard-standings and drainage, so at this stage we are assessing only the structural elements.

Curtins has also embedded the embodied carbon data into our REVIT software to produce a similar assessment tool for the detailed design stage. A snapshot of the model is included below, highlighting the most carbon intensive elements of our structure, so that engineers can take informed decisions on where further engineering effort should be focussed to minimise the impact of the particular solution.





## 7.2 Embodied Carbon Assessment

### 7.2.1 General

The image below shows an example output from our carbon assessment spreadsheet.

| System                | Material                   | Material Impact |           |                                 |                                  | Transport Impact                      |                                       | Total EC                              |
|-----------------------|----------------------------|-----------------|-----------|---------------------------------|----------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|
|                       |                            | Quantity (kg)   | Waste (%) | Concrete (Strength) (Mix)       | EC / kg (kgCO <sub>2</sub> e/kg) | CO <sub>2</sub> (kgCO <sub>2</sub> e) | CO <sub>2</sub> (kgCO <sub>2</sub> e) | CO <sub>2</sub> (kgCO <sub>2</sub> e) |
| <b>FOUNDATION</b>     |                            |                 |           |                                 |                                  |                                       |                                       |                                       |
| Pads                  | Reinforcement              | 21,287          | 5%        |                                 | 1.990                            | 44,479                                | 266                                   | 44,745                                |
|                       | Concrete                   | 3,652,605       | 10%       | RC 20/25 UK Avg mix (small PFA) | 0.112                            | 450,001                               | 23,906                                | 473,907                               |
| Ground floor slab     | Concrete                   | 604,800         | 10%       | RC 20/25 UK Avg mix (small PFA) | 0.112                            | 74,511                                | 3,958                                 | 78,470                                |
| <b>MAIN FRAME</b>     |                            |                 |           |                                 |                                  |                                       |                                       |                                       |
|                       | Formwork (m <sup>2</sup> ) |                 |           |                                 | 9.870                            | 0                                     | 0                                     | 0                                     |
|                       | Light gauge steel          |                 | 10%       |                                 | 3.030                            | 0                                     | 0                                     | 0                                     |
|                       | Reinforcement              | 8,712           | 5%        |                                 | 1.990                            | 18,204                                | 109                                   | 18,313                                |
|                       | Concrete                   | 871,200         | 10%       | RC32/40 UK Avg mix (small PFA)  | 0.138                            | 132,248                               | 5,702                                 | 137,950                               |
|                       | Steel structural sections  | 55,000          | 10%       |                                 | 1.550                            | 93,775                                | 900                                   | 94,675                                |
| <b>SUPERSTRUCTURE</b> |                            |                 |           |                                 |                                  |                                       |                                       |                                       |
|                       | Light gauge steel          |                 | 10%       |                                 | 3.030                            | 0                                     | 0                                     | 0                                     |
|                       | Steel structural sections  | 0               | 10%       |                                 | 1.550                            | 0                                     | 0                                     | 0                                     |
|                       | CLT                        |                 | 10%       |                                 | 0.437                            | 0                                     | 0                                     | 0                                     |
| <b>TOTALS</b>         |                            |                 |           |                                 |                                  | <b>813,218</b>                        | <b>34,841</b>                         | <b>848,060</b>                        |

|   |   |  |        |  |        |  |        |  |        |       |        |  |        |  |        |  |  |
|---|---|--|--------|--|--------|--|--------|--|--------|-------|--------|--|--------|--|--------|--|--|
| <b>Summary:</b>   |   |  |        |  |        |  |        |  |        |       |        |  |        |  |        |  |  |
| <table border="1"> <tr><td>Efficiency Rating (kg CO<sub>2</sub>e/ m<sup>2</sup>)</td><td></td></tr> <tr><td>A: 150</td><td></td></tr> <tr><td>B: 200</td><td></td></tr> <tr><td>C: 250</td><td></td></tr> <tr><td>D: 300</td><td>← 212</td></tr> <tr><td>E: 350</td><td></td></tr> <tr><td>F: 400</td><td></td></tr> <tr><td>G: 450</td><td></td></tr> </table> | Efficiency Rating (kg CO <sub>2</sub> e/ m <sup>2</sup> ) |  | A: 150 |  | B: 200 |  | C: 250 |  | D: 300 | ← 212 | E: 350 |  | F: 400 |  | G: 450 |  | EC from material impact: <b>813,218 kg</b> , or <b>813 tonnes</b> <b>96%</b><br>EC from transport impact: <b>34,841 kg</b> , or <b>35 tonnes</b> <b>4%</b><br>Total EC from both impacts: <b>848,060 kg</b> , or <b>848 tonnes</b> <b>100%</b><br><br>Floor area of building: <b>4,000 m<sup>2</sup></b><br>Thus, EC per m <sup>2</sup> : <b>212 kg CO<sub>2</sub>e/ m<sup>2</sup></b> (= total EC / floor area)<br>Rating: <b>C</b> |
| Efficiency Rating (kg CO <sub>2</sub> e/ m <sup>2</sup> )   |   |  |        |  |        |  |        |  |        |       |        |  |        |  |        |  |  |
| A: 150  |   |  |        |  |        |  |        |  |        |       |        |  |        |  |        |  |  |
| B: 200  |   |  |        |  |        |  |        |  |        |       |        |  |        |  |        |  |  |
| C: 250  |   |  |        |  |        |  |        |  |        |       |        |  |        |  |        |  |  |
| D: 300  | ← 212   |  |        |  |        |  |        |  |        |       |        |  |        |  |        |  |  |
| E: 350  |   |  |        |  |        |  |        |  |        |       |        |  |        |  |        |  |  |
| F: 400  |   |  |        |  |        |  |        |  |        |       |        |  |        |  |        |  |  |
| G: 450  |   |  |        |  |        |  |        |  |        |       |        |  |        |  |        |  |  |

Our engineers determine the mass of each primary structural material, multiply it by a factor corresponding to waste expected in the fabrication/construction process (say 5-10%) and multiply it again by an embodied carbon constant (column labelled 'EC/kg' above) particular to each material. This constant gives the embodied carbon impact of 1kg of a material in terms of equivalent mass of CO<sub>2</sub>. We also add for transport impact, but for heavy, carbon intensive materials, the transport impact is usually only 2-3% of the total and could be ignored in a relative study.

For example, in the spreadsheet above, steel reinforcement has an embodied carbon factor of 1.990kg of CO<sub>2</sub> impact for every kg of steel used. Note that this is higher than the constant for steel sections (1.550kgCO<sub>2</sub>/kg), due to a less carbon-efficient production process used for reinforcement. These constants are available in a national database founded on widespread research. Constants are available as shown for all the common construction materials. Note that the constant for concrete is much smaller than for steel (0.112kgCO<sub>2</sub>/kg above) but concrete impact can be very great due to the large quantities involved.

As can be seen, the individual material totals can then be added up to give an overall embodied carbon content for the whole structure. A rate of embodied carbon used per square metre of floor can also be simply determined. We are developing graphics (such as the 'energy sticker' shown above) to illustrate this more clearly in our designs and reports.

## 8.0 Sustainability

Structural engineering can have direct control of, or influence over the following elements of the design which relate to the delivery of a sustainable and appropriate design solution:

- Selection of a simple structural grid and efficient structural form
- Limiting numbers of building materials to reduce waste
- On-site reuse of materials from demolitions or excavations
- Balancing selection of design loadings to minimize material use, versus provision of future flexibility/adaptability/deconstruction
- Use of reclaimed, recycled, 'A-rated' or 'green' building materials
- Use of specifications to ensure material suppliers use environmental management systems
- Avoidance of synthetic chemicals, polyvinyl chloride (PVC), etc.
- Assessment of embodied energy and potential reductions
- Assessment of prefabrication to minimize waste, if the carbon emissions resulting from transport do not outweigh the benefits
- Specifications to reduce construction and packaging waste
- Integrated drainage systems to minimize run-off

## 9.0 CDM – Key Risks

A structural risk register will be collated as the design progresses and the construction methodologies are confirmed. The following list is not exhaustive but is used to highlight the significant structural risks that will need to be identified and mitigated against as the design moves forward.

|     | Risk  | Proposed mitigation  |
|-----|---|--|
| 1.0 | Late or incomplete intrusive substructure investigation data                      | Early scope and appointment of contractor  |
| 2.0 | The presence of asbestos in the building needs to be confirmed                    | Full D&R asbestos survey to be undertaken and any acm's to be removed prior to works starting.   |
| 3.0 | Complications related to programme and practicality's of demolition               | Early engagement with a specialist demolition contractor to ensure that complexities are understood and overcome prior to works being commissioned       |
| 4.0 | Unacceptable damaging interface between the new and existing foundation systems   | Existing foundations to be surveyed to establish exact size and form of existing foundations.  |
| 5.0 | Unacceptable interfacing or loading of the existing building frame superstructure | Keep the new and old structures independent in the design.   |
| 6.0 | Presence of unknown services not highlighted on existing records.                 | Carry out surface scanning to check for unknown buried services.   |
| 7.0 | Damage to building fabric during the demolition and refurbishment work            | Ensure a careful and competent contractor is appointed with suitable experience in this type of work. Clearly define the extent of any demolition works. |
| 8.0 | Location of existing below ground drainage connections and their routes           | Carry out a survey to establish the current routing and location of the existing below ground drainage   |

## 10.0 Further investigations and surveys required

- Phase 1 Ground Investigation to assist with planning submission
- Asbestos survey
- CCTV Survey and mapping of existing below ground drainage
- Topographical survey
- Below ground services drawing
- Investigations to existing walls to be removed to confirm they are non-load bearing
- Structural record drawings for main Quantock, Brendon and Mendip blocks

## 11.0 Appendices

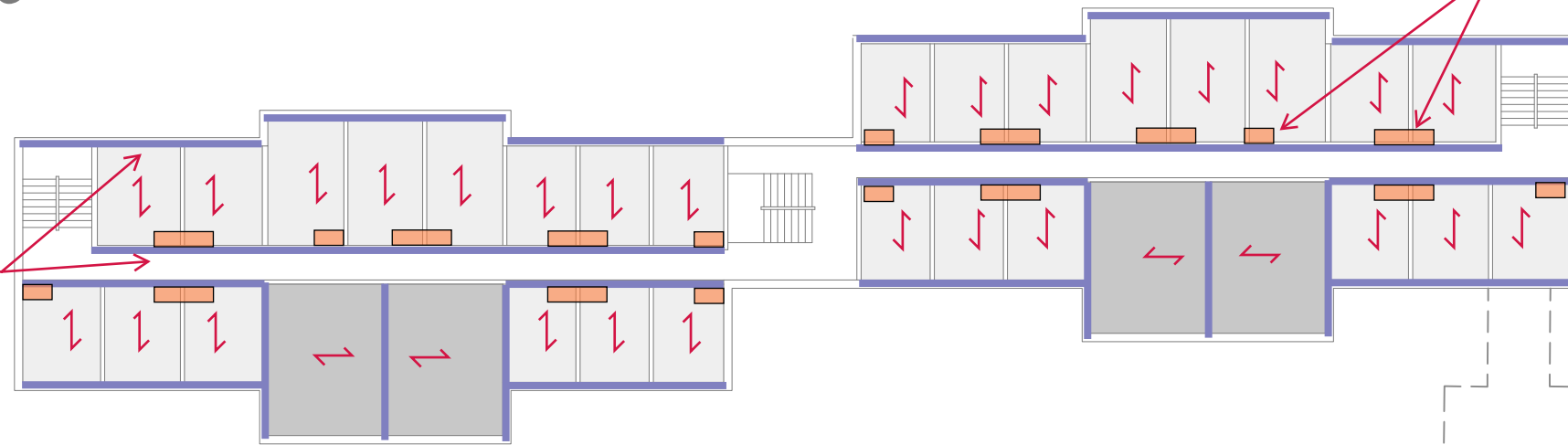
### Appendix A Existing /Proposed Structure

# Mendip

3 storey

It is anticipated that the external and corridor walls are load bearing

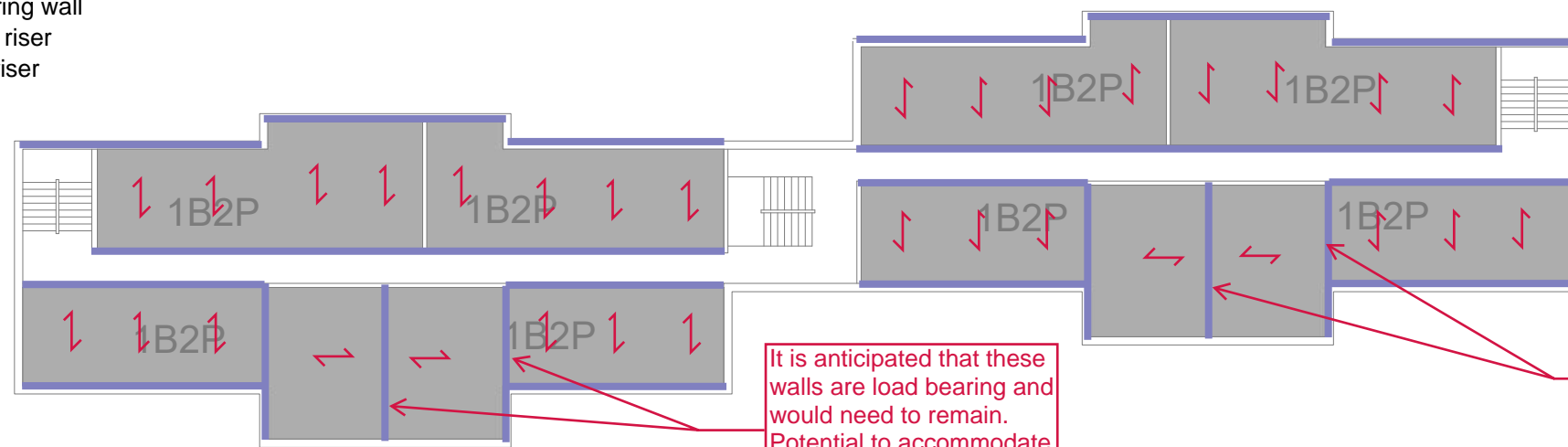
Existing bathroom risers



## Existing

possible demolition of extension to improve site layout (no existing drawings available)

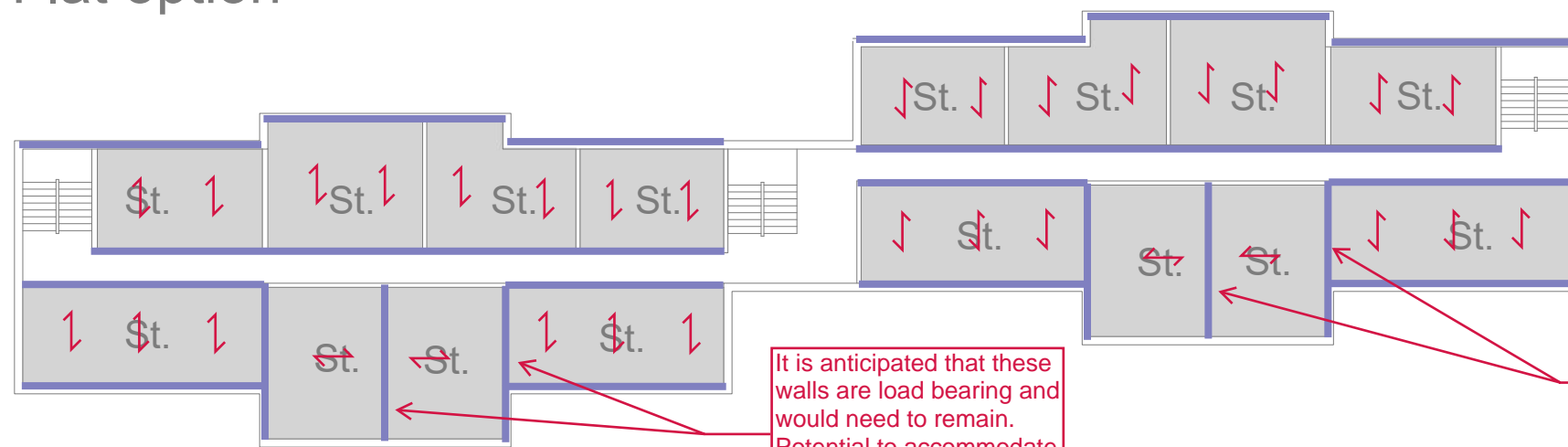
- Span of floor
- Span of roof
- Floor beam
- Roof beam/truss
- Load bearing wall
- Bathroom riser
- Services riser



## Flat option

It is anticipated that these walls are load bearing and would need to remain. Potential to accommodate a door opening through if necessary

It is anticipated that these walls are load bearing and would need to remain. Potential to accommodate a door opening through if necessary



## Studio option

It is anticipated that these walls are load bearing and would need to remain. Potential to accommodate a door opening through if necessary

It is anticipated that these walls are load bearing and would need to remain. Potential to accommodate a door opening through if necessary

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Notes:

- Existing Bedrooms
- Existing Communal
- Flatlette
- Apartment

Capacity:  
Existing - 84 x bedrooms  
Flats - 24 x 1B2P F  
Studios - 48 x 1B1P S

Note: studio option will require some communal / support areas. This will potentially reduce the number of rooms available.



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Status: PRELIMINARY

Project: Canonsgrove Halls

Drg Title: Mendip Block Existing structure

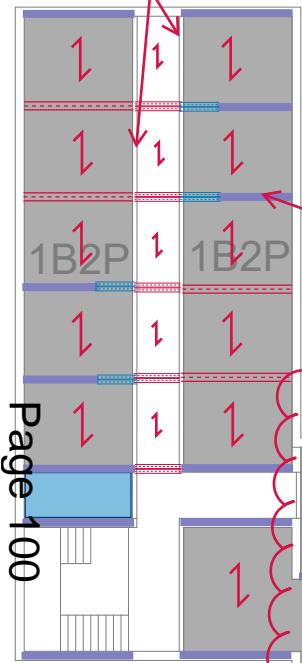
|            |          |              |           |             |
|------------|----------|--------------|-----------|-------------|
| Scale: NTS | Size: A1 | First Issue: | Drawn: NW | Checked: NW |
|------------|----------|--------------|-----------|-------------|

|                                     |          |
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| Drg No: 077700-CUR-XX-ZZ-DR-S-04001 | Rev: P01 |
|-------------------------------------|----------|

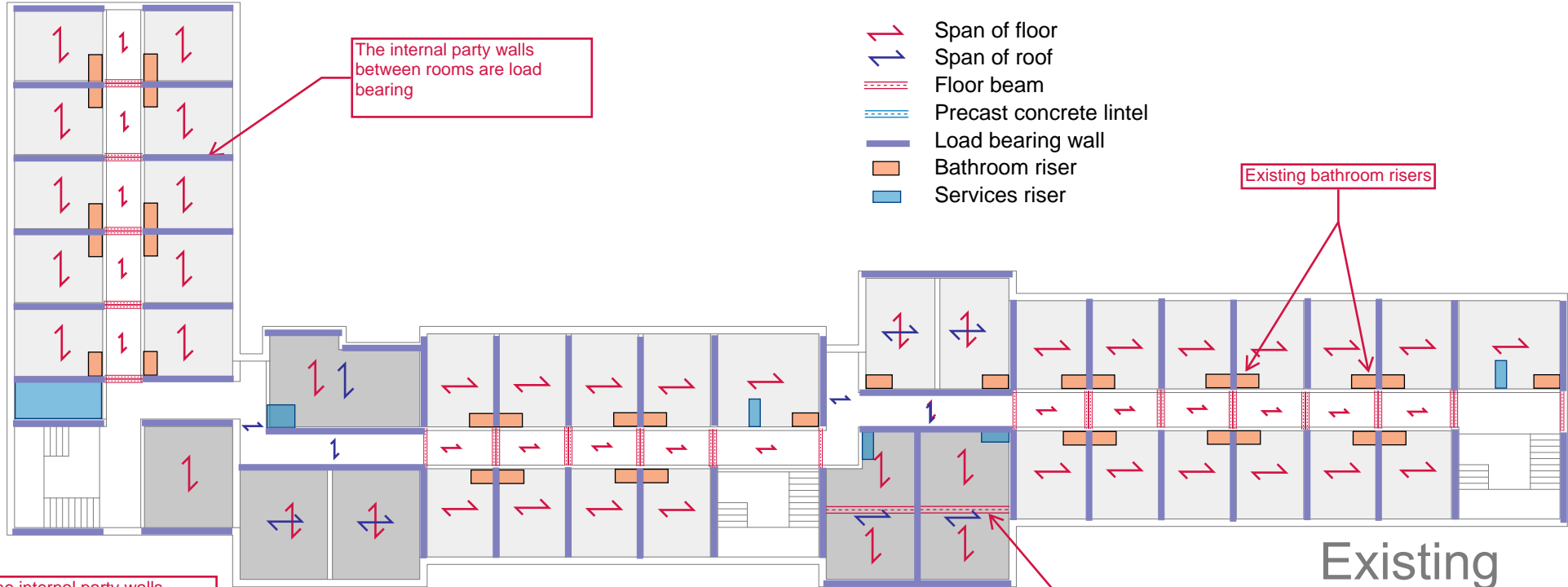
# Quantock

## 2 storey

The corridor walls do not appear to be significantly load bearing other than potentially providing support to the beams spanning the corridor



Page 100



- Span of floor
- Span of roof
- Floor beam
- Precast concrete lintel
- Load bearing wall
- Bathroom riser
- Services riser

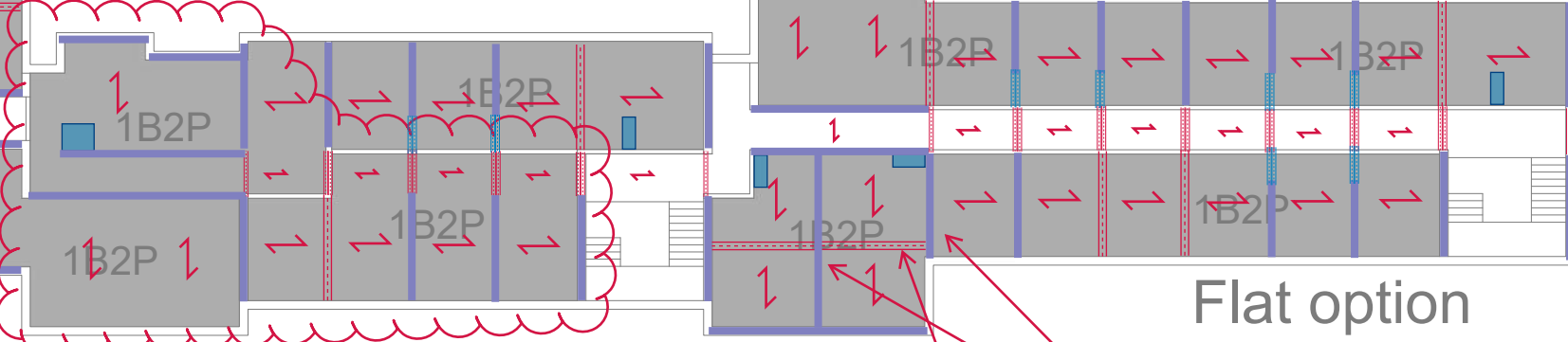
The internal party walls between rooms are load bearing

Existing bathroom risers

Existing

The internal party walls between rooms are load bearing and would need to be retained to ensure lateral stability of the building

Existing Steel beams supporting floors



Flat option

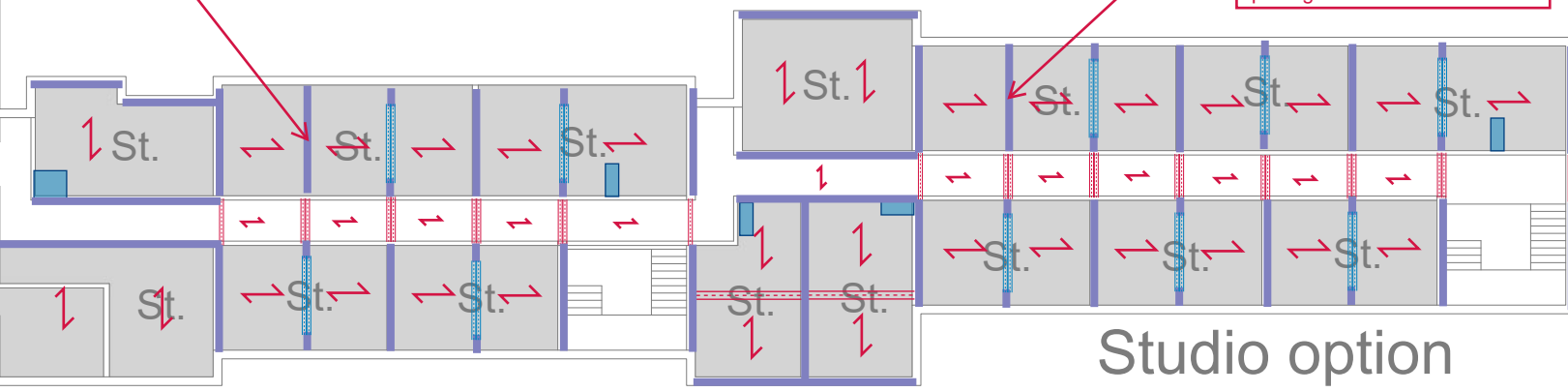
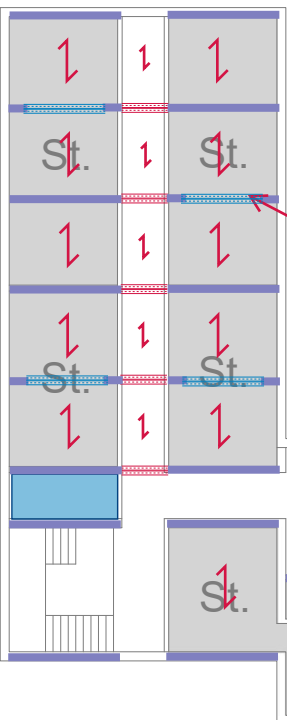
The arrangement of the flats in here will result in a significant amount of load bearing walls to be removed which will require significant structural alterations. Consider Studio options here

This wall is load bearing and would need to remain as it provides support to the steel beams. Potential to accommodate a door opening through if necessary but this would need to be located away from the beams by a min 1.5m. Alternatively larger steel frames

Existing Steel beams supporting floors

The internal party walls between rooms are load bearing. Lintels used over openings to create linked space for single door opening.

The internal party walls between rooms are load bearing. Lintels used over openings to create linked space. Note that only every other wall can have the large ~2.2m wide opening. Ideally they are staggered across the building



Studio option

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Notes:

- Existing Bedrooms
- Existing Communal
- Flatlette
- Apartment

Capacity:  
Existing - 68 x bedrooms  
Flats - 20 x 1B2P F  
Studios - 40 x 1B1P S

Note: studio option will require some communal / support areas. This will potentially reduce the number of rooms available.



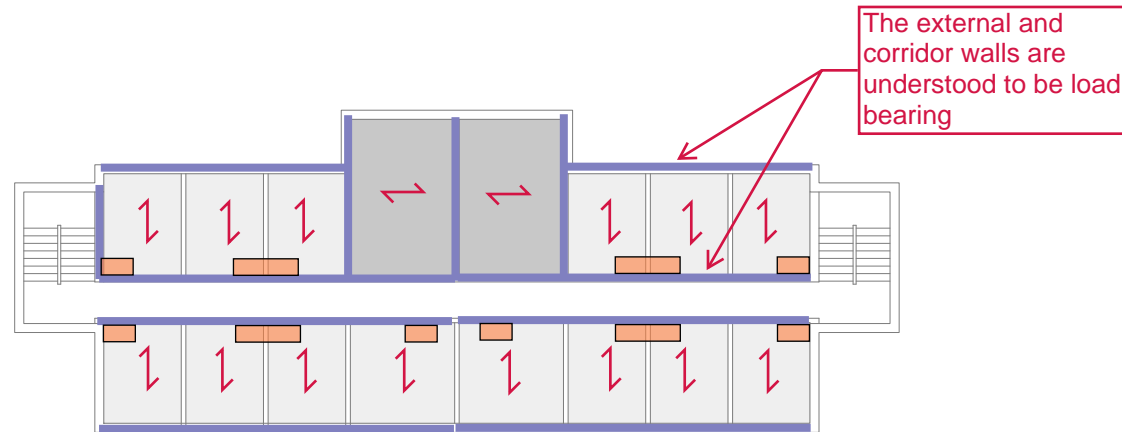
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|            |                                      |          |    |              |
|------------|--------------------------------------|----------|----|--------------|
| Status:    | PRELIMINARY                          |          |    |              |
| Project:   | Canonsgrove Halls                    |          |    |              |
| Drg Title: | Quantock Block<br>Existing structure |          |    |              |
| Scale:     | NTS                                  | Size:    | A1 | First Issue: |
| Drawn:     | NW                                   | Checked: | NW | Rev:         |
| Drg No:    | 077700-CUR-XX-ZZ-DR-S-04002          |          |    | P02          |

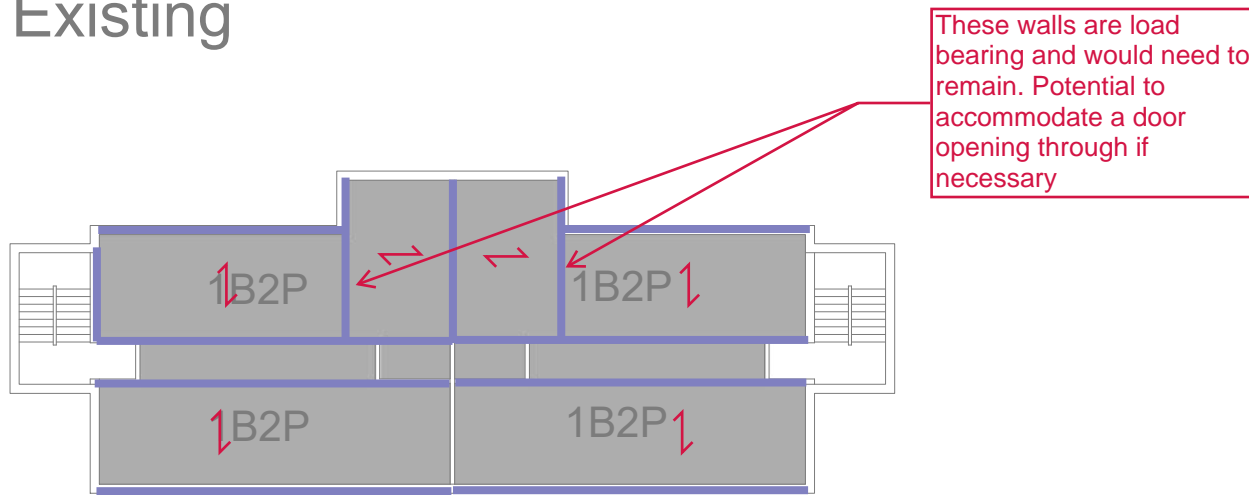


# Blackthorn

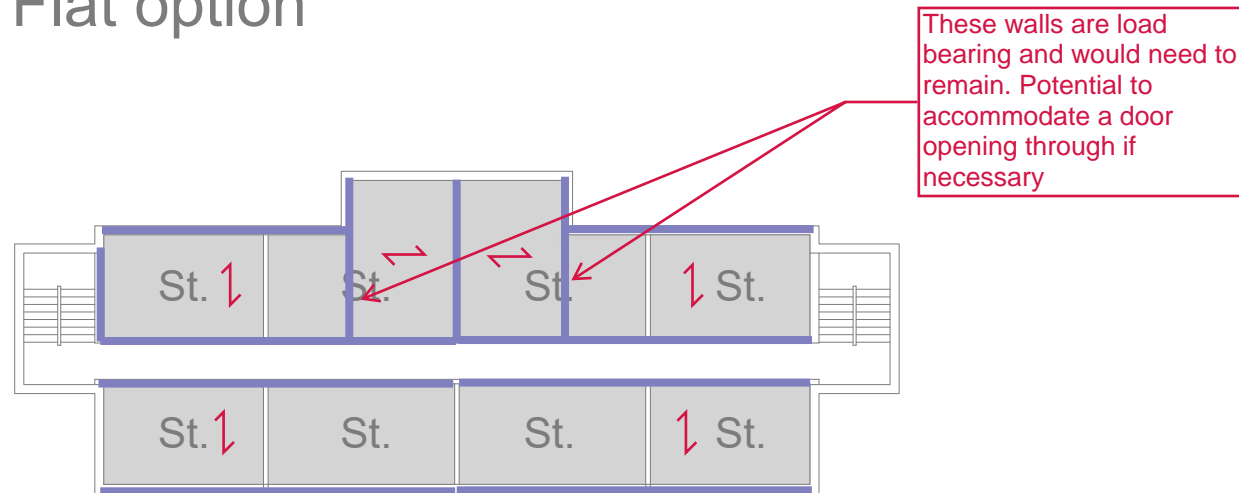
3 storey



Existing



Flat option



Studio option

- Span of floor
- Span of roof
- Floor beam
- Roof beam/truss
- Load bearing wall
- Bathroom riser
- Services riser

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Notes:

- Existing Bedrooms
- Existing Communal
- Flatlette
- Apartment

Capacity Blackthorn:  
 Existing - 42 x bedrooms  
 Flats - 12 x 1B2P F  
 Studios - 24 x 1B1P S

Note: studio option will require some communal / support areas. This will potentially reduce the number of rooms available.

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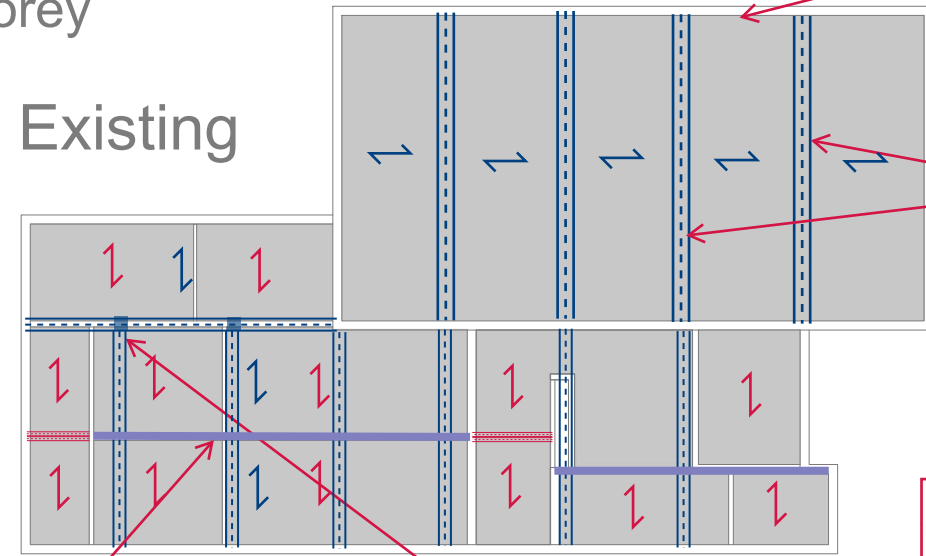
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|            |                                       |          |    |              |
|------------|---------------------------------------|----------|----|--------------|
| Status:    | PRELIMINARY                           |          |    |              |
| Project:   | Canonsgrove Halls                     |          |    |              |
| Drg Title: | Blackdown Block<br>Existing structure |          |    |              |
| Scale:     | NTS                                   | Size:    | A1 | First Issue: |
| Drawn:     | NW                                    | Checked: | NW |              |
| Drg No:    | 077700-CUR-XX-ZZ-DR-S-04003           |          |    | Rev:         |
|            |                                       |          |    | P01          |

# Blackthorn

3 storey

Existing

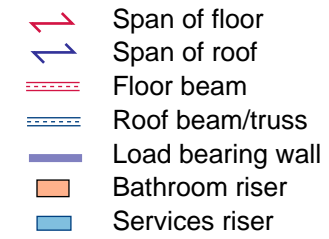


Existing masonry likely to provide lateral restraint between columns and provide stability to the ends of the building

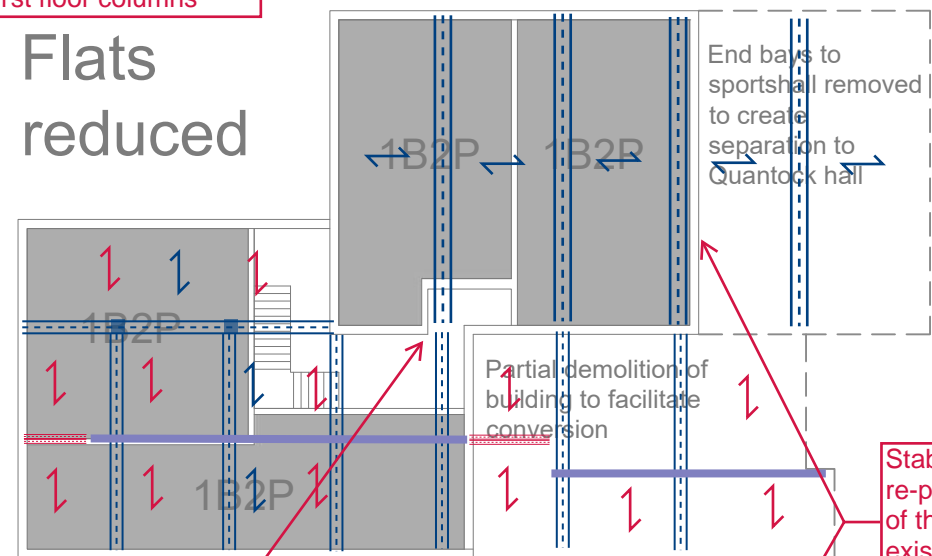
Existing sports hall roof trusses spanning across hall supported on columns

Metal roof deck spanning onto timber joists supported on steel beams supported by steel columns bearing onto the load bearing masonry below

Existing load bearing walls supporting floor over along with 1st floor columns



Flats reduced



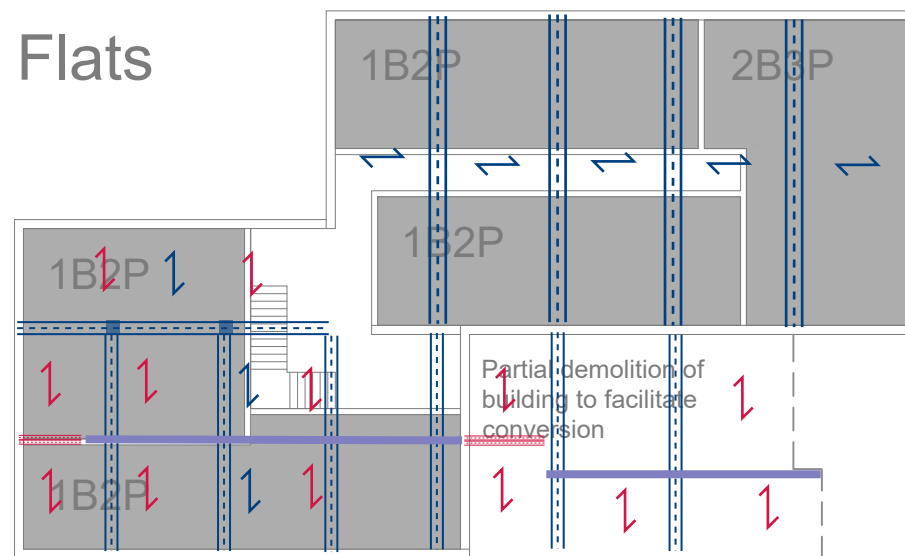
End bays to sports hall removed to create separation to Quantock hall

Partial demolition of building to facilitate conversion

Stability will need to be re-provided at the end of the building once the existing end wall has been removed.

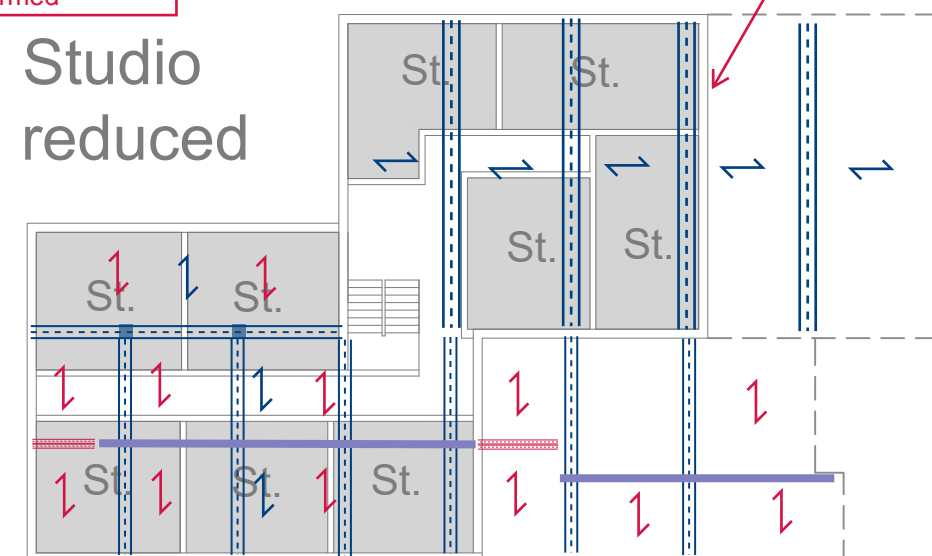
Impact on existing columns to be confirmed

Flats

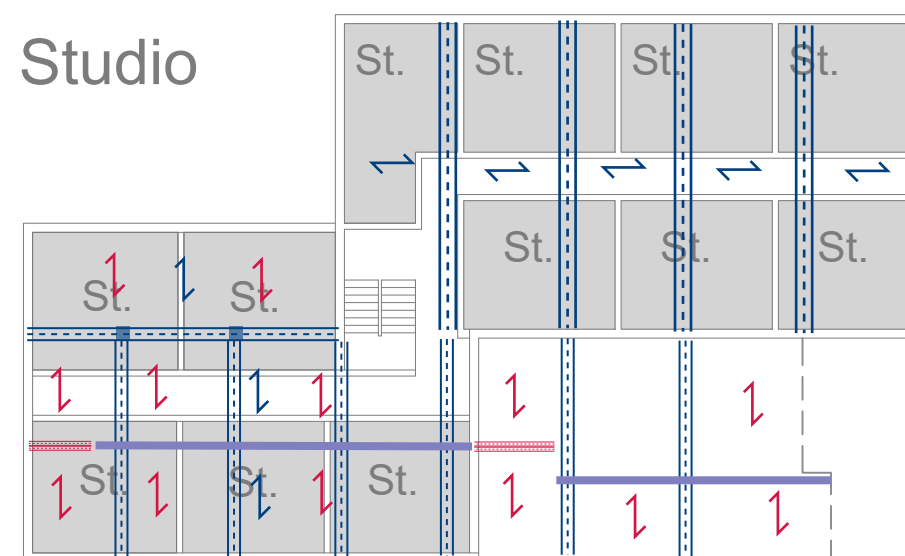


Partial demolition of building to facilitate conversion

Studio reduced



Studio



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Notes:

Capacity Brendon:  
Flats - 8 x 1B2P F, 2 x 2B3P F  
Studios - 24 x 1P1B S  
(studio option will require some communal areas in addition)

Capacity Brendon (reduced footprint):  
Flats - 8 x 1B2P F  
Studios - 18 x 1P1B S

Note: studio option will require some communal / support areas. This will potentially reduce the number of rooms available.



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Status: PRELIMINARY

Project: Canonsgrove Halls

Drg Title: Brendon Block Existing structure

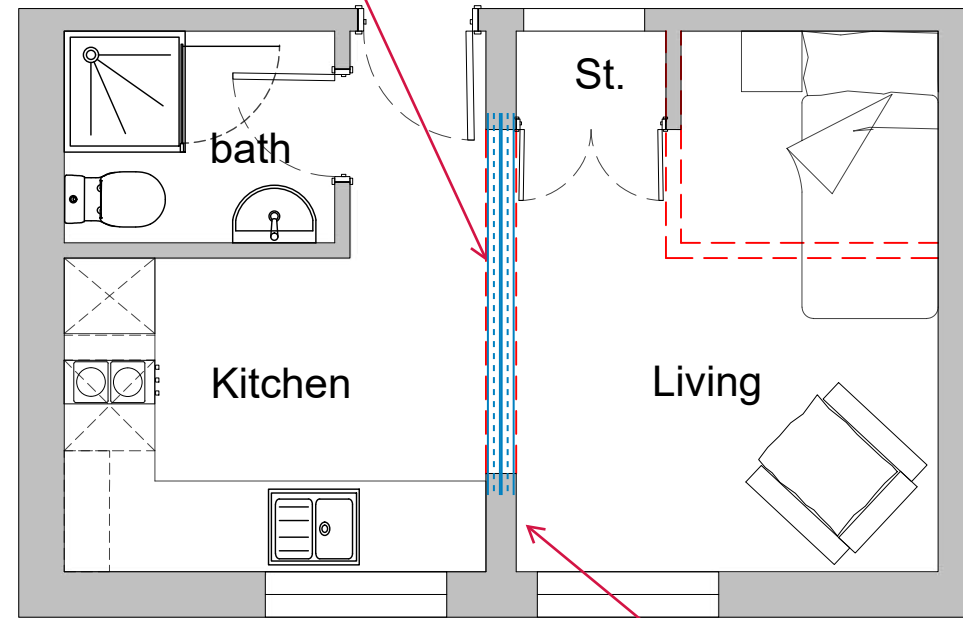
|            |          |              |           |             |
|------------|----------|--------------|-----------|-------------|
| Scale: NTS | Size: A1 | First Issue: | Drawn: NW | Checked: NW |
|------------|----------|--------------|-----------|-------------|

|                                     |          |
|-------------------------------------|----------|
| Drg No: 077700-CUR-XX-ZZ-DR-S-04004 | Rev: P01 |
|-------------------------------------|----------|

This drawing is copyright and may not be reproduced without the permission of gcp Chartered Architects Ltd. All drawings to be read in conjunction with the project specification with all works carried out in accordance with the latest British Standards and Codes of practice. Except for the purposes of assessing planning applications; this drawing is not to be scaled, use figured dimensions only. All dimensions are to be checked on site and any discrepancies between this drawing and other information given elsewhere must be reported to gcp Chartered Architects before work proceeds.

Notes:

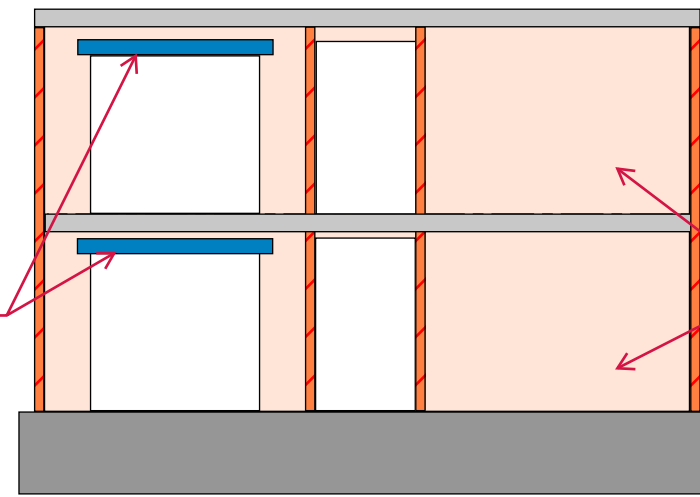
Pair of R8 215dp x 140wd pre stressed concrete lintels



**1b1ps - 20 m<sup>2</sup>**

Length of wall to be min 600mm either side of opening

Pair of R8 215dp x 140wd pre stressed concrete lintels to support floor with min bearing of 150mm



Studio structural adjustments

Retain the existing load bearing masonry wall across the corridor from where the new openings are formed to retain building stability

152 UC frames installed to provide support to the existing structure for full width openings. Note frame at ground floor will require a bottom beam to allow the concentrated loads to be spread along the existing foundation



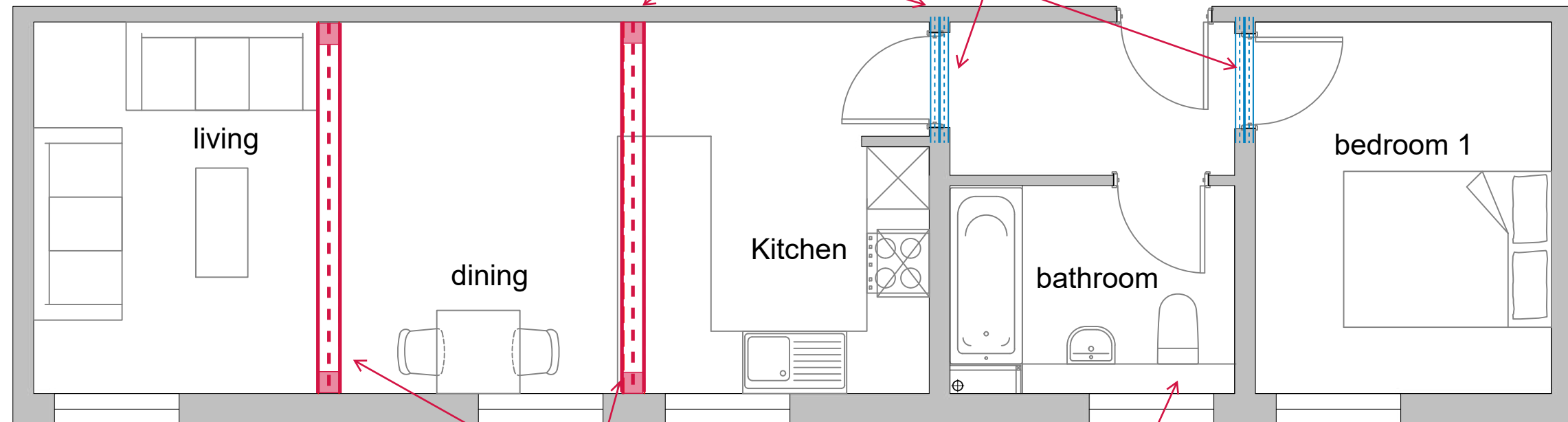
Flat structural adjustments

Retain the existing load bearing masonry wall across the corridor from where the new openings are formed to help retain building stability in combination with frames.

Page 103

Confirmation of support to corridor beams required

Pair of R8 215dp x 140wd pre stressed concrete lintels over openings



**1b2pf - 50 m<sup>2</sup>**

Note: Flats are better located at 1st floor due to the larger opening requirements if a combination of studios and flats are adopted as this may reduce the structural requirements from that shown

Steel frames to support structure and help reinstate stability. Flat layouts to be handed to ensure the walls of the bathroom to be retained across the building for lateral stability. Alternatively ideally piers here >600mm long but this would reduce the allowable opening width to 2.2m.

Existing drainage runs for Quantock are located along the corridor walls



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Birmingham • Bristol • Cardiff • Douglas • Edinburgh • Kendal • Leeds • Liverpool • London • Manchester • Nottingham

Status: PRELIMINARY

Project: Canonsgrove Halls

Drg Title: Proposed structure (Quantock Block)

|            |          |              |           |             |
|------------|----------|--------------|-----------|-------------|
| Scale: NTS | Size: A1 | First Issue: | Drawn: NW | Checked: NW |
|------------|----------|--------------|-----------|-------------|

|                                     |          |
|-------------------------------------|----------|
| Drg No: 077700-CUR-XX-ZZ-DR-S-04005 | Rev: P01 |
|-------------------------------------|----------|

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**APPENDIX B - The Forecastle Case Study**





New flats replace the previous poorly-built accommodation



## The Forecastle | Alveston, Bristol

**Client:** Elim Housing Association

**Value:** £1.14m

**Services provided:** Feasibility Study, Funding Application Support, Planning Stage Design, Public Consultation, Planning Application, Detailed Design, Principal Designer, Contract Administration

**Redevelopment of 'move-on' accommodation for homeless people in the Green Belt, adjacent to listed sites.**

Through refurbishment and extension, **gcp** created an inspiring development of eighteen new self-contained flats for Elim Housing, designed to facilitate independent living and provide a supportive environment for homeless people, with links into health, training and employment networks.

The flats were provided through conversion of an existing building and new build replacement accommodation in the grounds. The former garage was transformed into the Gatehouse, a room available for use by the local community.

In light of the highly sensitive use within an established residential area, **gcp** designed and led the stakeholder and resident engagement process which resulted in no neighbour objections.



The Gatehouse - the former garage is now a community room





Poor quality accommodation previously made inefficient use of the site



The new scheme maximises the potential of the site



Refurbishment and extension within a sensitive heritage context

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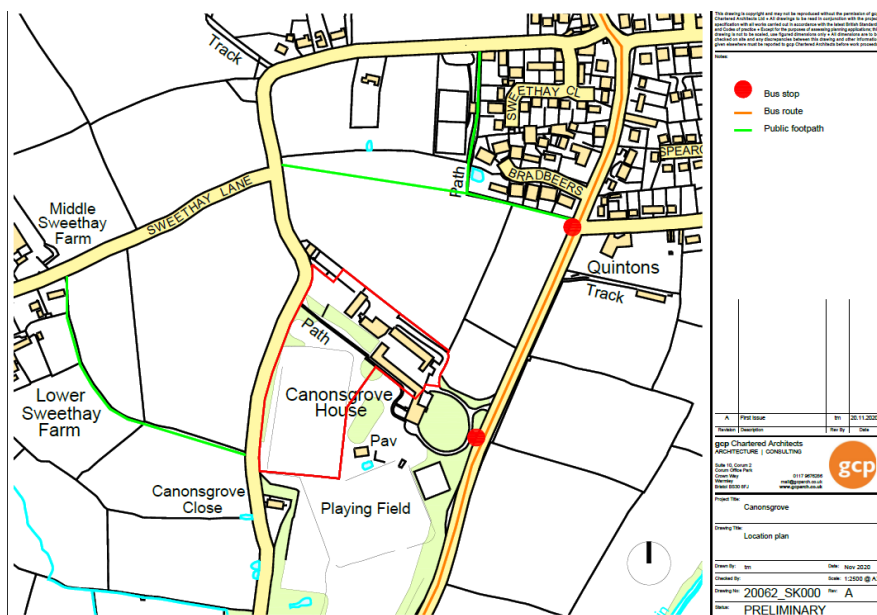
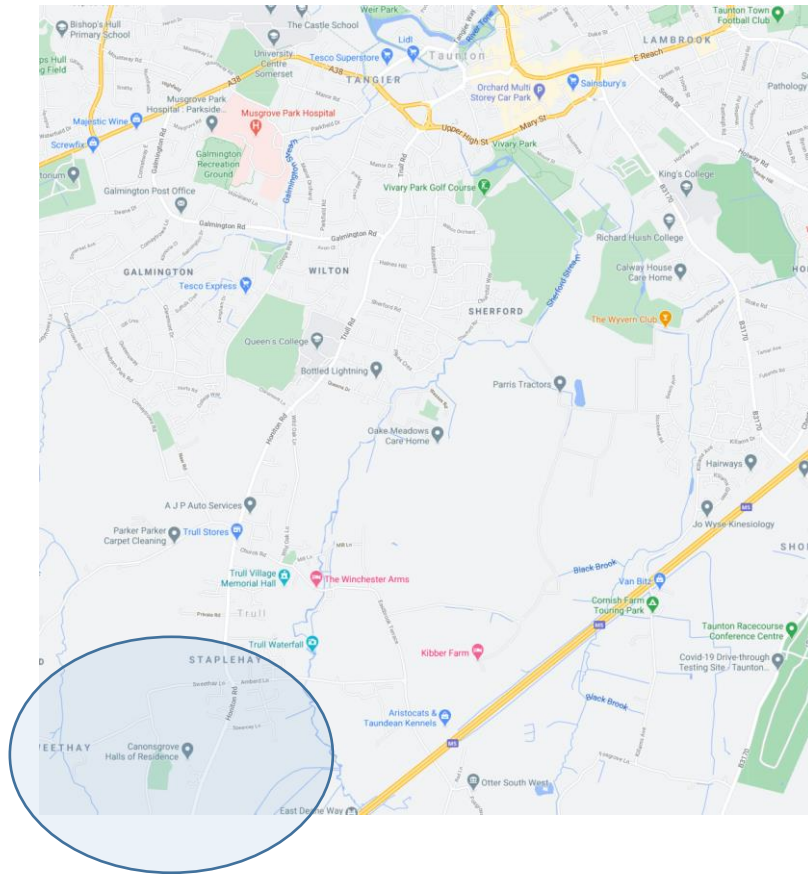
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**Somerset West  
and Taunton**

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## Canonsgrove - Site Location Map





# Somerset Equality Impact Assessment

The [EIA guidance notes](#) will help you complete this assessment.

If you need help or advice please contact Paul Harding. [P.harding@somersetwestandtaunton.gov.uk](mailto:P.harding@somersetwestandtaunton.gov.uk)

**Organisation prepared for**

**Somerset West and Taunton Council**

**Version**

1

**Date Completed**

25/02/2021

**Description of what proposed change or policy is being impact assessed**

Option; OPTIONS APPRAISAL FOR DELIVERING FUTURE SINGLE ROUGH SLEEPER AND HOMELESS ACCOMMODATION IN SWT

**Evidence**

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

SWT Draft Single Homeless Accommodation Strategy Feb 2021  
 Somerset Homelessness and Rough Sleeper Strategy and Action Plan 2019 to 2023  
 Somerset Housing Strategy 2019 – 2023  
 Homelessness Act 2002  
 The Homelessness Reduction Act 2017  
 Crisis report "It's no life at all" 2016  
 Crisis report "homelessness kills" 2012  
 NHS Rough Sleepers Report 2019 <https://www.england.nhs.uk/2019/10/rough-sleepers-in-homeless-hotspots-to-benefit-from-nhs-mental-health-outreach/>  
<https://www.mentalhealth.org.uk/statistics/mental-health-statistics-homelessness>  
 Public Health England – Health Matters 2020  
<https://www.homeless.org.uk/connect/blogs/2019/feb/13/making-homelessness-services-more-trans-inclusive>  
<https://www.bigissue.com/latest/black-people-are-more-than-three-times-as-likely-to-experience-homelessness/>

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

We have undertaken detailed needs assessments with everyone accommodated at Canonsgrove and also undertaken a number of case studies which have supported much of the national evidence that exists around statistics on rough sleepers. This includes some of the following national statistics:

- Average life expectancy of a male rough sleeper is 44 and female rough sleeper 42 (compared to 80 for men and 84 for women in Taunton) (source: Public Health England – Health Matters and Somerset Intelligence website)
- 90% of rough sleeper deaths are male and 10% female (compared to 48% and 52% nationally) (Source Crisis: homelessness kills). Suicide accounts for 13% of deaths (source Public Health England)
- Nationally, 84% of rough sleepers are male and 16% female. 6% were aged 25 or younger (and 94% over 25)
- Nationally, 64% are UK nationals; 22% EU nationals and 3% non-EU nationals (Public Health England: Health Matters)
- 77% of people sleeping rough experience violence or anti-social behaviour against them (Source: Crisis: It's no life at all)
- 45% had been intimidated or threatened (Source: Crisis It's no life at all).
- 80% of rough sleepers experienced childhood trauma (Source: NHS rough sleepers report)
- 46% had physical health needs. One third nationally are not registered with a GP and homeless people access to A&E services are 8x higher than the average person. (Source: Public Health England)
- 80% of homeless people have reported poor mental health and 45% have been diagnosed with a mental health condition. (Source: Mental Health org.uk)
- Addiction is a big issue. 42% had alcohol misuse needs and 41% had drug misuse needs (Source: Public Health England).
- Nationally, 10.7% of people applying for help with homelessness were black (but only 3% of population) (Big Issue 2020).

It is worth noting that the work over the past year through providing a 'hub' model of support that brings together practitioners on mental health, addiction services, physical health, social care and other support has made a positive difference on many of the above inequalities locally. For example, 9% of deaths nationally are related to liver related disease (Source: Public Health England) and we have brought in Hepatitis screening and treatment. We have also registered everyone with a GP and many of the risk factors associated with rough sleeping above are removed simply through accommodating rough sleepers.

The Canonsgrove option appraisal seeks a solution to continue to provide wrap around support and accommodate rough sleepers into the longer term and therefore will positively affect all of the issues outlined above once delivered. These aspirations were set out in the Executive report November 2020. The report does make reference to the draft Single Homeless Accommodation Strategy which will come forward to full Council later in the year and include an Equality Impact Assessment to support the strategy and any changes in provision as a result of the strategies adoption.

Consultation in relation to the Canonsgrove option appraisal has been primarily held with providers of homeless accommodation to consider alternative models of delivering accommodation to this customer group.

| <b>Analysis of impact on protected groups</b>  |  |                          |                          |                                     |
|--|--|--------------------------|--------------------------|-------------------------------------|
| The Public Sector Equality Duty requires us to eliminate discrimination, advance equality of opportunity and foster good relations with protected groups. Consider how this policy/service will achieve these aims. In the table below, using the evidence outlined above and your own understanding, detail what considerations and potential impacts against each of the three aims of the Public Sector Equality Duty. Based on this information, make an assessment of the likely outcome, before you have implemented any mitigation. |  |                          |                          |                                     |
| <b>Protected group</b>   | <b>Summary of impact</b>   | <b>Negative outcome</b>  | <b>Neutral outcome</b>   | <b>Positive outcome</b>             |
| <b>Age</b>   | <ul style="list-style-type: none"> <li>Age needs to be defined differently for rough sleepers, as the average life expectancy is 44 (men) and 42 (women). The Options Appraisal proposes a way forward to provide accommodation and support to rough sleepers which will inevitably lead to people's life expectancy increasing.</li> </ul>  | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| <b>Disability</b>  | <ul style="list-style-type: none"> <li>Evidence above shows that rough sleepers are disproportionately affected by poor physical health. The recommended option allow resources to be focused on the client group. The new accommodation supply will use the draft Single Homeless accommodation strategy to better match accommodation and individual needs including access and mobility requirements</li> </ul> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| <b>Gender reassignment</b>   | <ul style="list-style-type: none"> <li>Evidence suggests that homeless amongst trans people is disproportionately high, although we have not encountered this locally. Provision of more accommodation will provide greater capacity to provide safe shelter for single homeless customers including those going through gender reassignment.</li> </ul>   | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| <b>Marriage and civil partnership</b>  | <ul style="list-style-type: none"> <li>No specific additional outcomes identified. However the recommended option provides SWT with the accommodation capacity to provide safe shelter for single homeless customers status.</li> </ul>  | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

|   |  |                          |                                     |                                     |
|---|--|--------------------------|-------------------------------------|-------------------------------------|
| <b>Pregnancy and maternity</b>  | <ul style="list-style-type: none"> <li>No specific additional outcomes identified as a statutory consideration applies for women who approach the Council and are homeless and are pregnant.</li> </ul>  | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
| <b>Race and ethnicity</b>   | <ul style="list-style-type: none"> <li>There is national evidence to suggest that BAME communities are more likely to suffer from homelessness and rough sleeping. No specific additional outcomes identified. However the recommended option provides SWT with the accommodation capacity to provide safe shelter for single homeless customers regardless of their race and ethnicity</li> </ul>   | <input type="checkbox"/> | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |
| <b>Religion or belief</b>   | <ul style="list-style-type: none"> <li>No specific additional outcomes identified. However the recommended option provides SWT with the accommodation capacity to provide safe shelter for single homeless customers regardless of their religion and beliefs.</li> </ul>  | <input type="checkbox"/> | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |
| <b>Sex</b>  | <ul style="list-style-type: none"> <li>Homelessness and rough sleeping disproportionately affects men. The strategy has identified a lack of single homeless accommodation exclusively for women. The draft Single Homeless Accommodation strategy will have an opportunity to address this. However the recommended option provides SWT with the accommodation capacity to provide safe shelter for single homeless customers regardless of sex.</li> </ul> | <input type="checkbox"/> | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |
| <b>Sexual orientation</b>   | <ul style="list-style-type: none"> <li>No specific additional outcomes identified. However the recommended option provides SWT with the accommodation capacity to provide safe shelter for single homeless customers regardless of their sexual orientation.</li> </ul>  | <input type="checkbox"/> | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |
| <b>Other, e.g. carers, veterans, homeless, low income, rurality/isolation, etc.</b> | <ul style="list-style-type: none"> <li>The recommendation build on the ambitions and contribution to equality made in the Somerset Housing Strategy and the Somerset Homeless and Rough Sleeper strategy and action plan. This report reflects the sentiments of these strategies.</li> </ul>  | <input type="checkbox"/> | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |

|  |  |  |  |  |
|--|--|--|--|--|
|  | <ul style="list-style-type: none"> <li>• The draft Single Homeless Accommodation Strategy provides a framework to better match the diverse range of needs which single homeless customers have ranging from access to accommodation able to match their ability to live independently to accommodation which provides a higher level of support which will increase their opportunity to develop skills and habits which over time will help them sustain independent accommodation.</li> <li>• The Accommodation Strategy also includes consideration of provision for veterans to ensure these are catered for.</li> <li>• The recommended option for Canonsgrove will retain and focus SWT resources on the provision of accommodation and support for single homeless and not dilute energy and financial resources in accommodation which the market is able to provide.</li> </ul> |  |  |  |
|--|--|--|--|--|

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

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

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

N/A

|   |                     |
|---|---------------------|
| <b>Completed by:</b>                        | <b>Chris Brown</b>  |
| <b>Date</b>                                 | <b>25/02/2021</b>   |
| <b>Signed off by:</b>                       | <b>James Barrah</b> |
| <b>Date</b>                                 | <b>25/02/2021</b>   |
| <b>Equality Lead/Manager sign off date:</b> | <b>25/02/2021</b>   |
| <b>To be reviewed by: (officer name)</b>    | <b>Simon Lewis</b>  |
| <b>Review date:</b>                         | <b>25/02/2023</b>   |



## **Appendix 5: Resident Correspondence on Canonsgrove**

**The Council received two letters of complaint in February since Christmas with respect to Canonsgrove and two letters from SWT councillors. These are included below with responses where provided.**

**The Parish Council 'Canonsgrove Sub-group' also undertook a survey and the responses to this are summarised in this Appendix along with a representation from an ex-statistics teacher living in Trull, questioning the statistical validity of the survey.**

### **Representation from Trull Resident, dated 5/2/21**

I wish to make a formal complaint regarding the councils actions in allowing the continuation of the highly inappropriate homeless and rehabilitation encampment at Canonsgrove, Trull, a rural residential area.

As a long standing member of the local community, I have been dismayed by the lack of respect shown to the local population, the lack of governance and due diligence shown by the council and the inattention to due process and planning law consultation.

I request written confirmation of receipt of this complaint and confirmation that it will be duly considered, circulated and included in the ongoing decision making process regarding the future of the encampment. I understand that today is the last day for correspondence to be included in the March meeting.

I would like to highlight that the chief reason for my complaint is that my 3 young children have been subject to the most appalling and inappropriate sights and situations involving the residents of the encampment. I would not expect to have seen the prevalence of this type of behaviour in either inner city London or Bristol, where there is a significant police presence. The action to burden an ill-equipped rural community with the complex and dangerous issues that have been demonstrated by the inhabitants of the facility, is highly inappropriate.

I am completely outraged that as a local resident, at no stage have I been formally consulted in any way by the Council on this matter. The first correspondence to residents requesting consultation was a survey on behalf of the parish council last week. This confirms to me that there is a gross disregard for the local community and the absence of any governance, or independent audit of the process.

The local population appear to have been deliberately misled by the council that the encampment was intended an emergency measure only. This now appears to be a gross misrepresentation of the situation and an abuse of powers.

There is a clear difficulty faced by residents to accurately express their views for fear of appearing unsympathetic to the plight of the vulnerable and 'primary homeless'. The council has actively exploited this by not holding appropriate public consultation. I therefore request that the elected councillors now whistleblow on this very poor and underhand performance by the council.

*The following response was provided on 9/2/21 to this complaint with further information provided to a follow up email from the complainant.*

*Dear Sir*

*I am the lead officer on the Homeless work and have overseen the project at Canonsgrove.*

*Firstly, to explain that the site was set up following the direct requirement of the Prime Minister to get 'everyone in'. We had little more than 48 hours to respond to this and therefore no consultation with the community outside of letting the parish councillors know, was possible. We continue to receive instructions from the government to ensure we are accommodating all homeless and rough sleepers, including a letter from the Secretary of State in January. The Council is now considering how we can find the best accommodation solution for these people on an ongoing basis to avoid having to put them back onto the streets once the Covid risks have diminished.*

*I would like to give assurance that there is no presumption that Canonsgrove will be established as a permanent site and there never has been. We received an email from the 'Trull Residents Group' raising this matter which was read out at our Community Scrutiny meeting on the 4<sup>th</sup> November and I include an extract of my response to this letter which remains the case:*

*"I can give you my assurance that the Council is approaching the Options Appraisal exercise with objectivity and integrity and there is no pre-determination that Canonsgrove is our preferred option."*

*We will be in a position to say whether Canonsgrove will be part of our longer-term plans or not within the report that will go to Scrutiny on 3<sup>rd</sup> March and Executive on 17<sup>th</sup> March. Of course to reach this position, we will have considered a wide range of issues around the suitability of the site. We have also received a number of representations from people from Trull who do not wish this facility to be continued at Canonsgrove and this has been noted and considered within the work we are doing.*

*The Council would not and is not ignoring the representations from Trull residents. We respond to all correspondence and we answer all the questions set by the Trull Residents Group, where we are able to and we attend the Trull Parish Council meeting every month. We have been consistently very clear with the Trull Residents Group and Trull Parish Council that there is not and never has been a presumption that Canonsgrove will be part of the long-term solution however it is one of the options that is being considered. We also circulate a newsletter every month, posting this locally to neighbouring properties and sending it to local residents who have expressed an interest. Please let me know if you would like me to include you on this circulation.*

*As explained above the recommendation to Executive on this will be shared in the papers for Scrutiny on 3<sup>rd</sup> March and these papers will be available on our website around a week prior to this meeting.*

*In response to your direct questions, yes we will ensure that this representation is shared with members of the Scrutiny Committee and as outlined above, a wide range of issues will be considered within the decision-making process.*

*Simon Lewis*

*Assistant Director Housing and Communities Somerset West and Taunton Council*

A further follow-up email was received from the complainant saying they were still unsatisfied and asking for more clarity on 2 issues. This was responded to as follows:

*Dear Sir*

*I understand from your reply below that you will be passing your complaint onto the Local Government Ombudsman as you are unsatisfied with my response.*

*Just to provide clarity to the further two questions you have highlighted.*

*Firstly we were unaware that the use of the site breached an existing Section 106 agreement at the time of establishing the site and this had not been picked up by our Planning section when they reviewed this. A letter has been sent to the Trull Residents Group from the Planning section apologising for this oversight. We are currently working with Bridgwater and Taunton College to submit a variation order to this Section 106 agreement to the Council, which will be considered by the Planning Committee. The Planning Section is aware of this breach but is not taking enforcement action as it is aware that this variation order is being submitted for their consideration.*

*With respect to public consultation. We are engaging with the Parish Council monthly, sending out monthly letters to the community and responding to all questions from the Trull Residents Group and the parish council subgroup on Canonsgrove, so are trying to keep Trull residents updated. We are not yet in a position to consult on anything meaningful until after the Options Appraisal goes to Executive in March. We don't have an alternative ready site to move existing Canonsgrove residents on to at this present time and the government is clear that they do not want us to close the site and make everyone homeless again, particularly during national lockdown and whilst Covid-19 is a significant risk to the health of rough sleepers.*

*There is nothing underhand and opportunistic taking place. Canonsgrove was not planned but was established at very short notice as a result of a national emergency. With respect to the 'what next', I can only repeat the position of myself and the Council which we have been very consistent about "I can give you my assurance that the Council is approaching the Options Appraisal exercise with objectivity and integrity and there is no pre-determination that Canonsgrove is our preferred option."*

*I hope that you will include this response as part of your complaint to the Ombudsman.*

## Representation from Trull Resident, dated 4/2/21

I wanted to, again, submit this, concerning the Temporary Homeless Settlement at Cannonsgrove to you as I can't seem to get any response from our elected representatives.

I write to voice my very strong objection to the proposed establishment of a permanent homeless settlement at Canonsgrove.

I like many had no objection to the use of Canonsgrove as an **emergency shelter** for the first emergency lock down, it was a reasonable measured humanitarian emergency response. It should not be used to circumvent due process, establish a permanent settlement nor be taken as having wide community support.

My Objections are:

- Trull residents have been subject to crime and anti social behaviour and feel unsafe.
- There is no **evidence** that a larger out of Town facility is **appropriate nor effective**.
- The option appraisal has had no external input nor moderation.
- We shouldn't be setting up a a large facility out of town, It's inappropriate.
- Canonsgrove is not a suitable site. It is too removed from the Town centre and it lacks facilities to support the homeless.
- Establishing a 60 unit site creates a homeless settlement , surely they need to be managed back into main stream society not shut away in a rural location.
- There is poor public local transport
- By establishing and expanding the facility you are simply increasing demand with homeless coming to Taunton from elsewhere.
- Canonsgrove houses students, nurses and doctors. It should not be used for the homeless.
- The homeless facility if required should be small , centrally located and have sustained support and supervision.
- Onward housing is the responsibility of SWTD as with other cases of need. Cannonsgrove isn't a suitable permanent settlement.
- Facilities should be close to a GP Surgery and Pharmacy.
- A more suitable location would be an industrial site close to the centre of Taunton, or the YMCA in the centre of Taunton is the ideal location or the Taunton Deane offices where the police station is sited.
- There already exists a 27 bedded facility in taunton and Alms House in Trull and Taunton. There is no evidence that provision beyond this level is required.
- Some users have been rowdy and disruptive walking along the Honition road. Fights have broken out and the police have had to attend.

I echo many opinions of local residents and strongly object to its use being formalised and expanded, it is incremental creep. I know many have written to the Trull residents group and parish council and MP.

Residents do not want this facility in Canonsgrove.

We do not expect to **elect and fund** our council to

- ignore our representations and objections , nor
- waste our council tax funds , nor
- adversely affect our peace and quiet and
- disrupt our village life
- Or to compromise our and our childrens safety.

This ( your) proposal does not have local community support and residents are very concerned about SW&T conduct and mission creep.

It appears SWT are not listening to local residents, they are they are ignoring our objections

I would be grateful if you would:

1. That you receive this.
2. Take note of further action and accept this as a formal notice of complaint
2. That this be read at the meeting.
4. That you note, record and represent the very great concern and opposition to the conduct of SW&T and of the establishment of a Homeless settlement at Cannonsgrove

*The following response was provided on 5/2/21 to this complaint*

*Dear Sir*

*I am the lead officer on the Homeless work and Cllr Federica Smith-Roberts has therefore asked that I respond to your email below. I also understand that you have sent some emails to others copied in, hence my wish to share this response with them.*

*Firstly I would like to give assurance that there is no presumption that Canonsgrove will be established as a permanent site and there never has been. We received an email from the 'Trull Residents Group' raising this matter which was read out at our Community Scrutiny meeting on the 4<sup>th</sup> November and I include an extract of my response to this letter which remains the case:*

*"I can give you my assurance that the Council is approaching the Options Appraisal exercise with objectivity and integrity and there is no pre-determination that Canonsgrove is our preferred option."*

*Due to the timescales we have not been able to undertake a detailed assessment of all available sites that could be chosen, but we will be in a position to say whether Canonsgrove will be part of our longer-term plans or not within the report that will go to Scrutiny on 3<sup>rd</sup> March and Executive on 17<sup>th</sup> March. Of course to reach this position, we will have considered a wide range of issues around the suitability of the site. We have also received a number of representations from people from Trull who*

*do not wish this facility to be continued at Canonsgrove and this has been noted and considered within the work we are doing.*

*The Council would not and is not ignoring the representations from Trull residents. We respond to all correspondence and answer all the questions set by the Trull Residents Group, where we are able to and we attend the Trull Parish Council meeting every month. We have been consistently very clear with the Trull Residents Group and Trull Parish Council that there is not and never has been a presumption that Canonsgrove will be part of the long-term solution however it is one of the options that is being considered.*

*As explained above the recommendation to Executive on this will be shared in the papers for Scrutiny on 3<sup>rd</sup> March and these papers will be available on our website around a week prior to this meeting.*

*With respect to the 4 points you raise in your email:*

- Yes we have received this*
- Noted*
- I will request this be read at the Scrutiny meeting*
- We will ensure this is reflected in the paper written to Scrutiny.*

*Finally I would like to give assurance that we only accommodate people who have a local connection to our District. We are not under obligation to house those from outside of Somerset West and Taunton, (except for rare exceptions such as those fleeing domestic abuse and some other exceptional situations) and therefore we only accommodate those who qualify.*

*Simon Lewis*

*Assistant Director Housing and Communities Somerset West and Taunton Council*

### **Representation from Cllrs Farbahi, Nicholls, Wedderkopp and Martin Hill dated 11/2/21.**

Homeless and rough sleepers are very vulnerable to coronavirus; they are more likely to have underlying health conditions than the wider population, increasing the risk of transmission of the virus.

On 26 March 2020, the Government asked local authorities in England to “**help make sure we get everyone in**”, including those who would not normally be entitled to assistance under homelessness legislation.

In response, Somerset West and Taunton (SWT) Council sought to ensure that people sleeping rough and in accommodation where it was difficult to self-isolate (such as shelters and assessment centres) were safely accommodated to protect them, and the wider public, from the risks of Covid-19. In SWT we had to come up with a temporary safe and secure place within 48 hours and Cannonsgrove was the only viable short-term option.

The Council welcomed the additional emergency funding to help them respond to the Covid-19 outbreak. However, the level of funding for homelessness services remains a concern. Any solutions must take into account the sustainability of the required long-term funding. The LGA has criticised the fragmented, short-term and resource-intensive competitive nature of current funding and called for long-term and sustainable homelessness funding.

The shortage of suitable move-on accommodation in many areas of the county remains a significant problem. Furthermore, there are fears that homelessness levels may surge once the Government's temporary coronavirus housing, welfare and employment support measures come to an end and the full economic impact of the Covid-19 outbreak starts to take effect.

It is regrettable that, when central government came up with this measure, they failed to mandate that local government should consult with the affected and wider community.

However, the scrutiny meeting on 4 November 2020 resolved "any option appraisal should look at all possible locations and types of accommodation across the district". We believe this is an essential prerequisite before deciding on any sites.

Before making a rushed decision, we need to look for medium to long term sustainable solutions to prevent homelessness.

Initially, local residents in Trull and Comeytrove came out to support vulnerable people in our community whilst a more sustainable strategy to include the resident's and Parish council views was formulated.

While Cannonsgrove provided an acceptable short-term solution, it does not support independent living. Smaller specialized sites could well provide better independent living conditions than large building miles away from the amenities of the town Centre. At the moment there is too much reliance on services such as police being called out to deal with violence, sexual and public order offences, drugs and antisocial behavior.

We cannot and should not ignore local residents' anxiety and concerns since last March regarding Cannonsgrove. Resident's concerns should be listened to constructively and meaningfully. The community, the Parish and local councillors remain concerned that the Council seems to regard Cannonsgrove as the silver bullet to society's bigger problem. This is not the case. The council should seriously consider other sites that are closer to facilities such as GP surgeries, pharmacies, Job centers, DWP and supermarkets as well as other services provided by charities working to help homeless people, and indeed the local police should trouble arise.

Cannonsgrove is in rural community and isolated from major services, it is quite simply in the wrong place to care for these vulnerable people.

We hope that the council and the executives will take on board the findings of recent Trull Parish council survey and act accordingly.



We cannot agree with the council/executives on this occasion and request that more research is undertaken to find other more suitable sites and that the use of Cannonsgrove for long-term rough and homeless accommodation is taken out of option appraisal.

*A response was not provided to this at the time (apart from acknowledgement of receipt and confirmation that this would be included in the Scrutiny report.)*

### **Representation from Cllr Sarah Wakefield dated 28/1/21.**

I am writing in my capacity as ward member for Trull and as a resident of the local area for some 28 years. Whilst I applaud SWT's swift and decisive reaction to the Everyone In policy of the government - by identifying the Canonsgrove Student accommodation in Staplehay as being both available and suitable for single self isolating people and, with the help of the YMCA, in setting it up in very short order back in March 2020 - I wish to add to the matters being considered in the Options Appraisal my view as to the unsuitability of Canonsgrove for longer term use.

I would make the following points:

1. The use of the Canonsgrove student accommodation was no more and no less than an *ad hoc* emergency reaction to the Everyone In government policy for the first lockdown, which has been extended as the Covid pandemic has continued and further government support and funding has been made available. Its initial purpose of providing a safe haven for single homeless and rough sleepers remains and continues to be legitimate while the pandemic risks remain particularly acute for this group of vulnerable people.
2. The current Options Appraisal considering the future of homeless and rough sleepers in SWT district and with it the longer term use of Canonsgrove for this purpose has grown out of the initial short term solution to a particular issue – the Covid 19 pandemic. That initial short term solution clearly does not and cannot amount to what should be a considered and properly devised plan considering all options for providing a more permanent solution to the future of single homeless and rough sleepers in SWT. Seeking to build policy on short-term solutions such as this is not and can never be the proper way to formulate policy.
3. To the extent that the temporary accommodation has been 'successful' in reaching and helping (some of) this group (and many stories of such success have been published and circulated) this has happened at a time when this group of people have been housed and for much of the time been required to be locked down (in common with the rest of the population). What evidence is there, if any, that such an approach would or could work when people are not obliged to remain indoors and *in situ*? There cannot be any real evidence on which to base any decision about the use of this particular location and setting while the pandemic continues. I submit that any decision should be shelved until a proper appraisal of the use of Canonsgrove as an appropriate site can be made when the country is no longer locked down or movement restricted.



4. The Canonsgrove student accommodation as a whole (for over 150 students) is in any event far too large for such longer term use - even now it involves the mixing of long term homeless and rough sleepers with the short term and suddenly homeless together with other occupants – medical staff from the local hospital. The site as a whole could house far more than the 50 or so homeless and rough sleepers who are there now and risks either being much underused or simply overwhelmed with any numbers much above that figure kept in one place.
5. It surely cannot be right even to consider the setting up of what would effectively be an institution for dealing with the issue of homelessness and rough sleeping in the district. The whole thrust of social policy for the last 30-40 years has been to move away from putting large groups of people into this sort of institutional setting even where there are more and varied activities and support services on offer. The question must be asked as to why is it even being considered as appropriate now?
6. Other Councils such as Bath and Dorset are using their resources to acquire in town accommodation to convert to house the homeless and rough sleepers in small flats or studio accommodation to give them the homes that they need and should have. Being put in a hostel style setting such as Canonsgrove is only appropriate during a national emergency like the pandemic or possibly in the short term for those suddenly made homeless where no other suitable accommodation is available.
7. The homeless and rough sleepers are not an homogenous group and the individuals need and deserve different levels of care and assistance. Recent single homeless may just need accommodation and help with finding a home until they can move on. Other longer term homeless and rough sleepers may need help from multiple agencies. This level of help and support in normal (non pandemic) times would be far better provided in a town centre setting where many would most likely be happier to reside. Surely the reason that Bridgwater and Taunton College no longer use the halls of residence for their students is at least in part due to their distance from the town and lack of other nearby local facilities and transport into town – buses being infrequent.
8. Some Canonsgrove residents have had to walk the nearly 3 miles into Taunton town to access services, shops and friends they want to see. This distance from the town centre is not fair on them – some of whom do not enjoy good health and are frail - or the local community. There are no public toilets *en route* (leading to issues for some) and some may not be capable of making this journey in a sober state causing issues for other pedestrians and danger for traffic on the road (by walking in it for example).
9. There is much concern and disquiet (and in some cases genuine fear and anger) in the local community about the issues which have occurred in their locality since March 2019 and as a direct result of the use of Canonsgrove. Although their views are represented by a few who speak for the many – it is neither fair nor reasonable to seek to dismiss what they are saying as simply the vociferous complaining few. Many local people are and have been supportive of the emergency use of Canonsgrove as a reaction to the pandemic and indeed have offered help and support. That does not mean that they or others in the community would support its longer term use once the pandemic is over.

10. The local community and myself are extremely concerned about the Canonsgrove property being acquired by SWT for longer term use and about negotiations which may or may not be being held with the owner of Canonsgrove. It should be the case that other sites are properly considered for example the Royal Ashton Hotel, Flook House, any other larger houses, hotels or buildings in the town centre – some of which may only become available in the coming months as businesses and shops close and move due to financial hardship. To seek to acquire Canonsgrove in the ‘hope’ (without evidence) that homeless and rough sleepers will either want or agree to go and stay there outside pandemic regulations is frankly unrealistic.
11. Reports from police and other agencies within the site do not accord with the actual experience of people living along the Trull Road and near Canonsgrove. Anti-social behaviour (including drunkenness and drug dealing) takes many forms and not all are actionable in law or are matters which the authorities are either particularly interested in or are capable of being properly recorded by those authorities. However, these behaviours can be and are very upsetting and disruptive for members of this peaceful local community who have chosen to live in a place some way from the town centre where law abiding and respectful behaviour predominates. This community is used to rural village life and should not have to face or accept the behaviours and challenges more expected and tolerated in the inner city as exhibited by some residents at Canonsgrove.

In conclusion, it is my firm view as set out in the points above that such behaviours and challenges should not be imposed upon local residents by the unilateral action of SWT, that Canonsgrove by its location is the wrong place (being too far from the town centre) and has no track record of ‘success’ in dealing with this problem outside the Covid pandemic restrictions either and that to set up any institution on this scale as short term accommodation would fly in the face of established public policy.

*A response was not provided to this at the time (apart from acknowledgement of receipt and confirmation that this would be included in the Scrutiny report.)*

### Trull Residents Survey

Trull Parish Council ‘Canonsgrove Subgroup’ submitted a survey to residents in Trull in February asking whether they wanted Homeless accommodation to continue in Trull or elsewhere. The introduction letter to this survey and the survey itself is included below and did not reflect the Council’s position which had been clearly and repeatedly stated to the Trull Parish Council at monthly meetings by officers. The letter instead insinuated to Trull residents that the Council was planning a site at Canonsgrove with homeless provision three times the size that it currently is.

The covering letter for the survey is attached as **Appendix 5a**

The survey was sent to 900 people with a return rate of around 25% and 219 valid responses.

The summary of results from the survey and comments received are provided in the appendices:

**Appendix 5b:** Overview of survey from Trull Parish Council

**Appendix 5c:** Statistical results of survey

**Appendix 5d:** Comments from respondees

***New paragraph added to Appendix 5 on 26/2/21 to add new representation received before 4pm deadline.***

We also received a separate representation from an ex-teacher of statistics, living in Trull who thought it important to point out to the Scrutiny Committee “in the spirit of informing debate” that the survey was biased negatively against Canonsgrove, “the survey appeared to be designed to achieve the outcome of rejection of the use of Canonsgrove” and had a number of statistical anomalies in how it was conducted and how the conclusions were drawn. He submitted his findings to the Trull Parish Council and Trull Working Group prior to publication. This is shown as Appendix 5e.

The outcomes from the survey are summarised as follows:

**Less than 1% supported** “A sizeable hub model at Canonsgrove requiring a 6 mile round trip to essential services.”

**26.5% supported** “A sizeable hub model centrally located in Taunton close to services and community.”

**32.4% supported** “Smaller multi-occupancy accommodation dispersed across Taunton”

**29.7% supported** “Housing First Model: clients immediately placed in their own accommodation and provided with wrap-around support. Recognised as being particularly successful with more complex needs clients.”

A thorough analysis of the responses has not yet been undertaken, however it is encouraging that the findings of this survey align to a large degree with the recommendations of the Council’s Accommodation Strategy.

The Accommodation Strategy seeks a greater mix of provision moving forward, with some hub accommodation, some dispersed accommodation and some Housing First along with a range of other provision.



This has been prepared and delivered in a COVID safe manner.

## Trull Parish Council: IMPORTANT UPDATE ON CANONSGROVE

Dear Resident

Firstly, we hope that you are managing to remain safe and well during this trying time. We thought we should update you regarding Canonsgrove. We are sure that most residents will have supported the initiative as a temporary response to the Covid crisis, albeit the community will be aware of the significant anti-social behaviour and crime which has consequently affected our villages.

- Somerset West & Taunton (SWT) are now carrying out an Options Appraisal for permanent solutions to this problem and published details in its Executive report in November 2020, available <https://democracy.somersetwestandtaunton.gov.uk/mgCon-vert2PDF.aspx?ID=12337>.
- The options paper is **“primarily looking at the contribution which Canonsgrove could make to the singles homeless accommodation strategy and it is not an assessment of all alternative sites”**. (SWT) A viability assessment is ongoing at a cost of approximately £10,000
- If approved a **“sizeable hub”** would be sited at Canonsgrove. We have asked for details of size and exact nature of the provision but SWT have said they will not communicate with us unless/until Canonsgrove is chosen. This despite the Scrutiny Committee’s recommendation that “any options appraisal must be open, transparent and a forward looking review of all potential sites. Any appraisals involving Canonsgrove should be communicated with both Trull and Comeytrove Parish Councils as well as local residents.”
- We would anticipate the hub being significantly larger than the current provision which presently houses up to 60 residents. There is ample space for 3 times that number.
- 4 alternative sites are known to the SWT team which **“could have similar capacities to the Canonsgrove site.” No detail has been provided and no evidence that they are being seriously considered.**
- It has recently come to light that the present use of Canonsgrove is contravening a S106 agreement put in place when the halls were built. **As a result there will be a planning application put forward in the very near future.**
- There will be 3 main avenues for residents to get the latest developments:
  - **Trull Community Facebook**
  - **Trull Parish Council Website**
  - **Trull Residents Website: [www.trullresidentsgroup.co.uk](http://www.trullresidentsgroup.co.uk)**

What we and local Councillors who support our consultation, need to know, as your representatives, is what the residents of Trull/Staplehay feel would be the best outcome for homeless people across the SWT area in the long term. So please let us know by completing the accompanying survey.



This has been prepared and delivered in a COVID safe manner.

## Trull Parish Council: Canonsgrove Survey

We invite you to voice your opinion by completing this survey. Tick one box please  
**Closing date for responses is: Friday February 5th**

A "sizeable "hub model at Canonsgrove requiring a 6 mile round trip to essential services.

A "sizeable hub model centrally located in Taunton close to services and community.

Smaller multi-occupancy accommodation dispersed across Taunton

Housing First Model: clients immediately placed in their own accommodation and provided with wrap-around support. Recognised as being particularly successful with more complex needs clients.

Other: What do you think might be the best solution? Do you have a story to tell about Canonsgrove?

Name:

Address:

Please could you take a photo of this page and e-mail to: [peter.and.linda@btinternet.com](mailto:peter.and.linda@btinternet.com)  
If you are unable to do this you can ring **01823 336150** and collection can be arranged.

# Trull Parish Council Survey

## Overview

The Parish Council is aware that the creation of a “sizeable hub” at Canonsgrove is a contentious and potentially divisive issue within our villages.

In pre-COVID times discussion would have been easier. There could have been “events” such as those held when the Neighbourhood Plan was evolving. These would have provided an opportunity for residents to question, seek clarification and make suggestions. In addition, the Parish Council would have been able to assess public opinion. Alas, this was not to be and, based on Covid-secure guidance, a village survey was felt to be the next best option.

The content of the survey was limited in scope because SWT have not consulted with the Parish Council in any meaningful way - for example we do not know anything about the “sizeable hub”.

The survey presented options of smaller, dispersed multi-occupancy and Housing First accommodation because they are being increasingly used as a preferred option to larger provision. They were presented in order of size. The Housing First Model had an explanatory note because it was felt that many would know nothing about it.

If the survey were presented again the “tick one box” option would be best removed. Many respondents recognised the need for a “layered” approach, for the greater part multi-occupancy and Housing First. The box provided for people to write down their best solution/stories was well-used. It demonstrated that real thought had been put into many responses. Some also told of personal experiences. These experiences have not been recorded here but all responses/comments can be found in the 30 page appendix.

There were a couple of residents who felt that the letter was biased against Canonsgrove; on the other hand there was one who questioned why there was no opportunity to say “no” to Canonsgrove whilst another questioned how the PC could assert that “most residents” supported the use of Canonsgrove as a temporary emergency measure. It must be accepted that individuals come at this from different angles and it is essential that we respect each others’ opinions, just as we need to consider the needs of the homeless and local residents. Fear and anxiety about Canonsgrove do seem to affect a significant number of people, young and old alike. It would not be fair to put that down to “nimbyism” or being uncaring about the homeless. One older respondent who reported feeling intimidated in her own home wrote that whilst the homeless “need help and have rights, so do we.”

## Impact of poor communication by SWT

Before looking at comments regarding the choices it is worth mentioning some of the comments made regarding the lack of transparency and consultation from SWT:

“I feel sure that we would all be better able to give an informed opinion if we were able to be involved in the process of the Options Appraisal which, in spite of multiple requests to SWT, has been denied us. Largely as a consequence, I am afraid that I have no confidence in SWT to conduct the Appraisal in an unbiased and open manner, indeed it

would appear that SWT is already predisposed towards the long term use of Canonsgrove.”

“Unacceptable the local residents are not to be consulted by SWT until decision has been made. A plan must be agreed to achieve this objective in a challenging timescale with all agencies and local residents working together on a compelling project which fulfils the long-term needs of all stakeholders.”

“The proposed “consultation” by SW&T is neither Liberal or Democratic and is obviously designed to limit discussion to the impact of the decision only. “One way of avoiding needless scrutiny I suppose” but it is sure to rebound on them.”

### **Survey responses: Summary and Analysis**

Below is a brief overview of issues raised and comments relating to sizeable hubs:

**Sizeable Hub at Canonsgrove: Less than 1%** support a sizeable hub larger than the numbers already resident at Canonsgrove. A few suggested the use of Canonsgrove for small multi-occupancy use or in tandem with Housing First. One suggested using Canonsgrove for self-contained units for 50 people based on their ability and willingness to live alongside a quiet rural community, to promote cohesion between all residents.

**Centrally located sizeable hub: 26.5%** support.

Initial support lost through personal experience/observed behaviour

Fear/anxiety for residents across age ranges. A large number of vulnerable older people.

Anxiety using bus/shop/ feeling unsafe in home.

Anti-social behaviour/criminal activity/litter

Those with complex needs/history of violent behaviour should not be there.

More people more problems

Lack of services/distance/bus

Health issues walking into town/ danger on roads/.

Causes late night disturbance

Lack of things to do

Homeless are people. Human scale is what is essential

Social isolation due to large numbers

Has anyone asked clients what they want? Are they given choice?

- Segregates and stigmatises residents
- Exports anti-social behaviour to one small area of town.
- Not necessarily the cheapest option

Larger accommodation is not COVID safe.

Long term funding/quality of staff?

“We are not experts in the best solutions to tackle homelessness and rough sleeping. However, common sense (to me) would suggest there should be a range of options, not a single option. If it is to be a permanent solution then our limited research on the internet suggest that a sizeable hub is not the best option. Even if it is temporary. We are intrinsically opposed to sizeable hubs. Smaller supported housing is the way forward.”



“It should be clear to all, that to abandon less fortunate members of society at Canonsgrove, 1.5 miles from the nearest shop and 3 miles from our town centre in this day and age is unacceptable. Those in need of shelter also need support, a place to call home, meaningful work and a community with numerous activities, within a bustling community.”

“Whilst these suggested alternatives might be ideal solutions: given the state of the county and indeed the country’s finances I think where they are at the moment they at least have a roof over their heads.”

“I am in favour of the support that Canonsgrove has provided to the homeless however I do not feel this should be extended to support any extra people. SWT should be consulting the Parish Council on any decision they make regarding the future of the site.”

“Small site accommodation enables better interaction within local community. Wouldn’t want a larger site at Canonsgrove.”

“the active support of Canonsgrove by many of the Trull community has been heart warming. Whilst supporting the need to rehouse the homeless, and provide the special care that some of them need, would it not make more sense to set up a number of smaller facilities spread throughout Somerset West and Taunton rather than locate them only at one site. Canonsgrove could be one of those for smaller numbers who would benefit from not having easy access to Taunton services.”

**Smaller, dispersed accommodation: 32.4% support** was the most popular choice.

“Avoid using large-scale accommodation, which although no doubt considerably less expensive than multi-occupancy units are a false economy, can be very impersonal and residents easily become institutionalised. Outcomes are better for clients accommodated in smaller units - ref. ARC website which states that due to the use of Canonsgrove, Lindley House is only approx. 50%full (ie about 30 residents) which has resulted in a “calmer environment, fewer distractions, and a highly positive outlook from clients.”

“The wider distribution of the individuals into much smaller local housing solutions normalises their accommodation situation. I work in a charity that deals(in part) with housing issues for those with moderate to complex needs. It is widely recognised that the optimal solution for such individuals suffering from homelessness is to keep them as close to a normal situation as possible. It is also recognised that concentrating such individuals in large groups, especially “out of town” tends to exacerbate the common risks both to the individuals and the wider community. The wider distribution of the individuals into much smaller local housing solutions normalises their accommodation situation, defuses the risks associated with the creation of a large complex for single homeless accommodation(bullying, harassment, intimidation, anti-social behaviours etc).”

“I think that smaller units of provision for those with less need of support and Housing First for those entrenched rough sleepers who really will never succeed in larger provision. Also those without addiction issues will be separated off so less chance of people being enticed into drug/alcohol use whilst in accommodation. Less problems with controlling behaviour on site as well. Economies of scale some will shout. However, if people are assessed prior to placement there will be less need for 24/7 care with a resultant saving on Housing Benefits. After all, figures show that those with complex needs in the homeless

population are in the minority. ....Canonsgrove could be used as a “somewhere safe to stay assessment hub” or a **small** satellite housing option for those **wishing** to live outside of the town centre.”

“I understand more than most from my time in local Govt and as an Executive Councillor for Housing that the best solution always is one of smaller multi occupancy accommodation throughout our community with the housing first model as a priority to get them individually in their own accommodation with the necessary support. It is here the Council should focus.”

**Housing First: 29.7% support** quite a few people liked the idea but thought that lack of move-on housing and financial implications made it less practicable. These people tended then to opt for multi-occupancy.

“The Housing First model should be the primary option but does not work for everyone. This should be supplemented by smaller multi-occupancy accommodation dispersed across Taunton rather than sizeable hub models.”

“Housing First Model with small casual unit back up is best. I know nothing about Canonsgrove but I do know about homeless people. As a priest I worked for forty years in urban parishes which always had a ministry to homeless people. Homeless people need to be seen as people who for a wide variety of reasons are without a home. They are people. The last thing they need is to be herded together in large numbers in accommodation that is well out of town and of course out of sight.”

The following was submitted without a choice made. It appears to cover much of what has gone before in a nutshell, even though it is recognised that an appreciable number of residents might not be happy with the inclusion of Canonsgrove as an option:

### **What do you think might be the best solution?**

”This is very difficult to say on the information available. I fully support the provision of accommodation and services for homeless people. I recognise that homelessness is a product of many separate pressures on individual people. As such “the homeless” cannot be put into one category nor should it be assumed they all have the same needs. The “best solution” must take into account these individual needs (which will vary in complexity) and it is unlikely that any one facility would be able to meet all of these individual needs in one location. The homeless population need to have a voice in what is to be “provided for them” by others. The local community where any facility is located must also have a voice as to how that facility can safely and appropriately be incorporated into the community. I support Somerset West and Taunton working constructively and openly with locally elected representatives, service providers, church and community groups and the homeless themselves to develop an appropriate response-- whether this is at Canonsgrove or elsewhere.”

The contribution above ends by highlighting what has been missing all along: Somerset West and Taunton need to work **constructively** and **openly** in order to achieve the best outcome for all. It is time for them to step up to the mark and demonstrate transparency and due diligence.

## Trull Parish Council: Canonsgrove Survey

|   |     |           |
|---|-----|-----------|
| No. of Surveys delivered:                 | 900 |           |
| No. of Surveys returned:                  | 232 | ( 25.8% ) |
| No. of Surveys rejected:                  | 13  |           |
| Valid Surveys:                            | 219 | ( 24.3% ) |
| No. of valid Surveys with added comments: | 157 | ( 71.7% ) |

### Options:

|   |    |           |
|---|----|-----------|
| 1. "Sizeable "hub model at Canonsgrove requiring a 6 mile round trip to essential services:   | 2  | ( 0.9% )  |
| 2. "Sizeable" hub model centrally located in Taunton close to services and community:   | 58 | ( 26.5% ) |
| 3. Smaller multi-occupancy accommodation dispersed across Taunton:  | 71 | ( 32.4% ) |
| 4. Housing First Model: clients immediately placed in their own accommodation and provided with wrap-around support. Recognised as being particularly successful with more complex needs clients. | 65 | ( 29.7% ) |
| No option selected ( comment only ) :   | 11 | ( 5.0% )  |
| Dual option adopted:<br>1 x 1 + 4; 1 x 2 + 4; 1 x 2 + 3; 9 x 3 + 4  | 12 | ( 5.5% )  |

Survey Rejected (13)

2 surveys 1 household (5)  
Out of Parish (1)  
Late Submission (6)  
Anonymous (1)

No Option selected (11)

Lack of info or unqualified for informed decision (4)  
Support but with no increase in numbers (1)  
Ask the residents (2)  
Await SWT's preferred option before analysis (1)  
Concern re ongoing support financially (2)  
No one facility meets needs (1)

[www.surveymonkey.com](http://www.surveymonkey.com) was used based on a population of 900 households, a sample size of 219 gave a 6% margin of error at a 95% confidence level. So, we can be 95% confident that between 93.1% (100-(0.9+6)) and 100% of people in the villages are opposed to a sizeable hub at Canonsgrove.

- Any sizeable hub model will segregate and stigmatise clients. It will export any anti-social behaviour to one small area of town. Any sizeable hub model situated a significant distance from central services will not be appreciated by clients. It is unacceptable for local residents not to be consulted by SWT until a decision has been made. The desired end result will not be achieved unless it is set as a clear objective from the start. Therefore, only the Housing First Model can succeed. A plan must be agreed to achieve this objective in a challenging timescale with all agencies and local residents working together on a compelling project which fulfils the long-term needs of all stakeholders.
- Housing First Model with small casual unit back up is best. I know nothing about Canonsgrove but I do know about homeless people. As a priest I worked for forty years in urban parishes which always had a ministry to homeless people. Homeless people need to be seen as people who for a wide variety of reasons are without a home. They are people. The last thing they need is to be herded together in large numbers in accommodation that is well out of town and of course out of sight. The present proposal to use Canonsgrove as a huge centre for the homeless has been done before. It was called The Work House. Our Catholic parish of St George has been a long term supporter of The Open Door and it is this model of a small centre that needs developing with a Housing First priority added. Human scale is what is essential. The Housing First Model is what supplies this. The current scheme looks like an attempt to find an answer to what to do with a building that has lost its use and not an answer to the problem of people without a home. It's a home they need not a refined gulag. Has any one thought to ask them what their preference is ?
- My first thought, when I read last spring of the temporary use of Canonsgrove as an emergency hostel for those with no roof over their heads, was relief that vulnerable people could be brought in from the streets and kept warm, safe and fed. As an active supporter of projects to help homeless people, though, I wonder how those with so few, if any, personal resources are meant to occupy themselves all day somewhere as physically isolated as Canonsgrove, once urban life opens up again? I also wonder how many of the homeless people in SWT's area have been consulted about where, geographically, THEY think they would best be accommodated? The long walk into the town centre from Canonsgrove, for instance, assumes a better state of health and fitness than many who have fallen into homelessness have been reduced to. Last summer, I started thinking about how we in Trull and Staplehay might help the Canonsgrove residents feel welcome and part of our local community, but social distancing prevented that being explored. My wider opinion now is that the various communities within the SWT area – often based on traditional parishes – could, and should, each be open to supporting a small number of needy individuals locally. In comparison with many urban areas, Somerset is well resourced in its longstanding tradition of community support. There are activities and groups already in existence which could facilitate new members joining, and I think there is additional scope to use our community halls and open spaces for family-friendly gentle team games /sports, community picnics etc. My long experience as a social worker in one of our major cities before coming here, as well as in Somerset itself, informs my attitude about the way forward now. I can never support proposals that will effectively 'ghetto' any of society's vulnerable groups: such practice belongs to the Victorian era, and not to the 21<sup>st</sup> century. And to house large numbers of people together,

whose only shared characteristic is that they lack a home, is asking to reinforce lowest common denominator behaviour. I witnessed, at work, how keen low-functioning families were to 'fit in', and how successful, when provided with decent accommodation alongside others who had enjoyed a better start in life. On a personal note here, I should say that I have very seldom felt physically vulnerable in Staplehay at night. Previously it was only when groups of drunken teenagers were menacing in the playing field after dark. Like many other local residents, however, I am now retired and live alone, and in view of recent incidents of anti-social behaviour, I no longer feel at all safe walking to or from friends' homes in our unlit streets after dark. This means regrettable additional car journeys (for those of us still able to see well enough to drive at night).

- In my opinion, homeless people should be housed close to the services and assistance they need (accepting their needs will vary.) Re Canonsgrove in particular no particular story but on observation that Trull is not able to provide what is needed (and this won't change)
- As residents of Trull for over 60 years, it is both alarming and intimidating when walking to Trull Stores with the residents of Canonsgrove using foul language and shouting. Trull and Staplehay has many elderly residents who simply have no understanding of some of the problems these people suffer from. We have never felt any need to be scared in our home until now, and whilst these people need help and have rights - so do we!!
- In our view Canonsgrove should be one of a number of satellite centres forming a network around Taunton but the hub should be centred in or near the centre of Taunton. It is revealing that when a development of 170 homes was proposed adjacent to the Canonsgrove site it was rejected (2013) because it was an "unsustainable location remote from the town centre and local services and poorly served by public transport". Planning a hub in that location with up to 180 residents is unsustainable for the same reasons. A central location would enable easy access to the services required by the homeless clients. Placing them in a large facility cut off from local services is more akin to a custodial environment not one where integration is the preferred outcome. SWT should publish a strategy for the district with regard to supporting the homeless and identify the means and resources to achieve it. Then consult with interested ?? And general population.
- I have ticked the third box down on the survey sheet because my understanding is that the rehabilitation of rough sleepers, which must surely be the primary aim of housing them, is best achieved in small units. The location of these units within easy walking distance of the town centre is of considerable importance. Having said that, I feel sure that we would all be better able to give an informed opinion if we were able to be involved in the process of the Options Appraisal which, in spite of multiple requests to SWT, has been denied us. Largely as a consequence, I am afraid that I have no confidence in SWT to conduct the Appraisal in an unbiased and open manner, indeed it would appear that SWT is already predisposed towards the long term use of Canonsgrove. With regard to the forthcoming planning application from Bridgwater College, to review and amend the S106 conditions extant for Canonsgrove, no doubt

advised by SWT, I trust that those of us in the vicinity of the site will receive appropriate and timely neighbour notification of the changes proposed and that the matter will be open subsequently to public response and debate in the SWT Planning Committee chamber; that is where the S106 conditions were agreed and imposed c1995. Anything less should be subject to legal challenge.

- I would not object to Canonsgrove had I not witnessed a robbery in Trull post office when a resident walked out with a box of beer cans and cycled free on his bike, plus regularly seeing residents throw cans and snack packets onto the ground ( I have walked around Trull village with a black bin bag picking up a big increase in litter, including dog bags, since Canonsgrove was populated ). If they don't appreciate being off the street and respect local residents then I cannot agree to them being in the vicinity. My preference would therefore be a centrally located hub in Taunton.
- Evidence points to hostels such as Canonsgrove leading to worse (and more costly) outcomes for homeless people and local councils. At three miles from the town centre, Canonsgrove is self-evidently the wrong location for homeless people, most of whom have few travel options, but need to access services/meet friends in town. It is discriminatory against those with poor health/limited financial means. The original planning consent for student halls was only granted due to a legal agreement restricting activities that could affect the amenity of the local community. It is not reasonable for that protection to be removed. Our family, including young children, have been verbally abused by Canonsgrove residents. We have had drug dealers in our street and have observed other apparent deals (involving young people) nearby. We have seen and reported drunk/drugged residents lying in Honiton Road and been subjected to anti-social behaviours, arguments, noise, excrement in the streets drug/alcohol debris. This has brought crime to the village and undermined our community.
- No to Canonsgrove as a super centre. Reflect on why Tone Vale Hospital was closed. Do not let history repeat itself under the word "homeless"
- A proper re-education programme which includes a trade or new skill with constant supervision. Just before Christmas, while in Trull Stores a group from Canonsgrove came in to buy alcohol. Rude and offensive in the way they spoke to the proprietor - foul language and no masks. As a pensioner I felt threatened and uncomfortable. I believe that the other customers in the shop at the time felt uncomfortable too.
- Have looked at the SWT website and feel sure they have already made their choice - for Canonsgrove. Very few of these councillors live in Taunton and know little about Staplehay. Democracy? They must be joking.
- Avoid using large-scale accommodation, which although no doubt considerably less expensive than multi-occupancy units are a false economy, can be very impersonal and residents easily become institutionalised. Outcomes are better for clients accommodate in smaller units - ref. ARC website which states that due to the use of Canonsgrove, Lindley House is only approx. 50%full (ie about 30 residents) which has resulted in a "calmer environment, fewer distractions, and a highly positive outlook from clients."



***The following is a letter written to the Parish Council in September which was included in the survey response as still representing the Parishioner's viewpoint:***

I should say at the outset that I am aware of the significant difference it has made to some people's lives over the past few months and also that I have heard John Shipley talk about the concept and success of the project which was implemented in very short order. But as a resident of Staplehay, I have a number of points for consideration regarding an extension to the contract and in particular an expansion of the numbers.

My understanding is that the facility was needed not just to provide accommodation for rough sleepers during the pandemic, but also to reaccommodate those living at Linley House due to the nature of the accommodation there being unsuitable for dealing with situations where people may need to isolate. ARC have run this establishment most successfully over many years and one would hope that once the current crisis is over it will once again become the principle facility in Taunton for helping the homeless. It is better located being closer to the town centre. However, I can see that at present the ensuite accommodation available at Canonsgrove is necessary for the duration of the pandemic.

The success of the operation at Canonsgrove has it seems to me been the result of the unique circumstances in which, under John Shipley's leadership, the statutory and voluntary bodies have come together to make it work. The support from NHS, police, mental health workers, drug and alcohol counsellors, the Salvation Army, the local church and other local people has been both admirable and essential. In my view it is this that has ensured success and not the premises per se. Indeed this level of effort is substantial and needs to be provided and sustained regardless of location. My concern is whether this level of effort is sustainable in the longer term as enthusiasm wanes or services decline due to lack of funding. The danger is that we end up with an out of town facility where supervision, security, control and support services are not what they are today. While I admire YMCA for leading the effort, there are not many people with the experience and energy of John Shipley and I think confidence in the way the place is managed is key in moving forward.

I am concerned about plans to grow the numbers. I believe that throughout the pandemic the number of residents has been in the forties. I assume this is because that is representative of the local demand. I am more than slightly concerned that if the availability of accommodation is increased the extra space will be filled by people from beyond the local area. More people will inevitably cause more problems which I do see as a significant threat to the peace and tranquillity of the local area.

On 2 occasions we have experienced rowdy behaviour on the footpath close to our house involving drinking, shouting and bad language. This was reported to the police and is now several weeks ago and has not happened since. Nevertheless, it is unsettling particularly at the moment when we all have so many other things to worry about.

It is rather depressing to read that SW&T need 6-12mth (or more) whilst they consider long term policy for the homeless. This is not a new problem and one would have hoped that they already have policies in place! However, I am pleased to see that the Parish Council will now have a voice. We need to ensure that the views of local people are taken into account and I am grateful to you for taking this on.

In sum, I would hope that when the pandemic is over Linley House will reopen as the principal hostel for the Taunton area, with the integrated support in place that has been achieved at Canonsgrove in recent weeks.

- Whilst these suggested alternatives might be ideal solutions: given the state of the county and indeed the country's finances I think where they are at the moment they at least have a roof over their heads. There is a distinct possibility of them falling through the gaps in social care at the present time if they are moved.
- Out walking recently I met a Canonsgrove resident, David, who is being helped there. He seemed very appreciative of this but sad that others were upsetting Trull residents and putting the scheme in jeopardy. I feel strongly that those unfortunate people who can benefit from help **must** get the support they need. A 60 unit is MUCH TOO BIG. Maybe it could be put to use for temporary accommodation in bad weather.
- The hedges and ditches around Canonsgrove have now become a dumping ground for bottles, cans and other rubbish thrown there by the residents. Just WHO do the public servants of SWT think they are? They forget who pays their salaries and to whom they are accountable.
- I cannot agree with the sizeable hub model suggested at Canonsgrove. What are these people to do in the middle of the countryside with no facilities nearby and a very limited bus service? There MUST be smaller hubs closer to services and a community for them to live in and enjoy.
- Definitely the ideal solution (housing first) but is it long term financially viable??? Alternative smaller multi- occupancy housing. Whilst personally not greatly affected I have great concerns at the constant parade of police and ambulance activity now disturbing the village.
- Whilst there will always be a need for varying types of accommodation to meet homeless needs Canonsgrove is not the right place. Its out of town location creates much dangerous footfall down Honiton Road and has brought crime to this once safe village. I have experienced disturbances outside my door through the night. Shouting, swearing and abusive language. Drug dealing has been taking place at the corner of Sweethay Lane witnessed by myself as Canonsgrove residents wait for a delivery by car. A syringe was found on my neighbour's drive (she is 98) after men from Canonsgrove had walked there.
- Whilst we were happy for Canonsgrove to house a small number of Taunton's homeless community during the Covid pandemic, we always understood it was a temporary arrangement . During this time we have experienced multiple nights episodes of drunken behaviour passing our house sometimes very late at night with aggressive language and on occasion violence necessitating a police emergency callout (20/01/21) being the latest. There has also been antisocial behaviour during the day. For example, on one occasion during the day one person staggered into the road either drunk or high on drugs requiring evasive action while driving. The population of Staplehay is small and includes many elderly, vulnerable residents as well as families with young children. A

major hub here on a permanent basis would be a totally inappropriate environment for Taunton's homeless persons. In addition, we do not think a major hub is a beneficial arrangement for homeless people. Having spoken to homeless people over the years, many are frightened of staying in hostels (analogous to the potential hub at Canonsgrove to be created) due to fear of their possessions being stolen by others and also because of violence and drugs circulating because of bringing such a large gathering of people together in one place. Furthermore, a hub at Canonsgrove would, in effect, remove the homeless people from the community, being isolated at the edge of a small village which does not have the infrastructure required, there being only one small village shop. The Canonsgrove location is situated around 3 miles outside of the town centre, moving the homeless people away from the various shops, medical practices (GPs and dentists) and pharmacies people away from the various shops, medical practices (GPs and dentists) and pharmacies that the town offers. In conclusion, and for the above reasons, we do not think a hub at Canonsgrove is suitable for the existing community in Trull/Staplehay nor do we think it is suitable for the homeless people who would be placed there. The risk would be that these people would become very isolated from the community, with both the homeless people at Canonsgrove and the existing inhabitants of Trull/Staplehay feeling ostracised by the other. We believe that smaller multi-occupancy accommodation dispersed across Taunton would serve much better to reintegrate the homeless people into the community in a safer environment for everybody involved.

- Most of these residents are likely to require specialist support, as well as wanting/needing to be closer to amenities. Therefore becoming frustrated at being so far away. Hence many unsuitable behaviours being exhibited.
- I feel that the old St Augustine's School would be a better location to consider, closer to town and station/motorway links so that they're not so isolated. There really is nothing for young/vulnerable people to do in the countryside unless they have access to other amenities in the area, which they don't unless they have use of a car.
- Have suffered from verbal abuse for no reason. Not all bad, just a few. There are plenty of vacant buildings in town and that would be the best solution.
- I work in a charity that deals(in part) with housing issues for those with moderate to complex needs. It is widely recognised that the optimal solution for such individuals suffering from homelessness is to keep them as close to a normal situation as possible. It is also recognised that concentrating such individuals in large groups, especially "out of town" tends to exacerbate the common risks both to the individuals and the wider community. The wider distribution of the individuals into much smaller local housing solutions normalises their accommodation situation, defuses the risks associated with the creation of a large complex for single homeless accommodation(bullying, harassment, intimidation, anti-social behaviours etc). This reduces the risk to both the individual, many of whom tend to be vulnerable, the local community and the wider community. You only have to look at the level of police intervention required at the local shelter accommodation at the Blackbrook end of East Reach to see examples of the detrimental effect of concentrating individuals. However, it is recognised that whilst many risks are better managed in a dispersed manner, should incidents occur, the distributed proposal makes timely identification of issues more difficult and a timely response to prevent harm, more problematic.

- Firstly, I imagine myself in the position of someone who finds themselves homeless through financial difficulties following job loss/relationship issues. Already vulnerable and at a low ebb you are put into a sizeable hub with others who have dual diagnosis and all the resulting behavioural issues. Unfamiliar with unpredictable behaviour and the inevitable violence that will ensue when alcohol and drugs drown any awareness of what constitutes acceptable social behaviour. You might argue that self-contained accommodation solves that. But in effect what is supposed to be your space becomes a prison. When mixing with others it would be like “walking on eggshells”. I have taught children with behaviour problems and I certainly experienced that feeling on a regular basis. So I think that smaller units of provision for those with less need of support and Housing First for those entrenched rough sleepers who really will never succeed in larger provision. Also those without addiction issues will be separated off so less chance of people being enticed into drug/alcohol use whilst in accommodation. Less problems with controlling behaviour on site as well. Economies of scale some will shout. However, if people are assessed prior to placement there will be less need for 24/7 care with a resultant saving on Housing Benefits. After all, figures show that those with complex needs in the homeless population are in the minority. I believe that there has been a growth in the number due to what I call (based on personal experience) “don’t care in the community”. Resources are so stretched that unless vulnerable people have someone to stand up for them they become lost in the system and lost to themselves and their families. We have witnessed regular drug deals. We now believe them to be linked to county lines which, considering the links with organised crime, is very disturbing. We also know that, contrary to what has been said by SWT, there are people placed in Canonsgrove with a history of violence and other criminal offences. Even so, these people need help. Canonsgrove could be used as a “somewhere safe to stay assessment hub” or a **small** satellite housing option for those wishing to live outside of the town centre.”
- This facility is blighting our lives. Endless incidents of burglary, begging, anti-social behaviour including urinating and defecating in public, drug -dealing, shouting. Living on the main road we are often woken up. Ambulances and police cars going by constantly. Whilst working out the front of the house, my husband had to deal with a resident who challenged him. He was clearly under the influence of drugs/drink. My husband had to de-escalate the situation. Resident minutes later involved in violent incident at the shop and then was aggressive to PCSO. In the last 2 days my son has been woken in the night by loud shouting and then 4 police cars and a police van outside our house (recognisably Canonsgrove residents). My husband has just been out for a cycle round Sweethay Lane, ambulance blocking the road to attend Canonsgrove resident and 3 staff members on walkie-talkies. Young family had to walk past this. We’ve had stolen property stashed in our garden. The list goes on. Too many incidents to report. I am scared to walk my dog when it’s dark. We now lock our door every time we step outside. General ebbing away at our quality of life. Must be very scary and intimidating for a lot of Trull’s elderly people now .
- If there is a need in the local area (Taunton) it should not provide housing for people from outside the area- such as Bridgwater and Weston-Super-Mare. As local residents we do

not want our village to become a repository for other areas' problems. I have been offered drugs by someone walking past our property. My husband has been stopped in his van and asked if he would transport 2 bikes up to Canonsgrove. I have telephoned the police when local Canonsgrove residents were walking in the middle of the road preventing me from coming home to my property.

- As a retired Police officer of 20 years my recommendation is based on previous experience. Now, as a resident of Trull I have seen at first hand, the abuse shoppers at Trull Stores have been subject to by Canonsgrove residents. The residents also seen to congregate at the Trull bus shelter drinking alcohol.
- We are aware helping the homeless is too complex a task . Having a large number of homeless in one area I imagine will be more difficult to rehabilitate people who are negatively impeding others progress. Also more difficult to manage anti-social behaviour being far from support services centrally in town.
- Increased litter (but not all down to Canonsgrove) including blue masks roadside from PO to Canonsgrove.
- Smaller multi-occupancy would seem to suit both residents and local villagers. Sites closer to town would also suit the occupiers and meet their needs. We oppose a sizeable hub at Canonsgrove.
- The current situation is a really bad idea. Canonsgrove is NOT a suitable location for - what appears to be - many troubled people that require full support in smaller groups. Forcing this on local close communities is a recipe for long term failure. Entirely justified nimbyism. Those that are pushing this on to Trull are doing so more out of personal anti-snobbery and not from a reasoned logical perspective.
- Housing First model looks good but would be unacceptable to those making the decisions. Smaller multi accommodation closer to Taunton centre plus own accommodation with support for those with special needs would be a sensible compromise.
- TPC must insist on full involvement in the consultation process with access to all information on alternatives. We should find out and publish the views of all elected SWT council members.
- I understand that this is not a survey regarding alternative sites, but relative to my vote in the attached box, I still feel that use of the ex UKHO facility of Edgell and Beaufort Blocks near ASDA Taunton would provide a much better solution to this problem and would preserve this historic Taunton feature for the future. These buildings were previously used to house circa 300 Draughtspersons, Printers and Management. I am sure that this venue could easily be converted to accommodation for 180+ homeless folk and provide hope and wellbeing for them in the future. It is within walking distance of the town centre where they could meet up with their friends and facilities, and buses run at frequent intervals to and from there. It would be such a loss to the town if these buildings were sold on to developers only to be demolished for private gain, whereas

they could fulfil a much better use for those in need. Housing these homeless people 2.5 miles from the town centre at Canonsgrove seems ridiculous, when they could have an excellent facility closer to their place of recreation.

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- I saw a Canonsgrove resident urinate in Trull Park, using foul language and being verbally abusive to children, repeatedly, as well as taking drugs openly outside Queens College.
- Each is only a partial solution and a layered system of evaluation and progression, with appropriate support, is essential .
- I can understand how Canonsgrove has positives but needs to be situated closer to Taunton to access services and for emergency services to be able to respond more speedily as I assume they are regularly required.
  - Our house was burgled by a resident of Canonsgrove. My daughter was in the house alone. You can imagine the distress this has caused and that now my daughter does not wish to be alone. I am a nurse and have to work therefore this made it even more difficult for us. The Parish Council already have a copy of my daughter's letter.
- Our opinion, a large hub model is less suitable for homeless people and the neighbourhood in which it is situated. Canonsgrove is too far from town centre amenities, and the anti-social behaviour of a minority of clients has had a significant detrimental effect on some Trull residents. Finally, the potential threefold increase in client numbers could make the impact on our community more serious than it already is.
- It should be clear to all, that to abandon less fortunate members of society at Canonsgrove, 1.5 miles from the nearest shop and 3 miles from our town centre in this day and age is unacceptable. Those in need of shelter also need support, a place to call home, meaningful work and a community with numerous activities, within a bustling community. With the demise of our High Streets and for Taunton the loss of Debenhams, I am of the opinion that the now defunct Debenhams regional office could easily be converted to provide individual accommodation and support offices for those needing help - but this could be too close to County Hall for comfort!
- Firstly, we are disappointed that there is no option to say no to any of the proposals relating to Canonsgrove. Whilst we were broadly in agreement with re-housing of people at the start of the pandemic as it is an ongoing emergency. Our worry all through has been that this accommodation has been found through an emergency and almost by luck. It does not appear that there was any previous thought into the building being used for this type of accommodation. Of course, now people are in occupation it is far easier for the use to be kept. This is the thin end of the wedge, brought about by accident. It is shocking that SWT will not share any information with us or the parish. We will be objecting to the planning application . Why has the section 106 not been enforced? Probably because it's SWT that is contravening it. If it were an individual or company SWT would most certainly be enforcing.
- I am in favour of the support that Canonsgrove has provided to the homeless however I do not feel this should be extended to support any extra people. SWT should be consulting the Parish Council on any decision they make regarding the future of the site.

It is very unfortunate that this survey is worded in a way so heavily biased towards suggesting residents will automatically be against the homeless being resident in Trull. This is certainly not the case.

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- TPC apply for FOI regarding the other 4 options. Please note: Smaller multi-occupancy should be across Taunton town therefore not burdening other villages.
- Regular anti-social behaviour. Don't feel safe walking in Trull any more. I wouldn't want to continue living her/raise my children here if this is a long term residency.
- We have had 2 incidents in the last year. We found a syringe on the pavement. We were  
sat in the garden one day a camera was put over the fence on chasing the young man it was obvious he was from Canonsgrove. Quite unnerving.
- We are not experts in the best solutions to tackle homelessness and rough sleeping. However, common sense (to me) would suggest there should be a range of options, not a single option. If it is to be a permanent solution then our limited research on the internet suggest that a sizeable hub is not the best option. Even if it is temporary. We are intrinsically opposed to sizeable hubs. Smaller supported housing is the way forward.
- I have not had any problems arising out of the Canonsgrove property. I think it is an important incentive to support the homeless in our community. Ideally, to avoid stigma and other issues, a smaller family or group of members across different sites including some with additional support for extra needs.
- Residents cycling to and from clearly under the influence of intoxicants - riding without due care and attention. Residents walking to and from through the park , smoking cannabis in plain sight of children.
- I am torn. I believe an out of town hub takes away some of the temptations which are easily accessible in the town centre. I also believe that some of the residents have benefitted mentally and physically since being housed at Canonsgrove. It works better financially to have one large facility rather than smaller hubs. Without a clearer understanding of the negative impacts regarding crime etc ( which I am glad not to have suffered) I cannot make an informed decision.
- I believe smaller areas of housing, dispersed across Taunton would be a sensible solution- as unfortunately the rise in anti-social behaviour is inevitable with 3X the residents and would really negatively impact Trull as a small village with a high elderly and young family population.
- I believe that a hub should be made available for residents like those placed at Canonsgrove but feel that the siting of such a hub should be located in Taunton itself where each person can feel more a part of a community and not stuck out on a limb in a place like Trull.

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- Small site accommodation enables better interaction within local community. Wouldn't want a larger site at Canonsgrove.
- I think support and guidance needed 1-1 or smaller groups housed close to support , employment opportunities and not within a sizeable hub.

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- Canonsgrove is some 3 miles from Taunton town centre where most of the current clients want to spend their time. This then involves them walking or cycling through the village, there and back.
- The use of Canonsgrove has been a success in terms of housing the homeless and reducing the risk of coronavirus in this vulnerable group. However, the lack of communication with the local community at the start of the scheme has led to a number of issues mainly affecting a minority of the parish but particularly those living close to the facility. In spite of that, the active support of Canonsgrove by many of the Trull community has been heart warming. Whilst supporting the need to rehouse the homeless, and provide the special care that some of them need, would it not make more sense to set up a number of smaller facilities spread throughout Somerset West and Taunton rather than locate them only at one site. Canonsgrove could be one of those for smaller numbers who would benefit from not having easy access to Taunton services.
- I remember when Canonsgrove was built as a training unit for the police cadets, but it did not last long, in spite of the lovely playing fields. I hate to see it now being used as a dormitory for the homeless 2 miles out of town.
- I must say I am surprised to learn that there are proposals to make it a permanent centre for the homeless, as I thought it was only for the duration of Covid 19. I don't think a sizeable hub model at Canonsgrove is the answer ,as I believe there are varying degrees of problems with the residents. (One size fit all, seems to be applied) There is a danger of creating an institutional type of situation, hiding people away when they don't conform to societal norms.I worked in mental health when there was big institutions and saw how people lost their independence when everything was done for them, so I definitely would not agree to this large hub. I also could see people who are vulnerable being enticed into drug taking or other behaviours they don't feel able to say no to. I would think it would be more helpful to assess individual needs and offer integration back into normal life. People need goals and hope for life to get better, not stuck away where they see no way out of their situation. I propose, following assessment, housing according to their capabilities and state of health, smaller, multi-occupancy to be used appropriately, and for more complex needs, the Housing First Model.
- I have not witnessed personally any antisocial behaviour but I have been told of situations where local people were very frightened and I think it's very mean and shows a lack of insight to push this problem to what is mostly an elderly community and young families with children. My daughter who lives in Blagdon Hill, has children and is aware most parents will not let their children go to Trull park on their own now as they are worried they will come across distressing situations such as reported drug taking/dealing or intoxicated adults. My daughter has seen drug paraphernalia in the park and on a few occasions has had to do an emergency stop in her car as intoxicated people were in the

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middle of road, which is a concern for their safety. This was just outside Canonsgrove where it is a national speed limit so cars go fast before entering a 30 mile zone.

- I've chosen the sizeable hub in Taunton in the hope that it would make life easier for social services and policing, and keep residents in the heart of our county town. Negative experiences for me, so far, have been with maskless Canonsgrove residents at Trull Stores

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- I have witnessed Canonsgrove residents at the bus shelter by Trull Stores, drinking, shouting and arguing which would be very intimidating for the elderly in Trull. A 3 mile journey into town is also too far for the residents.
- Canonsgrove is OK for a limited number but not one large centre. We have observed a number of minor anti-social incidents eg swearing and shouting abuse whilst walking/cycling along Trull Road.
- We feel we are not qualified to say how or where the homeless should be housed as with many different problems these poor souls present with. However, we do feel that Canonsgrove is the wrong accommodation for them as too far from amenities.
- We have witnessed and reported considerable instances of anti-social behaviour including drug dealings, noisy exchanges, little social distancing, dangerous Jay walking, human excrements, with excessive emergency visits to the site and increased litter since the institution was opened. This has resulted in a huge increase in the crime statistics in our local area. We are feeling anxious within our own home due to the suspicious activities compounded by a total disregard of social distancing of residents walking up and down Honiton Road at all hours! YMCA/SWT is NOT solving the deep and long term issues of the residents and taking no responsibility for their residents actions once off site, which does not consider the needs of our community. They need to consider the long term rehabilitation of these vulnerable people into the community and provide a dispersed wrap around integrated service within a positive community environment which will aide their progress by breaking the cycle institutions/hubs serve. We fear for the future of Staplehay and Trull if this homeless business hub extends and becomes permanent.
- Buses may become overcrowded for all and the elderly use these regularly. Would probably negatively impact Trull as a village too.
- It is very difficult to establish which option is good for the people concerned without a lot of research. The last option (housing first) sounds good but must be the most expensive and cause council tax or general tax rates to rise. Option 3 (Multi-occupancy) secures a reasonable compromise. That is why I have chosen that as I think it will help the clients best.
- The housing first model would appear to be a good solution especially if there are people who have complex needs. What wrap around support actually means would be helpful to know with this decision tho.

- I have lived in Wild Oak Lane (Trull Road end) since 1989. Over the past few months one often sees men walking up or down Trull Road with cans of alcohol in hand. There are also now discarded cans thrown on to the pavement. Trull Stores is now an occasional spot for begging! Trull Road does not feel quite as safe as before.
- Having had a very personal experience of the negative side to having homeless people at Canonsgrove we are against housing them so close. A chap was behind our house photographing the back of our house and next door - no possible explanation for this. It is also very unsettling to have groups walking to and from Taunton (with cans of beer) at all times of the day and night. We feel very vulnerable.

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- We both believe that one centre is much better than many. We accept that being so far from other amenities is not ideal but the space locally does lend itself to the unit here. We personally have not experienced any anti-social behaviour.
- Another solution would be , to convert some of the empty public houses in and around central Taunton as a “temporary accommodation” to give support and encourage residents to try and find permanent accommodation of their own. This could be done by having houses of 10-15 people as well as the house having guardians (permanent professionals) to provide the support and help they need. This could then also help to educate with various daily life skills which will help them gain confidence and learn new skills. My understanding of the Halls of Residence is that it was built for the use of housing students and medical staff, However, if this is to change, maybe a better solution would be for the halls to be used for other public services, for example as a day surgery or a place patients from the hospital can go for final recovery after their treatment. Since our own personal experience with the current residents at the beginning when they moved, we are left feeling unsafe and unable to relax properly in our own property. I believe we are not the only ones that feel this way and leaving the halls to continue in the same way will cause more anxiety within the community.
- Homeless people need to have their own place to enable them to have the chance to get back into society through the chance of getting back into the workforce.
- As a council tax paying resident in Staplehay we are dismayed that SWT are seemingly making decisions without consultation of residents in Trull and Staplehay. As we are immediately affected there should be an open meeting to discuss the future of Canonsgrove especially as there appears to be an undercover movement to expand the number of residents. We had initially thought this was a temporary situation just for the Covid time. In the present situation of lockdown there appears to be fewer problems in the village, but for those Canonsgrove residents who have drug and alcohol problems we are not advised how they are managed, only a “feel good” letter. If the number of residents are increased it will be a too far out satellite hub with more associated problems to be resolved. Therefore we strongly feel this is not the way forward to helping these persons. Individual personal help is needed in their own area, rather than putting them all together as in an institution.
- Given that most of the residents will walk into town in the morning and back to Canonsgrove in the late afternoon/evening surely the best place for them to live is

actually in Taunton town centre. There are a number of buildings currently unoccupied that would be suitable.

- It is ironic that it used to be a police training centre and now they are visiting on a regular basis! Surely with the regular footfall of the residents they would obviously prefer to be in Taunton, so why not locate them there.
- Best solution is to provide sizeable hub near centre of town where support services and access to facilities can be provided. More rubbish, can and bottles on verge outside house. Occasional instances of aggression towards bus driver on local route.

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- Canonsgrove seems to have served a very useful purpose in response to the Covid 19 threat to homeless people. But it should be a stepping stone to a long-term dispersed service.
- I am unable to select any of the options as I do not believe that the answer fits into a simple tick box. I lean toward the principles of the Housing First Model and feel that Canonsgrove would provide an excellent place where this could be applied ie: giving people who have experienced homelessness and chronic health and social care needs a stable home from which to rebuild their lives. However, it is not clear from Question 4 of the questionnaire that Canonsgrove is seen as a provider of that accommodation. I must say that I feel uneasy with the wording of this document which seems to imply a bias against making permanent provision for people who have experienced homelessness at Canonsgrove.
- The best solution is not to relocate the homeless to a site that requires even more stretching of resources such as Police. Similar schemes for “trouble making households” have been used and all it does is spread trouble across a larger area. I have personally witnessed 3 fights in the middle of the street, on Honiton Road, between Canonsgrove residents. Two whilst with my young children
- A combination of 2 and 4 should be used because a “one size fits all” approach won’t be right for all. For **complex needs clients** the housing first model. For others a **small** hub in Taunton with benefit of being in a social group and close to services whilst presumably being more economical.
- One of our neighbours had a break in and items stolen which I gather was related to Canonsgrove.
- I live half a mile from the Canonsgrove Homeless facility and I object to the council setting this up as a permanent facility for the homeless. This would not be a good outcome for the homeless or for local residents. To locate between 60 and 120 homeless vulnerable people from all over Somerset in a quiet village so far from town and without adequate transport is problematic. The communities of Staplehay and Trull have experienced serious problems with the residents from Canonsgrove impinging on the enjoyment of their village. It is not normal to expect burglary, street violence or drug dealing at all hours of the day and night in a small community like Trull and Staplehay. This is usually a big city problem. This facility has had an impact on elderly residents

who are fearful for their personal safety on the street and at home. With drug dealing and the arrival of County Lines, local parents are obviously concerned for their children's security in a village that is unexpectedly no longer safe. Canonsgrove is having an adverse effect on our quality of life. We do not elect and fund the Council to impose this homeless facility that negatively impacts our local community in so many ways.

- I consulted my friend who has first hand experience of this type of challenge in her experience. A sizeable hub would be a disaster leading to drug dealing, addiction, theft, burglary and local conflict. She saw option 3 (multi-occupancy) fail in a "nice town" and had to be closed down. Truth is we do not want any of this in the Taunton area. The homeless here is not a major problem and is dealt with by charities. Option 1 (sizeable hub) smacks of a business project; is there money in this for the council from government grants?

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- Intimidating behaviour by drunks at the bus stop. I have been afraid to use the bus because I cannot wait at the stop.
- A village is not a suitable location for a homeless hub; it's simple. As parents of two young children who play and walk to school we worry about interaction between homeless residents and our children in our quiet village. We continue to witness drug dealing and anti-social behaviour by Canonsgrove residents.
- Most of the people would probably prefer to be more centrally accommodated we should imagine as there are more facilities in Taunton town centre. We also believe the facility could be used for better purpose. For example adults with learning difficulties or as a tranquil sanctuary for young people in care who could enjoy the quiet environment and farmland. We believe it would bring a renewed security to the village. I have worked extensively with homeless people and I am not being judgmental - it is painful and horrific to imagine their stories.
- I do not believe crowded living like this works. Multi-occupancy when people have challenging and difficult lives can lead to them being influenced by others and then unable to change habits and behaviour. I have witnessed groups of 2/3 Canonsgrove residents walking to and fro from town. On their return journeys they often appear "under the influence", walking in the road, shouting and swearing. I have also been witness to residents being abusive and aggressive towards the shop owners, refusing to wear masks. This demonstrates that Canonsgrove is not set up to get people off the streets. It is not there to influence and change behaviours. Large group living will inevitably lead to greater problems as they feed into each other. This then has an impact on the village, the police and young people living here. It is not a good model of support the resources will always be too stretched to meet demand.
- Separate the substance abusers from the rest as they are the cause of local discontent, with anti-social behaviour, drug-dealing and solvent and alcohol abuse. This is not welcome in a residential area with a primary school and elderly residents.
- As a mental health nurse Canonsgrove is definitely not the best position. Vulnerable, homeless people need to be in smaller accommodation with resources on hand to support them best. As a result of the current venue there have already been several

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burglaries, a huge increase in litter, especially alcohol bottles/cans. Close by a 16 year old girl has been traumatised by a burglary when she was in her home alone. In an enlightened society we really should be treating people as individuals and not taking part in this kind of social cleansing. We should have moved on from the "leprosy" mentality. It would be helpful to know how many people are currently rough sleeping in Taunton and how many of them would be prepared to use the Canonsgrove facility - night and day. The proposed "consultation" by SW&T is neither Liberal or Democratic and is obviously designed to limit discussion to the impact of the decision only. "One way of avoiding needless scrutiny I suppose" but it is sure to rebound on them.

- From what I've seen and read I thought that grouping people together, some with issues, was universally seen as a very poor solution to this problem. Canonsgrove's only qualification is that it is empty. The distance from the town centre is a huge negative and is already causing problems locally with drug dealing and defecation on the road side. Not nice!

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- The Canonsgrove homeless accommodation was never an ideal situation but one I believe most residents understood as a short term measure in light of the pandemic and the wider challenges that we all have had to endure. It has also taken far longer than any of us really imagined to get to this point where just maybe we are seeing the end. I respect those involved for finding this solution and the members of the local community that have reached out to support. Sadly personally I have far too many stories to relate about varying bad behaviours and as it became clear early on there was no recognition of this from the local Council or the management of Canonsgrove it felt fruitless to say anything and frankly many people were concerned to raise issues in case they became a target. I personally heard extremely abusive language, excessive swearing, drinking on Trull Green which went on well into the early hours, clear indications of drug dealing on Honiton Rd and on one occasion I found someone skulking around in my garden in the dark minutes before my daughter was to arrive home and it was only by chance I went outside and found him. He was not in a state that was acceptable to anyone but more so was clearly a danger to himself and others from his subsequent behaviour. It is clear that this is a totally inappropriate site for the homeless shelter and whilst as I indicated earlier I understand the short term need this is a totally unsuitable site for any future long term use even at its present size but anything larger will be far worse and I don't believe will fulfil its aims. I understand more than most from my time in local Govt and as an Executive Councillor for Housing that the best solution always is one of smaller multi occupancy accommodation throughout our community with the housing first model as a priority to get them individually in their own accommodation with the necessary support. It is here the Council should focus. Any plan to continue the use of Canonsgrove as a large scale long term solution to the housing crisis will be ineffective and create far more issues for the local community it must be resisted.
- Smaller multi-occupancy would enable better separation of clients with different needs or level of dependency and would avoid institutionalisation or creation of a "ghetto". As residents of Staplehay, we would like to be consulted about the future use of the vacated accommodation, if the residents are dispersed. E.G. continued use for education and training, potential for developing skills amongst homeless people for more general training purposes, or for sale as a residential development.

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- The clients need access to specialist support. The hubs are unlikely to offer the sort of accommodation that the clients would find beneficial. Whatever location is selected, needs to have easy access to the services the clients require.
- Even if a “sizeable” hub was the best solution Canonsgrove is entirely unsuitable because the residents have to walk through the village to get to and from Taunton. If the hub was the Taunton side of Trull there would be no legitimate reason for the residents to be wandering round the village shouting, swearing and leaving empty cider cans in gardens and hedgerows. I’ve come across residents outside my house who pretend they can’t speak English when challenged. No one would plan a facility like this in a village and to use it just because it is there is lazy and inconsiderate to residents.
- The site is too far from Taunton and incidents reported are to and from town and drug dealers are driving out to the village to drop off which just spreads the problem everywhere. There are so many empty premises in town it seems nonsensical to have them based at Canonsgrove.

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- The Housing First model would be my first option but I doubt whether it is practicable given the numbers being considered across Somerset. I believe strongly that the “sizeable hub” (what exactly does “sizeable” mean? How big is it?) models are not in the best interests of this client group unless the primary aim is containment rather than rehabilitation. I see the potential for creating a ghetto at Canonsgrove.
- I have seen tents in the grounds well away from the house - sanitation?
- Concerned about the drugs introduced to the community our children no longer feel safe walking to the park on their own. We feel very let down that there has been no formal consultation on the change of use of the site because we have intentionally moved to the area to bring up our family away from the effects of drugs, poverty and criminality. Myself and my wife favour the housing first model. We are very strongly opposed to the siting of the vast homeless and rehabilitation encampment at Canonsgrove, Trull/Staplehay. We are concerned that the parish is being backed into a corner to accept the illegal encampment, compounded by the difficulty faced by parishioners to accurately express their views for fear of appearing unsympathetic to the plight of the homeless. Our reasons for not supporting the illegal rehabilitation and homeless encampment are:-our community has made provision for the homeless of the parish through the parish alms houses charity. To our knowledge no additional requests for public subscriptions to the charity have been made, indicating satisfactory current provision. Indeed if there is a need for further parishioners to be offered housing we would welcome the expansion of the alms housing charity. Can the Parish Council confirm whether the alms houses charity have received requests for housing of parishioners that they have been unable to house which would indicate unmet demand? And if so, have these parishioners gone on to be housed at the Canonsgrove encampment? -the council appears to have operated in an unacceptable and opportunistic way to establish the encampment under emergency measures, then to continue its use whilst having illegally bypassed planning law and due process-there have been no published inclusion or exclusion criteria that inhabitants should meet to gain a place at the encampment. We are therefore concerned that inhabitants are not just the 'primary homeless' but also those who are criminals with unspent convictions,



criminals on licence, and criminals in rehabilitation. -as a primarily residential area there is minimal provision for sheltered employment or adult education locally. The absence of which will encourage reoffending and antisocial behaviour, which has already been witnessed.-it has brought the complex and dangerous issues associated with people on the fringe of society to our area, which is ill-equipped to control or manage it despite the efforts of probation officers at the encampment. -we are angry that our 3 young children have been party to unacceptable and distressing scenes and behaviour from the inhabitants of the illegal encampment over the last 9 months. We are supportive of any action the Parish Council can undertake to close the illegal and inappropriate encampment.

- There is not a “one size fits all” solution. The ideal might be “Housing First”, but given the very long waiting lists for social housing in Taunton area, where would all the unallocated housing be found, unless purpose built? Funding? Recognising that many of the clients at Canonsgrove have additional needs either physical, emotional/mental health or addictions, “sizeable” hubs do not provide a calm, supportive small-group environment. Where there are sufficient professional staff to build effective relationships with

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individuals and they can gain confidence to make life changes without fear of bullying, peer pressure or anti-social behaviours from those who need extra support. This applies to any “sizeable hub” in any location. A smaller than present group, with enough professional support, might suit some who need calm and to be away from town at Canonsgrove while other smaller groups would be better served nearer town and amenities, medical centres, possible work training opportunities etc. Staff at Canonsgrove and local police have been responsive to contact re some anti-social drunken incidents, but to increase the numbers at Canonsgrove or any other hostel is both unfair to clients, those supporting them and the neighbourhood, It is NOT a case of “not in my backyard”!

- There have been some amazing testimonies of lives changed and transformed in the clients at Canonsgrove. It is sad that there are those who don't appreciate the facilities and have not responded to all that has been invested in their welfare. Some have been abusive. We feel that the two should be separated.
- I don't feel able to tick any of the options suggested, due to lack of definite information. Homelessness is a national, even worldwide problem, also very emotive, with no easy solution. It can affect anybody, sometimes as a result of adverse circumstances and not just through alcohol or drug abuse. I was very sad to read the report in the County Gazette ,which I felt was grossly exaggerated. Yes there have been some incidents of "antisocial behaviour", but not affecting the whole village. There have been, I am sure, positive outcomes for some residents which of course we do not hear about. Is this an official Parish Council survey or from the Trull Residents Group mentioned in the paper ? I fear this could become a very divisive issue in the village.
- I have heard many stories about abusive language and I do not let my children go to the shop area out of daylight hours now. I feel strongly that homeless people need input and support but being placed in a rural location miles from town does not benefit them or sort their futures.

- I'm sorry to say it but our lives at Canonsgrove have become a daily nightmare since the hall was given over to housing these clients. We suffer noise, day and night; insult; frequent trespass on our property. Rubbish including bedding, clothing and even a bicycle thrown over into our garden etc and worst of all, when unruly clients are evicted, they hang around our property.
- Not to have a hub in this village. I do have 2 stories to tell:

PERSONAL EXPERIENCE OF INCIDENTS INVOLVING HOMELESS INDIVIDUALS AT CANONSGROVE HALLS OF RESIDENCE.

1. SEPTEMBER 2020.

I had driven down to Trull Stores to pay a paper bill. On leaving the shop a resident was stood in the queue behind me. As I was going out the door, I heard Mr Patel telling him words to the effect 'I've told you, we're not allowed to sell you that.' I believe this was a reference to lighter fuel which some residents had been sniffing leading to other issues around abusive behaviour directed at secondary school children waiting at the bus stop.

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When I walked outside to my car, I noticed another resident sat on the window sill. I replied to a text message on my phone and at that point the first resident came out, punched the glass window and then kicked the van parked behind me. He was swearing at the fact Mr Patel had refused to serve him.

I then watched as the two of them walked on the pavement back up towards Canonsgrove. However, they were deliberately walking backwards and forwards across the road and for some stretches in the middle of the road.

At the stage when they were on the pavement I drove past only to see my son coming the other way with his partner and my eldest granddaughter in the car. I slowed to warn him about the two residents who were heading towards him. Minutes later he returned home to say one of them had jumped on the bonnet of his car.

When I arrived home my wife was in the house, despite the good weather, as one of the same two residents, heading towards the shop while I was driving down, had sworn at our dog and entered on to the driveway to our house to so do, after it had barked at him.

I then noticed a PCSO in a police car outside attempting to intercept the two residents still walking towards Canonsgrove who had just passed the front of my house. He was attempting to remonstrate with them and was told he was 'Just a f\*\*\*\*\*g dickhead' and he 'couldn't do anything.'

A neighbour then walked towards me on the pavement as we watched this and informed me the same two individuals had been spotted by him behind the garage where they appeared to be trying to break in. They noticed him watching them from up a ladder where he had been painting the front of the house and he informed me they had verbally abused him while stood at the bottom of the ladder, when he felt very vulnerable.

On that occasion, the PCSO took our details but the incident was not followed up subsequently. However, the two had shattered the peace of a quiet Sunday afternoon on a number of occasions and at various points between the halls and the shop.

## 2. THURSDAY 21<sup>ST</sup> JANUARY, 12.15AM

I was woken by the sound of two individuals talking in raised voices with one saying: "You owe me money" and the other responding: "I've told you I'll pay you when we get back."

The initial voice, which sounded menacing, then insisted: "I want my f\*\*\*ing money, I want my f\*\*\*ing money." I believe the second man then tried to run down the side of our house, where the dogs were in the kitchen and were going berserk, barking and jumping up at the back door.

At the same moment, my younger son who was staying with us in lockdown while his own house was being built walked out on to the landing where I was already standing. At that point we heard a scuffle and it sounded like one man had the other in a headlock as he was shouting "Get off me" but it was very muffled. We then clearly heard the sound of punches landing. I then opened the landing window and shouted out: "Oi, cut it out." I was worried there was the possibility of a potentially serious violent incident and I could not stand by and do nothing.

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Next, the second man was stood in the middle of the road in a very distressed state screaming at the top of his voice: "Help me, help me." I could not see another individual at this point but he was on the phone to the emergency services and telling them there was another individual in the road up ahead, between our house and Canonsgrove, and he was blocking his way and he was afraid he would attack him again. He said he had been struck on the head and the blow had drawn blood. He then shouted out: "What's the postcode" and wanting the emergency services to attend as soon as possible, I shouted out: "TA3 7HF."

My son continued to watch while I tried to find an emergency contact number for Canonsgrove. I then considered going downstairs and going out accompanied by our big black Labrador on a lead to investigate further. But at this moment a white riot van sped past en route to Canonsgrove and two other patrol cars were parked outside with three officers, one a woman, who was restraining against the boundary wall or our house the man claiming to have been assaulted. Another officer had walked up our driveway and knocked on the door, by now it was 12.3am, and the sound of the disturbance had woken up not just the two of us but my wife, my son's partner and my one-year-old granddaughter had unusually woken up and was crying. She had clearly been upset by the sound of the man screaming. I was warned never to intervene but to dial 999 as there was the possibility such disagreements were either over drugs or involved individuals under the influence of drugs and they might be carrying a weapon.

The police officer took my details again and said I might be contacted by the local PCSO who might want to take a statement for me. In the meantime, I had also sent an email that night to the Canonsgrove emergency contact address and was contacted to discuss the incident the following day by Pat Collins, one of the managers. I felt we had a constructive discussion but I explained why I was so upset at the incident and she accepted it was unacceptable.

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Personally, this was the straw which broke the camel's back. We have tolerated late night noise as we live on a main road and in the past we have been woken in the early hours by students making their way back to the halls and on occasions by late night shouts and disturbances by homeless residents returning. The tone and style of the two is very different. I had heard allegations from other villagers of petty crime, anti social behaviour and alleged drug dealing by residents but had not experienced any serious issues until the first described.

But this incident was beyond the pale. It was extremely upsetting and it was the threat and use of violence which took things to a different level.

I am happy for this account to be circulated to other interested parties and to speak further with anyone who wishes me to do so in order to ensure our voices are heard – and listened to.

We had been broadly supportive of this initiative when it was launched during the first lockdown. However, over the summer as restrictions were eased, the behaviour of residents became worse and sadly we do not wish for this social experiment to continue. On no account would we countenance it becoming an even bigger operation. It is the wrong idea in the wrong place and being executed and monitored in an inadequate fashion.

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- As previously advised to the Parish Council there have been numerous reasons to report anti-social behaviour and potential criminal dealing in the area.
- We have been genuinely concerned about the change that has taken place in the area since Canonsgrove has taken in the Homeless, because of Covid 19. We feel that Canonsgrove is not the place for the Homeless, most of them seem to walk into Taunton and then come back later causing disruption on their 3 mile walk or cycle back from the town. The Housing First Model seems to be a way of helping them move on and could give them more responsibility to be independent. There is now drug dealing in the area which we never had a problem with. I have lived here for nearly 32 years and have felt very safe walking around the area until last year. Elderly people who live in Staplehay and Trull, are now scared to go out on their own, in case of meeting someone. If you do meet someone, they can be worse for wear from drink or drugs are sometimes quite frightening to pass as they are muttering obscenities under their breath and shouting at you as they walk by. I have been approached for money a few times, just keep my head down and walk as fast as I can, without looking back, hoping they are not following me. Here are a few examples: In the summer we had two women sitting on our drive which is hidden from the road, for about 20-30 minutes. One of the ladies was very agitated and kept getting up and walking around, while the other was on the phone most of the time. We were observing this from a window and did not feel safe to intervene. When they left, we went to the end of the drives and they were walking up towards Canonsgrove. We telephoned Canonsgrove and spoke to security who confirmed they were residents and that one of the women had been threatened with her life earlier and they were hiding from someone. You can imagine this made us extremely nervous and questioning the type of persons living in this area. Have been in a queue outside the village shop when a resident tried to barge his way into the shop, he was approached by a man who asked him to go to the back of the queue, the language was very threatening and made us all very aware of what is happening to our neighbourhood. We have since heard the this behaviour was happening regularly. While walking with a friend in Sweethay Lane I noticed lots of blue

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plastic, like plastic gloves in the ditches and in the hedges. Told that is what they wear when passing drugs. Also, the ditches had lots of empty bottles and cans. Something we never have had to deal with before. Have been genuinely concerned about the drug dealing, especially in the area near the telephone box at the end of Sweethay Lane and Bradbeers. We have never had a problem with drugs in this area and it is not nice for anyone who witnesses the deal taking place, or obvious that they are waiting for a car to arrive. In the mornings between 7 and 8am you can quite often see someone staggering back towards Canonsgrove. If they are staying out all night, do they need to have accommodation to go back to in the daytime. Would have thought that checks were made that everyone was in by a certain time. Finally, I had to make an emergency stop near the village stores as a resident from Canonsgrove was walking one foot on the pavement and the other on the road, very drunk and unsteady. I waited for him to pass my car before continuing. Later heard that he was found lying half on the road and half on the pavement near Southwells.

- Sustained a smashed garden door to our property September 2020 during the night. Noisy groups returning to Canonsgrove swearing and shouting leading to disturbed sleep. My nephew found an individual in the middle of the road at 10:30pm whilst driving from Taunton to Trull - appeared drunk or stoned or both - unable to walk properly dressed in black clothing - Nov 2020

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Unfortunately we have experienced an increase in shouting and screaming whilst walking up the centre of the road. Break ins at at friend's house has caused distress and anxiety. Surely there are better places to house in the centre of Taunton especially with so many empty premises e.g. police station.

- In the past 12 months the stats don't lie, crime is up, there have been plenty of complaints, the police presence has increased, and even simple trips to Trull stores has become an issue for a number of residents. Canonsgrove is not fit for purpose, its location encourages the residents to roam about at all hours being so far from town and disrupt village life that we all seemed when we decided to move here. Locating them centrally in town would give access to the services they require to function and provide much better job prospects for them to improve their lives.
- No 2 choice would be smaller multi-occupancy. Best solution in Taunton. Why? Public transport access, shops, medical facilities. Occasional walking on road and pavement drugs affected or other. Witness to burglar leaving Amberd ???(not able to read this)
- It is of my opinion that Canonsgrove was suitable for an emergency situation however, it appears evident that for a multitude of reasons it is not suitable in the medium to long term. Canonsgrove is accommodation which separates people from society both in its location and in its high occupancy status. Once people live in accommodation with others with significant difficulties / mental health issues we know that they are more likely to suffer harm. The difficulty is that people are unable to separate themselves from the dominant culture set by those who have the most power, e.g. the drug dealers. Residents are not afforded the opportunity to be part of a positive group within society and therefore have little if any chance of surviving the dominant culture which has proven to prevail within the grounds of Canonsgrove. It would seem fair to argue that people's life chances are reduced from spending time in high occupancy living accommodation, and that low occupancy accommodation where people are not intimidated by other residents would be more favourable if, it is our desire to improve the

lives of disadvantaged individuals. This of course goes hand in hand with the negative effect that Canonsgrove has had on the local community. People are frightened, intimidated and concerned for their safety. If people had smaller houses where they could be given the opportunity to be a part of their local community it would seem better all round.

- The Housing First model should be the primary option but does not work for everyone. This should be supplemented by smaller multi-occupancy accommodation dispersed across Taunton rather than sizeable hub models.
- It is good that the Parish Council is keeping an eye on this, but it is far too soon to ask for votes on a set of options, which are not necessarily the full set to be considered and are not accompanied by the relevant information. You are rather unfair to Simon Lewis's report SWT146/20, as he is indicating that he will develop a set of options with information about each. He seems to be setting himself the target of doing that by this month (Feb) which seems a bit challenging considering the complexity of the task. We should at least wait for his analysis and report before expressing our preferences. Failure to do that is likely to undermine our credibility.

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- Thank you for putting this survey together. It's difficult to give a very informed answer to the questions above as I'm not an expert in this and best outcomes for homeless people. We feel that having a large number of homeless people housed together may not be a good idea and smaller units and support available near to services and community likely to be the best model. Canonsgrove is not an ideal location due to distance from services and community and not equipped to support large numbers of homeless people (smaller numbers manageable and I believe there have been some positive as well as negative experiences in the community). Presence of those smoking drugs has put my children at unease around the village that's always felt so safe.
- I think either the 2nd or 3rd would be better because they are a long way out of Taunton where there is more interesting things to do than in this lonely isolated house with poor transport.
- I find it quite difficult to give an opinion on "homeless" - a very mixed selection - genuine, mental, drugs etc. So a location, close to services and communities rather than a remote fine setting, as Canonsgrove, seems quite inappropriate. I have contact with two policewomen because of concerns and their tel nos!
- I have lived in Trull for 30 years and this past year is the only time I've noticed people hanging around drinking and looking quite intimidating. I can only assume these are residents of Canonsgrove.
- It seems to me that the council is trapped between owning sizeable, dated, expensive buildings such as Canonsgrove, and having too few financial resources to a) generate tenancies suitable for individual homeless people, and b) provide the necessary practical support to enable them to manage independent living and hopefully move on with their

lives. But that is surely the model we would all want for ourselves, had we similarly fallen through the net and become homeless?

- We feel that the modern way is to disperse the needy across the community in Taunton rather than making something big in one location. We are against making a sizeable hub. We have heard of a break in at Amberd Lane that was due to someone at Canonsgrove and seen a couple of drunken men from Canonsgrove in Trull Stores and on the road.
- Having numerous occupants at Canonsgrove will potentially cause more crime/ disruption within the Trull/surrounding areas especially once Lockdown is eased. Residents will more than likely experience problems due to pure size of numbers.
- As a Parish Councillor I was responsible for making sure that a Housing Association did not run Somerset College Resident at Canonsgrove. This is an upmarket area where entrepreneurs will choose to live and supply jobs for those in Taunton. It must not be down graded and Somerset College has found that it is too remote from the centre of Town for their required residential use. Hence, a planning application was granted to demolish and reuse as housing. There are plenty of spaces more suitable for this requirement. Volvo garage site at Prior Bridge Road. Drugs are becoming a problem at Canonsgrove and no increase must be permitted.

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- Canonsgrove should be put to better use e.g. NHS training school. It was designed for a police training school and is ready for a training facility.
- I am a Trull resident and have not been aware of any antisocial behaviour or crime. I think Canonsgrove is an excellent location for the residents out of town and near to lovely countryside walks. I believe plenty of bikes have been provided so an occasional trip into town by bike could be a healthy lifestyle. The MOST important thing, wherever they are located would be the support services on offer to include counselling.
- Thank you for contacting residents, but there really isn't enough information on which to make an informed choice - some options will simply be unrealistic due to cost/budget constraints. In the circumstances Canonsgrove remains a good option, using an otherwise vacant premises. There will, no doubt, need to be alternative provision for those - and any provision needs to be properly funded and managed. I am delighted that David Taylor can be a point of liaison with TPC and others for the church.
- We are not opposed to single homeless people residing at Canonsgrove. We recognise that they need help and support and we financially support ARC from time to time. We raise two questions:

1) Could Canonsgrove be converted to provide say 10 multi occupancy units in each of which say 5 singles could be self supporting with their own good kitchen facility and a communal area? This would mean that Canonsgrove would continue to accommodate 50 people.

2) Also, could there be some selection process, to place at Canonsgrove those who would benefit from or prefer a rural location in smaller unit accommodation, and would be aware that essential services are 3 miles away?

If the above could be developed, we would hope it would provide better accommodation for the Canonsgrove residents and we hope provide some assurance to the Trull and Staplehay residents of better social behaviour.

- Somewhere in Taunton must work better for the homeless. It is unsafe for my children to be out on their own.
- Distance from physical and mental health facilities and support, as well as policing is not conducive to a safe facility for both residents of the facility itself or local residents.
- It would seem to be more logical to have a central property located closer to services and community giving a better chance for re-integration into society. We have had no adverse experiences , but then we have spent most of the last year isolated anyway. We do feel anxious at our age (late 80s) in the present situation.
- Canonsgrove is definitely not suitable being too far out of town and when pubs and shops are fully opened again there will be more and more trouble with these residents.

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- We favour one of the more distributed which we feel would be better for the homeless people and avoid clusters attracting undesirable activities including drugs. We are quite close to Canonsgrove and have had several bad and intimidating experiences while out walking in the daytime. This was mainly during the first few months of the homeless being housed at Canonsgrove. The situation seemed to improve when more controls were introduced (including police intervention) but we are concerned whether it could be maintained over a substantial period.
- ref proposed change of use for Cannonsgrove we are extremely concerned after our experiences in the last few months the idea of having Canonsgrove used for such a purpose is very much the wrong thing both for the community and the poor souls who are homeless we are a small residential village of largely retired people combined with the younger members of the community with children in the primary school age group all who have been traumatised by the events that have taken place obviously not enough supervision at Canonsgrove surely they would be happier nearer the centre of the town ? Its a long walk to the centre there is a bus but do they qualify for bus transport passes ? could they look again there are so many places in the town the old railway hotel and now Debenhams about to be converted to flats etc
- Central hub which can be managed and policed efficiently within the town centre, close to more services. We have too many stories to tell but they have been reported. 1 being drug deals and drop offs within our neighbourhood.

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- A well-managed facility is needed where the needs of the homeless can be assessed and treatments put in place tailored to individual needs. Smaller units are easier to manage and give the “clients” more of an individual sense of belonging. For some, there would be the aim to assist them to re-join society. They need to be nearer the town or in the town to feel more connected with life. Perhaps some of the closed down shops could be converted into suitable residences. The focus of Taunton planners now seems to be to build endless blocks of flats in the centre; an ideal place perhaps to home the homeless. Here in Trull anti-social behaviour is too much of a threat to families, children and the elderly. Their criminal behaviour which has been recorded during the past year is not wanted. We choose to live here and want to feel safe, not threatened.
- Some of Canonsgrove residents do not share the same social capital as some of us in Trull evidenced by the litany of anti-social behaviour problems. Trull falls into the 10% of least deprived areas in England according to the Index of Multiple Deprivation. I would have thought that the individual needs of Canonsgrove residents could be better met by placing them in satellite properties run by Arc based in Taunton and surroundings. It will be a mistake to fill Canonsgrove with homeless from across the district and make it a ghetto of hopeless and helpless residents with little opportunity for betterment.

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- This is my personal response to the survey delivered to my address. I am sorry that I have not completed the survey form itself as no one would be able to easily read my writing.!

**Opinion boxes:** I am unable to tick any box as explained below.

**Other: What do you think might be the best solution?**

This is very difficult to say on the information available. I fully support the provision of accommodation and services for homeless people. I recognise that homelessness is a product of many separate pressures on individual people. As such “the homeless” cannot be put into one category nor should it be assumed they all have the same needs. The “best solution” must take into account these individual needs (which will vary in complexity) and it is unlikely that any one facility would be able to meet all of these individual needs in one location. The homeless population need to have a voice in what is to be “provided for them” by others. The local community where any facility is located must also have a voice as to how that facility can safely and appropriately be incorporated into the community. I support Somerset West and Taunton working constructively and openly with locally elected representatives, service providers, church and community groups and the homeless themselves to develop an appropriate response-- whether this is at Canonsgrove or elsewhere.

- I cannot admit to knowing the best solution for the homeless. I realise that help is needed and the Housing First Model sounds like a good option but it is probably cost prohibitive. My gut feeling is that large hubs are not appropriate as those that are trying

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to improve their lives do not want to be mixed with the more challenging and needy. This means that smaller multi-occupancy accommodation would be the best option.

- Accommodation needs to be homes for people (even if temporary). Living with 60 residents sounds too big already! Can't expect people to walk from Trull to town centre(52 mins walk/bus journey).
- Although the Housing First would appear the best model I recognise that Canonsgrove provides an adequate solution. Realistically we will have to work with the staff supporting the residents to work towards a long-term solution.
- Lack of education to homeless = bad behaviour, lack of respect, drug dealing.
- Canonsgrove has already proved itself as not suitable. Inadequate or total lack of pavements causing danger to both pedestrians and drivers, un-acceptable unsocial habits and disturbances at the Post Office etc and the Trull residents often feel intimidated. From various sources it is evident that the intent would be to increase numbers, and, not only would we be housing our own, but would see an influx from a wider area. We have enough to contend with. Smaller units nearer the town must surely ensure that adaptable, like minded groups, could be persuaded to look towards being more useful citizens, whilst those inclined to be more of a problem, housed separately, where they would not be bad examples.

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- I cannot respond as these questions are not suitable for a non-involved lay person to be able to answer. My preference is that those members of society in our area of Somerset West and Taunton are provided with best possible housing and support. If that, after due diligence is found to be at Canonsgrove then I would support that.
- I feel we should be asking the people who have currently been placed at Canonsgrove what they think would be the best option for them as they are the people that need the help and are therefore best placed to state what would be the best option.
- With several smaller units it would be possible to move people if there is conflict. It may also be if some accommodation was also in other towns within the district so that people can stay in the areas they are familiar with. This could also lead to them becoming part of the general community.
- The former YWCA building in Billetfield would seem to fulfil the objectives of proximity to services and community and be a far better location for the residents than Canonsgrove. We are not happy at the prospect of 3x the number of residents.
- Option 4 is a no brainer to the unqualified! Story NO. Point of intrigue YES. As to why the FOOTPATH LINK, conditional by planing, just up from Bradbeers junction to the Canonsgrove private land was not chosen (instead of the wider pavement in Staplehay village) for a Canonsgrove "event": this would have had the double benefit of it being easier for a H&S inspection of its levels/gradients/general surface condition by the

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*current party responsible* for this PATH on (purchased for road improvement) highway land for its use by Canonsgrove residents and others. THEIR footpath could then have been PHOTOGRAPHED !!(once fully ?) Which highway officer, if any, approved the work methods involving the dumping of the detritus cleared in a position most likely to wash or work its way ultimately into the drainage gully at the point of the start of the blocked system locally? Review required in event of new planning application.

- I would like Canonsgrove to continue to be used to house a similar number of homeless people as at present. My late husband was a staff member when it was a police cadet training centre, and we lived there for 9 months until we bought our own house in Trull, 40 years ago. It is in a beautiful location, on the fringe of a village with a great community spirit, so is ideal for those having experienced a lot of difficulties and ugliness in their lives. Hopefully local residents will not adopt a “them and us” mentality but welcome those at Canonsgrove into village activities. Perhaps there could be a “buddy” scheme to offer help with transport, cooking, sport etc. There may be problems, but overcoming them is so worthwhile!
- I think the accommodation is too close to the quiet residential areas of Staplehay and Trull, (and the houses nearer to it) meaning crimes such as house break-ins can be more easily committed unseen. The Canonsgrove residents need to walk through these areas to reach the town or shops. Surely Canonsgrove is too far out of town for the people to live. A much larger permanent hub would be bound to mean an increase in these problems. Vulnerable older people living in this area may not be aware of the above concerns or if they are, not able to make their worries about the situation known. I believe putting them in danger like this is a very bad move.

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- No single model is right - sizeable hubs should be avoided for COVID security reasons and to limit impact on local communities: **COMMENTS ON CANONSGROVE**

#### **PROPOSALS – FEBRUARY 2021**

#### **Planning Requirements**

The current use of Canonsgrove as a facility for homeless single people is unlawful as it contravenes a Section 106 obligation. I have not been able to view that S106 agreement as it does not appear to be on the SWAT database/planning register. Even in the current Covid-related situation, the correct procedure would have been to review and if justified, remove the S106 obligation. This would have allowed proper local community involvement. If the original reasons for imposing the S106 (i.e., to make the development acceptable in planning terms) still exist, there are no grounds for removing it.

I have not been able to obtain on-line access to the existing planning permission for the Canonsgrove halls of residence so have assumed that it was originally granted for Class C uses. The existing planning permission is not relevant to the current situation anyway as the use of the buildings as accommodation for the homeless is sui generis and hence a planning application must be made because it constitutes a change of use. There have been many proposals in other parts of the country which support this point. Oxford City Council Planning Permission 19/00128/CT3 is just one example.

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I note that when this point was originally raised with our local councillor we were informed (incorrectly) that planning permission would not be required.

The Trull Parish Council "UPDATE" says that a planning application will be put forward in the very near future because the present use of Canonsgrove is contravening a S106 agreement. That is not correct. A planning application must be put forward because the use of Canonsgrove as a homeless facility is not permitted by the existing planning permission (see above). In addition, a S106 agreement is a land charge; it runs with the land. Unless it is reviewed and removed, it will remain in place even if a new permission is granted.

### **Matters of principle**

The recent Canonsgrove newsletter alleges that the Government have "required" rough sleepers to be taken off the streets, recognizing this group as "particularly vulnerable" to Covid-19. I find it difficult to believe that any of that is true. It is difficult to comprehend how "kettling" homeless people in a building renders them less susceptible to the risks of Covid or how they are particularly vulnerable. I am not aware that they have featured in the upper categories of those being given vaccine as a priority.

Whilst any feeling that the homeless should be removed from the streets may have been a knee-jerk reaction in the early stages of the pandemic, I believe it was groundless. The issue of the homeless is a significant one and deserves to be dealt with in a properly considered manner, not dealt with hurriedly in reaction to the wrong stimuli, whether financial or otherwise.

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If there was an urgent need to protect those who are particularly vulnerable to Covid-19, then surely any special financial support should be directed at care homes where the effects of the pandemic have been felt the hardest and staff have put in such extraordinary efforts in the face of terrifying mortality rates.

We have been led to believe that the need for a renewed approach to homelessness in Taunton is because existing facilities do not allow measures to be taken to deal with Covid. Full justification should be sought for that assertion before any thought is given to a completely new facility in any location. As I understand it, existing organisations in Taunton, many of them supported by charitable funding, have been doing an admirable job in helping the homeless for many years. I would suggest that providing them with the funding that would otherwise go to Canonsgrove would represent a far better investment, not least because they understand fully the nature of the problem that they are dealing with.

### **The Current Situation**

The Trull Parish Council "UPDATE" states that "We [the Trull Parish] are sure that most residents will have supported the initiative as a temporary response to the Covid crisis....". I have no idea how the Parish Council could be so sure. My experience is that the vast majority of local residents did not support the temporary initiative and certainly do not support it as a permanent response to the homelessness situation.

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Low-cost housing has been built in the parish in recent years but even that is principally available only to families with a local connection. If that is an essential qualification for such housing then why should the local community readily accept proposals to accommodate those from further afield at Canonsgrove?

It is my belief that many in the local community share my view that the sudden appearance of unfamiliar people in the community behaving at times in an inappropriate manner, is unsettling. In the centre of Taunton such behaviour would go unnoticed but in a small community like Trull, small groups congregating and conversing with raised voices at places like the bus shelter, near the telephone box book exchange and various street corners, is intimidating and for some frightening. I have observed young adults with hoodies cycling erratically and dangerously on a number of occasions.

There has certainly been a heightened state of anxiety since the homeless have been at Canonsgrove and that has impacted upon my own family. A young family member was stopped by plain clothes police in the village, questioned and handcuffed. The family member was told that the police action was in response to a spate of break-ins in the area. When we checked with the Trull PCSO they were not aware of any such increase in crime locally. I understand that an apology was eventually forthcoming from the Police Authority. I also understand that there have been break-ins locally, a situation which I have never been conscious of in nearly thirty years as a resident in the village. It is unnerving that the response of the PCSO did not accord with that of the Police Authority. This could well point to an issue with transparency of crime data since the homeless have been at Canonsgrove.

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## SUMMARY

I do not believe that a sizeable hub model for a homeless facility is justified or in any other way desirable. For COVID protection of the homeless and those they may come into contact with, small units should be the basis for provision.

I believe that the sociological impact of any such facility on a small village location such as Trull which has a large proportion of elderly residents, is unacceptable. Local residents' perception of fear and possible crime is established as a valid planning consideration (e.g., Flintshire 2016) and must not be ignored. The homeless should be accommodated as close to the centre of Taunton as possible where they are close to the amenities they require and where their presence would cause less of an impact.

- As an older woman living on my own in Staplehay I find the current Canonsgrove homeless accommodation extremely worrying especially at night as there have been break-ins and burglaries committed in my local area by Canonsgrove residents. I take my mobile phone upstairs with me at bedtime now in case I need to make an emergency call because of a break-in to my house or an assault on me in the night. There is a problem too with numerous incidents of extremely serious antisocial behaviours by Canonsgrove residents, in Staplehay and Trull. Local press reports indicate that Canonsgrove residents have been in the courts for offences including multiple breaches

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of criminal behaviour orders and threatening/abusive/racially aggravated behaviour. Currently I quite frequently hear police cars with sirens on rushing towards Canonsgrove.

- We are not opposed to a small number at Canonsgrove within use currently. Larger numbers would overrun the villages of Staplehay and Trull and be unfairly disproportionate on the local community.



## Observations on the Trull Parish Council Canonsgrove Survey documents

I appreciate very much the effort and time given to the preparation, distribution and analysis of this survey and I am not seeking to make any political point or argue for or against any of its propositions, but as a former teacher of Statistics I have significant concerns in regard to its compilation, distribution and interrogation.

The **Survey Summary** document, under 'Summary and Analysis', does not make it clear that the percentages refer to the number of responses that were deemed valid, not the parish population.

- It is assumed that it was known that the use of 'sizeable' meant an increase in present accommodation at Cannonsgrove, but this was not made clear on the survey.
- Most of the critical comments listed under 'Centrally located hub' refer to the use of Cannonsgrove, not the 'centrally located in Taunton' accommodation of this option.

On the first page of the **Survey Results** document, apart from the typo in the final line, it is not explained which totals the various percentages refer to. Also this document falsely draws only one conclusion from the many that are possible, namely that '...we can be 95% confident that between 93.1% and 100% of people in the villages are opposed to a sizeable hub at Canonsgrove.'

This would appear to be the outcome the originators sought to achieve (see later observations on bias in survey) and assumes that not selecting it as a single preferred option implies opposition to it, something respondents were not asked to indicate.

As only one survey was given to any household and only one response from any household was accepted (5 surveys were rejected as they were secondary responses), the quoted outcome does not represent the view 'of [all] people in the villages'. As the percentages are of the 219 surveys that were deemed valid, this conclusion should read:

'...we can be 95% confident that between 93.1% and 100% of one person from each of the 219 households returning a valid survey response in Trull/Staplehay did not support a sizeable hub at Canonsgrove as being the single best solution.'

But the way the survey had presented available options created a bias towards this being the least favoured. It was the only one accompanied by a negative consequence; it was the only one involving any use of Canonsgrove; it does not quantify 'sizeable'; it refers to 'a 6 mile round trip' rather than 'a round trip of less than 6 miles'; it says that such a trip is 'required' for 'essential services' without clarifying what these 'essential' services are or which of them are, or could be, provided at Canonsgrove. Would a simpler survey with one question 'Do you support the use of Canonsgrove in addressing Taunton's homeless provision?' have produced only 2 positive responses from 219? I doubt it.

An alternative conclusion could be:

'Approximately \*21.5% of one person per household surveyed in Trull/Staplehay did not support a sizeable hub at Canonsgrove as being the single best solution.'

\* This is (58+71+65) as a % of 900, for which there will be a 95% confidence interval which is likely to be less than +/- 6%.



Or, based on the Trull Parish population in 2011 of 2,288:

'Approximately #8.6% of the parish supported options 2,3 or 4 as offering a solution to homeless accommodation', though this % ignores population growth since 2011 which would reduce it and assumes the survey went to all in the parish.

#This is (58+71+65) as a % of 2,288, for which there will be a 95% confidence interval which is likely to be less than +/- 6%.

So the survey does not provide strong statistical support for any one solution and the survey on which it is based is flawed in its presentation. In presenting it as information to support collaborative discussion with SW&T it should include a copy of the survey sheet from which the data came and present the data without the selective, single interrogation of it - unless, perhaps as a statement such as, e.g., 'A sizeable hub model at Cannonsgrove was the least favoured single option'.

### Unanswered questions

1. Was the survey distributed throughout the parish or just within 'the villages' of Trull and Staplehay? Certainly not all households in Trull received a copy. The Trull Neighbourhood Plan survey was distributed to almost 1,800 on the electoral roll.
2. If just to Trull and Staplehay, how was the boundary decided and by who? I know of one resident in Trull road who lives near Sherford Road who received a copy.
3. How many households are there in Trull Parish [or Trull/Staplehay] and what is the size of this population? It is unlikely to be exactly 900.
4. Why was each household restricted to just 1 response?

### Regarding the survey as distributed

In addition to points already made:

- The survey did not state who it was from yet required respondents to identify themselves (and rejected their response if they failed to do so).
- Insufficient information accompanied the survey to provide respondents with the knowledge required to make an informed choice.
- The Housing First option was the only one which was described with a positive outcome, because 'it was felt that many would know nothing about it'. But its methodology was not explained and why was it thought that respondents would already know [more] about the other options?
- There was no information on the views of Canonsgrove residents or those who care for them.
- The survey appeared to be designed to achieve the outcome of rejection of the use of Canonsgrove in the way that the text on the reverse was composed, the way the option boxes were titled, the fact that using Canonsgrove was only one of the four options offered and only one way of using Canonsgrove was suggested.

**18 February 2021**

Report Number: SWT 21/21

# Somerset West and Taunton Council

## Executive – 17 March 2021

### Pay Policy 2021/22

This matter is the responsibility of Executive Councillor Member Ross Henley

Report Author: Julie Jordan, Strategic HR Lead

#### 1 Executive Summary / Purpose of the Report

- 1.1 Section 38 (1) of the Localism Act 2011 establishes a statutory requirement for local authorities to prepare and publish a pay policy statement for each financial year, approved by Full Council.

The pay policy statement describes the pay arrangements and policies that relate to the pay of the workforce which serves Somerset West & Taunton Council. The statement describes in particular the arrangements for senior staff and its lowest paid employees.

#### 2 Recommendations

- 2.1 It is recommended that the Pay Policy statement 2021/22 is approved by Executive for further approval at Full Council.

#### 3 Risk Assessment

##### Risk Matrix

| Description   | Likelihood | Impact | Overall |
|---|------------|--------|---------|
| Failure to approve an annual pay policy statement would be a breach of the council's statutory duty | 1          | 4      | 4       |
| <i>The mitigations for this are the proposed publication and approval of the report</i>             |            |        |         |

#### 4 Background and Full details of the Report

- 4.1 Section 38 (1) of the Localism Act 2011 requires local authorities to prepare and publish a pay policy statement for each financial year, approved by Full Council.
- 4.2 The pay policy statement has been drafted for approval in advance of the 31<sup>st</sup> March 2021 to ensure that the Council complies with the requirements of the above Act.

- 4.4.1 The data detailed in the Pay Policy statement reflects the national pay award of 2.75%, which has been applied to all employees' salaries as of 1 April 2020 with the implementation of a new NJC pay structure. The Council recognises the Real Living Wage Foundation which sets the rate at £9.50, therefore the lowest hourly wage for an employee is £ 10.23 per hour.
- 4.4.2 The ratio between the senior pay of the Chief Executive with the lowest paid employee shows a reduction when compared to last year's ratio. The ratios between the Directors/Assistant Directors and the lowest paid employee is reported for the first time as the Director/Assistant Director posts are a new posts (agreed at Full Council 23/07/2020). The mean salary per full time employee is £31,600, increases on last year's report. The increase in the average salary reflects the new roles in the organisational structure following the transformation project.
- 4.4.3 Changes to the pension discretions are as follows:

**Regulation B30 (2)**

The Council will allow individual former employees leaving employment on or before 31 March 2014 the option to request early payment of benefits on or after age 55 and before age 60 which will be considered on a case-by-case basis following the production of a business case. In these cases no additional compensation will be awarded.

**No longer required as the Council only have the decision to waiver any reductions.**

**Regulation B30A (3)**

The Council will allow the option to request an application for reinstatement of a suspended tier 3 ill health pension on or after age 55 and before age 60 which will be considered on a case-by-case including the production of evidential support. This applies to employees leaving service on or before 31 March 2014.

**No longer required as the Council only have the decision to waiver any reductions.**

**Regulation 31 (2)**

The Council will allow a post 31 March 1998/pre 1 April 2008 leaver or from a councillor member the option to request early payment of benefits on or after age 50 and before age 55 which will be considered on a case-by-case basis following the production of a business case. In these cases no additional compensation will be awarded.

**There has been an update of the age from which a leaver can request early payment of benefits from 55 and before 60 to 50 and before age 55.**

**5. Links to Corporate Aims / Priorities**

The council has a statutory duty to approve a pay policy statement on an annual basis to comply with Section 38 (1) of the Localism Act 2011.

**6. Finance / Resource Implications**

There are no finance or resource implications of this report.

**7. Legal Implications**

The council has a statutory duty to approve a pay policy statement on an annual basis to comply with Section 38 (1) of the Localism Act 2011. Failure to publish the statement before 31 March 2021 would result in the Council being in breach of their statutory duty. The pay policy statement will be published on the council website, once approved by Full Council.

**8. Environmental Impact Implications**

There are no environmental impact implications.

#### **9. Safeguarding and/or Community Safety Implications**

There are no safeguarding or community safety implications.

#### **10. Equality and Diversity Implications**

The principles of equal pay have been fully considered in the production of this statement. The pay award will be negotiated at a national level and is applicable to all employees.

#### **11. Social Value Implications**

There are no social value implications.

#### **12. Partnership Implications**

There are no partnership implications.

#### **13. Health and Wellbeing Implications**

There are no health & wellbeing implications

#### **14. Asset Management Implications**

There are no asset management implications

#### **15. Data Protection Implications**

There are no data protection implications

#### **16. Consultation Implications**

Consultation is not required for this report.

#### **Democratic Path:**

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

**Reporting Frequency: Annually**

#### **List of Appendices**

|            |   |
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| Appendix A | Pay policy statement explanations & remuneration of senior staff            |
| Appendix B | Somerset West and Taunton Council grading structure                         |
| Appendix C | Local Government Pension Scheme Employers Discretions & Key Pensions policy |
| Appendix D | Somerset West and Taunton Council Redundancy & Redeployment Policy          |
| Appendix E | Somerset West and Taunton Council Compensation Policy                       |
| Appendix F | Somerset West and Taunton Flexible Retirement Policy                        |

#### **Contact Officers**

|             |  |
|-------------|--|
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## Appendix A

### 1. Background

The Pay Policy Statement is intended to bring together sufficient information about the different elements of the local authority's pay policies to enable local taxpayers to reach an informed view about local decisions on all aspects of pay and reward for employees. It also provides the context for the more detailed financial information that is already published by local authorities under the Code of Recommended Practice for Local Authorities on Data Transparency and by the Accounts and Audit (England) Regulations 2011.

### 2. Post Transformation

Somerset West and Taunton Council came into effect on the 1<sup>st</sup> April 2019 and a full organisational restructure was finalised over the subsequent months. The majority of the roles created from the transformation structure remain as was however, more recently, the Council has been organised into Directorates. This has resulted in Directors and Assistant Directors being appointed and was followed by a transfer of employees into those Directorates.

### 3. Pay Arrangements for 2021/22

This pay policy statement for Somerset West & Taunton Council represents the position on the pay structures and other elements of the remuneration package for staff up to 31 March 2021.

Early indications are that there will be no national pay award for 2021/22, this document will be updated if the position changes during the course of the year.

### 4. Policy statement

Somerset West & Taunton Council is committed to ensuring transparent, fair and equitable pay and reward arrangements that provide value for money and enable the recruitment and retention of employees with the skills and motivation to deliver high quality services for the council and its communities. The policies that support these objectives are summarised in this document.

### 5. Scope

The pay statement describes the pay arrangements that apply to the Senior Leadership Team (the senior employees) and the lowest paid employees.

For the purpose of this pay statement **senior employees** are defined as those staff in the top tiers of management; the Chief Executive, 4 Directors, and 10 Assistant Directors

The pay and grading of employees, other than senior employees, are currently set using pay structures divided into grades within which there are spinal column points setting the pay rates. Posts are allocated to a pay grade through a process of job evaluation.

The current pay and grading structure for the workforce is set out in the attached Appendix B. This reflects the national pay award of 2.75% agreed as of 1 April 2020.

All individuals who were employed at this date onwards had their pay aligned to the current pay structure and were back paid any monies owing to them. The Council also provide leavers employed from 1 April 2020 with any monies owing to them to their termination date.

For the purpose of this statement the **lowest paid employees** are defined as follows:

- Those who receive a salary equivalent to Grade C on the Council's pay structure. This is because no employee of the council is paid at a grade lower than Grade C (apprenticeships and casual employees are excluded). The lowest salary on the Grade C band as at 31 March 2021 equates to an hourly rate of £10.23 which is above the National Living Wage hourly rate (£8.72 as at 1 April 2020, moving to £8.91 on 1 April 2021).

The Council is required, for the purposes of this statement, to define the 'lowest paid employees' and also to explain why it has adopted this definition.

Other than the posts set out above (senior employees) and recognised apprentices, all posts within the council have been subject to job evaluation to assess the value of the job content and then, subject to that value, have been placed in an agreed grade.

The Council will therefore define the lowest paid employees as those on the minimum pay points as these (apart from apprentices and casual employees) are the lowest hourly rates paid to employees of the Council. The Council has adopted this definition, as it can be easily understood.

## 6. Remuneration of senior employees

As part of the annual Pay Policy Statement the Council must state:

- (a) The elements of remuneration for each senior employee
- (b) The policy for determining the remuneration of senior employees on recruitment.

The Senior Leadership Team are employed on fixed pay points for all posts within the top tiers and therefore remuneration in terms of salary will be fixed on appointment.

Any other elements of remuneration, as set out in Appendix A, that are relevant at the point of recruitment are highlighted accordingly.

The Leader will, after taking independent pay advice from South West Councils or similar, recommend the remuneration package on appointment to the above posts to Full Council prior to advertisement of any vacancy. The remuneration package will then have been subject to the approval of Full Council.

- (c) How any increases and additions to remuneration for each senior employee are made:

Annual cost of living pay awards are negotiated nationally by the National Joint Council (NJC) for Local Government Services and, where a pay award is agreed, these will be applied to the fixed pay point of the employee. The increase awarded to employees on the 1 April 2020 was 2.75%. As highlighted above it is anticipated that 2021/22 will see a 0% increase.

The Council has the ability to determine certain Local Government Pension Scheme Discretions. The Pension Scheme Discretions which have been adopted by Somerset West & Taunton Council are included in the annual Pay Policy Statement.

The post of Chief Executive is employed on the Terms and Conditions of Employment agreed by the Joint Negotiating Committee (JNC) for Chief Executives and all other senior employees are covered by the Terms and Conditions of Employment agreed by the JNC for Chief Officers, all of which are supplemented by local terms and conditions agreed by Somerset West & Taunton Council as the employer.

- (d) The use of performance-related pay for chief officers.

The council does not operate performance related pay schemes for any of its staff.

- (e) The use of bonuses for senior employees.

The council does not operate bonus schemes or bonus payments for any of its staff.

- (f) The approach to the payment of senior employees on their ceasing to hold office under or to be employed by the authority

Any termination payments to senior employees on ceasing office will comply with the policies current at that time, which will have been approved by the Full Council of the employing authority. No additional termination payments will be made without the approval of the Executive/Cabinet, this will include any settlement agreements, which may be subject to a confidentiality clause. The current Redundancy Policy and Retirement Policy is included in the Pay Policy statement in the appendices.

Should severance payments for staff exceed £95,000 (effective 4 November 2020), they will be reported to Full Council for approval and in presenting information to Full Council the components of the relevant severance package will be clearly set out. These components may include salary paid in lieu, redundancy compensation, pension entitlements, holiday pay and any bonuses, fees or allowances paid.

- (g) The remuneration of senior employees who return to Local Authority employment.

Where the senior employee:

- (i) Was a previously employed senior employee who left with a severance payment and applies to return as a senior employee.

Executive/Cabinet approval would be required to authorise re-employment within the authority of a previously employed senior employee who had left with a severance payment and is seeking re-employment.

- (ii) Was previously employed by the same authority and applies to return as a senior employee under a contract for services.



Executive/Cabinet will be required to approve any award of a 'contract for services' to a senior employee who has previously been employed by the authority.

- (iii) Is in receipt of a Local Government Pension Scheme Pension.

If an employee receiving a pension from the Local Government Pension Scheme becomes re-employed then their pension could be affected. This will apply where the pension in payment arose for a reason that resulted in a strain cost being paid by the employer (e.g. redundancy, interests of efficiency, ill-health, early retirement with consent or flexible retirement). If their pension plus the earnings from their new job is higher than the final pay their pension was calculated on, then their pension will be affected. For every pound that their earnings plus pension exceed previous pay, then their pension will reduce by a pound. This abatement will last for as long as the person exceeds their limit (so either when the new job ends or they reduce their hours so their earnings drop down below the acceptable level).

The Chief Executive is the appointed Returning Officer for Somerset West & Taunton Council and receives a fee for County, District and Parish Council and for Parliamentary Election duties. The fee for undertaking this role varies from year to year and is not subject to this policy since fee levels are set regionally and nationally.

## **7. Remuneration of other employees**

As explained in paragraph 5 above, the pay structure for all other employees consists of grades and incremental points set out in the attached appendices. Grades are allocated to jobs through a process of job evaluation which establishes the relative value of different jobs within the workforce. The council uses the Greater London Provincial Council Scheme for job evaluation. Salaries for all employees (including senior employees) are subject to increases agreed under national pay award settlements.

The council's pay structure creates the basis of the relationship between the pay of all employees within the scope of the Pay Policy Statement.

The maximum salary for the post of Chief Executive is approximately 6:1 times the maximum salary of the lowest paid employee in the workforce (£120,526 - £19,698). The ratio has not changed from last year.

The maximum salary of a Director is approximately 5:1 times the maximum salary of the lowest paid employee in the workforce (£102,750 - £19,698). The ratio has not changed from last year.

The maximum salary of an Assistant Director is approximately 3: 1 times the maximum salary of the lowest paid employee in the workforce (£66,788 - £19,698). The ratio has not changed from last year.

The maximum salary for the post of Chief Executive is 4:1 times the median FTE salary (£29,577). The ratio has not changed from last year.

The maximum salary for the post of Chief Executive is approximately 4:1 times the mean FTE salary (£31,600). The ratio has been rounded up but has not changed from last year.

## **8. Transparency and Publication of Data**

The council will publish the Pay Policy Statement on the Somerset West & Taunton Council website alongside other information relating to transparency/open government and this can be found on:

[www.somersetwestandtaunton.gov.uk](http://www.somersetwestandtaunton.gov.uk)

## **9. Review**

The Localism Act requires councils to prepare and publish a pay policy statement for each financial year. The next statement is due for publication before 31 March 2022.

## Appendix A cont - Remuneration to Senior Staff

### The Level and Remuneration for each Chief Officer

| Post  | Statutory Role       | Terms and Conditions and JE Status *** | Salary ** | Salary Progression | Bonus or Performance related pay | Other Benefits   | Pension Enhancement in Year |
|---|----------------------|--|-----------|--------------------|----------------------------------|--|-----------------------------|
| Chief Executive                                   | Head of Paid Service | JNC Chief Executives – Out of JE       | £120,526  | No                 | No                               | Payment of Professional Subscription<br><br>*Election payments – Returning Officer<br><br>Payments relating to LGPS Employer Contributions | No                          |
| Director – External Operations and Climate Change |                      | JNC Chief Officers – Out of JE         | £102,750  | No                 | No                               | Payment of Professional Subscription<br><br>Payments relating to LGPS Employer Contributions   | No                          |
| Director – Internal Operations                    |                      | JNC Chief Officers – Out of JE         | £102,750  | No                 | No                               | Payment of Professional Subscription<br><br>Payments relating to LGPS Employer Contributions   | No                          |
| Director – Housing                                |                      | JNC Chief Officers – Out of JE         | £102,750  | No                 | No                               | Payment of Professional Subscription<br><br>Payments relating to LGPS Employer   | No                          |

| Post  | Statutory Role | Terms and Conditions and JE Status *** | Salary **                 | Salary Progression | Bonus or Performance related pay | Other Benefits   | Pension Enhancement in Year |
|---|----------------|--|---------------------------|--------------------|----------------------------------|--|-----------------------------|
|   |                |  |                           |                    |                                  | Contributions  |                             |
| Assistant Director Finance & S151 Officer (1) | S151 Officer   | JNC Chief Officers – out of JE         | £66,788 + £5,345 for s151 | No                 | No                               | Payment of Professional Subscription<br><br>Payments relating to LGPS Employer Contributions | No                          |
| Assistant Director Major and Special Projects |                | JNC Chief Officers – Out of JE         | £66,788                   | No                 | No                               | Payment of Professional Subscription<br><br>Payments relating to LGPS Employer Contributions | No                          |
| Assistant Director Climate Change and Assets  |                | JNC Chief Officers – Out of JE         | £66,788                   | No                 | No                               | Payment of Professional Subscription<br><br>Payments relating to LGPS Employer Contributions | No                          |
| Assistant Director Commercial Services        |                | JNC Chief Officers – Out of JE         | £66,788                   | No                 | No                               | Payment of Professional Subscription<br><br>Payments relating to LGPS Employer Contributions | No                          |
| Assistant Director Development and            |                | JNC Chief Officers – Out of JE         | £66,788                   | No                 | No                               | Payment of Professional Subscription   | No                          |

| Post   | Statutory Role | Terms and Conditions and JE Status *** | Salary ** | Salary Progression | Bonus or Performance related pay | Other Benefits   | Pension Enhancement in Year |
|--|----------------|--|-----------|--------------------|----------------------------------|--|-----------------------------|
| Regeneration                                 |                |  |           |                    |                                  | Payments relating to LGPS Employer Contributions   |                             |
| Assistant Director Housing Property Services |                | JNC Chief Officers – Out of JE         | £66,788   | No                 | No                               | Payment of Professional Subscription<br><br>Payments relating to LGPS Employer Contributions | No                          |
| Assistant Director Customer                  |                | JNC Chief Officers – Out of JE         | £66,788   | No                 | No                               | Payment of Professional Subscription<br><br>Payments relating to LGPS Employer Contributions | No                          |
| Assistant Director – Internal Operations     |                | JNC Chief Officers – Out of JE         | £66,788   | No                 | No                               | Payment of Professional Subscription<br><br>Payments relating to LGPS Employer Contributions | No                          |
| Assistant Director Strategic Place Planning  |                | JNC Chief Officers – Out of JE         | £66,788   | No                 | No                               | Payment of Professional Subscription<br><br>Payments relating to LGPS Employer Contributions | No                          |

| Post                                       | Statutory Role | Terms and Conditions and JE Status *** | Salary ** | Salary Progression | Bonus or Performance related pay | Other Benefits   | Pension Enhancement in Year |
|--|----------------|--|-----------|--------------------|----------------------------------|--|-----------------------------|
| Assistant Director Housing and Communities |                | JNC Chief Officers – Out of JE         | £66,788   | No                 | No                               | Payment of Professional Subscription<br><br>Payments relating to LGPS Employer Contributions | No                          |

- \* Additional payments are made by Central Government to officers carrying out additional duties at elections. These payments will only be received when elections take place and vary according to the responsibility undertaken.
- \*\* These thresholds relate to the publication of salary information as required under the Code of Recommended Practice for Local Authorities on Data Transparency (£58,200 is the minimum of the Senior Civil Service minimum pay band) and the Audit and Accounts Regulations (£50,000)
- \*\*\* JNC Chief Officers – Out of JE. The job evaluation scheme is not applicable to Chief Officer posts. The salaries of Chief Officer posts are evaluated against local market data provided by South West Councils. This data provides salary details for comparable Chief Officer posts within comparable district councils.
- (1) The statutory function of monitoring officer is performed by the Performance & Governance Manager.



Appendix B – Somerset West & Taunton Pay & Grading structure  
(Applicable from 1 April 2020)

| <b>Grade</b> | <b>SCP</b>     |                |                      |
|--------------|----------------|----------------|----------------------|
| <b>A</b>     | <b>N/A</b>     | <b>N/A</b>     | <b>N/A</b>           |
| <b>B</b>     | <b>N/A</b>     | <b>N/A</b>     | <b>N/A</b>           |
| <b>C</b>     | <b>N/A</b>     | <b>N/A</b>     | <b>5</b><br>£19,312  |
| <b>D</b>     | -              | -              | <b>8</b><br>£20,493  |
| <b>E</b>     | -              | -              | <b>15</b><br>£23,541 |
| <b>F</b>     | -              | -              | <b>23</b><br>£27,741 |
| <b>G</b>     | <b>26</b><br>- | <b>27</b><br>- | <b>28</b><br>£32,234 |
| <b>H</b>     | <b>31</b><br>- | <b>32</b><br>- | <b>33</b><br>£36,922 |
| <b>I</b>     | <b>36</b>      | <b>37</b>      | <b>38</b><br>£41,001 |





## **Appendix C - Written Statement on Local Government Pension Scheme Employers Discretions and Key Pensions Policy**

**Somerset West & Taunton Council**

**April 2020 to 31 March 2022**

**LGPS (Administration) Regulations 2008**

### **Regulation B30 (5)**

With regard to the early payment of benefits on or after age 55 and before age 60 made under B30 (2) above the Council retains the right to waive the actuarial reduction of benefits on exceptional compassionate grounds.

### **Regulation B30A (5)**

With regard to an application for reinstatement of a suspended tier 3 ill health pension on or after age 55 and before age 60 made under B30A (3) above the Council retains the right to waive the actuarial reduction of benefits on exceptional compassionate grounds.

### **Local Government Pension Scheme Regulations 1997 (as amended) in relation to active councillor members and pre 1 April 2008 scheme leavers.**

The Council will allow a post 31 March 1998/pre 1 April 2008 leaver or from a councillor member the option to request early payment of benefits on or after age 50 and before age 55 which will be considered on a case-by-case basis following the production of a business case. In these cases no additional compensation will be awarded.

### **Regulation 31 (5)**

With regard to the early payment of benefits made in accordance with Regulation 31 (2) the Council retains the right to waive the actuarial reduction of benefits on exceptional compassionate grounds.

### **Regulation 31 (7A)**

The Council will allow councillor optants out and pre 1 April 2008 employee optants out the option to request payment of benefits at normal retirement date and these will be considered on a case-by-case basis following the production of a business case.

### **The Local Government Pension Scheme Regulations 2013**

#### **Regulation 100 (6)**

It is not Council policy to extend the 12-month limit on transfer of previous pension rights into the LGPS.

#### **Regulation 9 (1) and 9 (3)**

It is Council policy to allow employee contribution rates to be determined as changes occur during the financial year.

### **Regulation 16(2)(e) and 16(4)(d) Funding of Additional Pension**

It is not the policy of the Council to fund additional pension and the Council will not enter into a shared cost additional pension contributions arrangement other than where an employee leaving the council has requested that the council use all of the compensatory redundancy payment due to the employee to purchase additional pension benefits.

### **Regulation 30(6) Flexible Retirement**

The Council will allow benefits to be paid to a member of staff if they reduce their hours/grade (known as flexible retirement) and this is set out in the Council's Retirement Policy. Each case will be decided individually after the consideration of a detailed business case and only applies to those aged 55 and over.

### **Regulation 30(8)**

With regard to flexible retirement and requests from staff aged 55 or over for retirement the Council retains the right to waive the actuarial reduction of benefits on exceptional compassionate grounds.

### **Regulation 31 Award of Additional Pension**

It is not the policy of the Council to award Employer APC for active members leaving on redundancy/efficiency other than by allowing employees leaving on grounds of redundancy/efficiency to use compensation payments to fund additional pension.

### **The Local Government (Early Termination of Employment) Discretionary Compensation Regulations 2006**

As set out in the Redundancy Policy the Council do not limit redundancy payments to the statutory maximum weekly pay threshold and instead use the actual weekly pay of the employee. Actual weekly pay does not include payment of pension contributions.

The Council does not offer a minimum payment with regards to redundancy. Benefits are calculated using actual weekly pay and the statutory number of weeks as calculated against continuous local government service (and service covered by the Modification Order).

The Council provides up to 15 weeks compensation, in addition to any redundancy payment as set out in the Compensation Policy.

Where additional compensation is paid the employee has the option to augment their pension benefits by using all of the additional compensation, unless specific criteria are met.

## **Appendix D – Somerset West & Taunton Council Redundancy & Redeployment Policy**

**Implementation date of policy**      **1<sup>st</sup> February 2020**

**Review date** **1<sup>st</sup> February 2021 (part of HR Policy Review)**

### **Redundancy and Redeployment Policy**

#### **Introduction**

This policy covers all redundancy situations that may arise within the structure of Somerset West and Taunton Council

The Council recognise a responsibility to safeguard the job security and prospects of their employees as far as possible.

#### **Scope**

The policy applies to the employees of the Council

#### **Aims**

The aim of this policy is to set out a clear and fair process for handling redundancies. In doing so, it ensures employees, managers and UNISON are clear of the procedure that is being followed through any redundancy process.

As far as possible, the Council will seek to avoid or minimise the need for compulsory redundancies, this policy sets out the ways in which the Council will do this which now includes pay protection.

### **Redundancy Procedure**

#### **Consultation**

Where the possibility of redundancies is identified the Council will inform and consult with the relevant trade union representatives as early as possible and before any formal decisions have been made. As part of the consultation the Council will provide the following information:

- the reasons for the proposed redundancies;
- the numbers and descriptions of employees it proposes to make redundant;
- the total number of employees of those descriptions employed at the establishment in question;
- the proposed method of selecting those who may be dismissed;
- the proposed method of carrying out the dismissals, including the period over which the dismissals are to take effect;
- the proposed method of calculating any redundancy payments;
- the number of agency workers working temporarily for, and under the supervision and direction of, the employer;
- the parts of the employer's business in which the agency workers work; and
- the type of work that the agency workers carry out.

Formal consultation shall be deemed to commence on the date when these details are given in a letter to the Branch Secretaries of UNISON.

Consultation timescales will depend upon the scale of potential redundancies and will be as follows:

- A minimum of 30 days before the first dismissal takes effect where up to 99 employees are to be made redundant over a period of 90 days or less; or
- A minimum of 45 days before the first dismissal takes effect where more than 100 employees are to be made redundant over a period of 90 days or less.

Any consultation responses received in time will be included in any committee reports to be considered by the appropriate Committee.

### **Measures to avoid or minimise compulsory redundancies**

The Council will, in consultation with the appropriate trade union representatives explore any options to avoid or minimise the need for compulsory redundancies. Alternatives may include (not in order of priority):

- Reductions through natural staff turnover (i.e. not automatically replacing employees who leave);
- Seeking volunteers for redundancy;
- Redeployment, including retraining where appropriate;
- Stopping or reducing overtime other than contractual or emergency overtime;
- Restrictions on permanent and/or external recruitment;
- Termination of casual or agency worker arrangements;
- Flexible retirements/voluntary reduction in hours.

### **Employees 'at risk' of redundancy**

#### **Notification of 'at risk' status**

As soon as practicable after the unions have been informed of the potential for redundancies, any individuals affected will be informed that they are 'at risk' of redundancy and that consultation has commenced. An individual will be identified as being 'at risk' of redundancy if their current post does not exist in a new structure or there will be a reduction in the number of the same post in a new structure. This will be confirmed in writing with an estimate of any redundancy payment and if applicable, pension payment due.

Throughout the consultation period, further meetings (usually mid consultation and at the end of the consultation period) will be arranged with individuals 'at risk' of redundancy to discuss any concerns, redeployment opportunities, any selection processes etc. Records of any discussions will be kept on the employee's personal file.

#### **Rights of employees 'at risk'**

Employees 'at risk' of redundancy have certain rights. The Council will make every effort to redeploy the individuals within the Council's services.

Employees are entitled to reasonable paid time off to look for alternative employment. This may include time off to attend interviews or attend relevant training courses. A reasonable amount of time is considered to be up to two days per week (pro rata for part-time employees). Such time off must be arranged in advance with the line manager.

A central register of employees 'at risk' of redundancy will be held by the People Function and those employees put 'at risk' will be informed by the People Function of all relevant vacancies arising within the Council. Efforts will be made to redeploy employees within the

Council to retain skills, knowledge and experience and reasonable training will be provided if necessary.

The Council will make every effort to facilitate employees search for new employment, either through in-house support or, on occasions, outplacement specialists. Support may include; advice on writing application forms or preparing CVs, interview tips, coaching etc.

### **Selection for redundancy**

Once a proposal for a restructure or reduction in headcount is approved and where compulsory redundancies are unavoidable, the ring fence arrangements and process of selection for redundancy will be agreed with UNISON. It may include some or all of the following criteria:

- Attendance records (other than absences covered by the Equality Act 2010);
- Disciplinary records ('live' warnings only);
- Skills and experience;
- Past performance records;
- A selection interview.

If a function or service is to be discontinued all employees directly related to the provision of that function will automatically be selected for redundancy.

If there is to be a reduction in the number of posts but the job descriptions remain largely unchanged, (i.e. duties are more than 80% the same). Selection will be based on agreed criteria and made by a selection panel that comprises of a higher level of management, at least one member of the Senior Leadership Team (SLT) and a representative from the People Function.

If a restructure involves the creation of new roles, selection for redundancy will be dependent on success at interview for those new roles. A new role is one where the duties are more than 20% different. A ring fence of employees that can apply for the new posts will be agreed with UNISON and will be based on job type, grade and/or salary levels. The appointment panel should consist of managers from a higher level of management, at least one member of SLT and a representative from the People Function.

This appointment process does not apply to posts named as Scheduled Posts on the constitution, for example the Chief Executive, as these appointments require an Appointments Committee, comprising of at least one member of each of the Councils' Executive/Cabinet.

The employee/s selected for redundancy will receive written notification of the reasons for their selection as well as their proper contractual notice in accordance with their contract of employment or statutory notice whichever is greater.

**NB:** The cost of redundancy is not a factor that will be taken into account when selection for redundancy is made.

### **Calculation of redundancy payments**

Employees will be notified personally about their redundancy entitlements as soon as possible after they have been notified that they are 'at risk' of redundancy, including the compensation/severance payment in writing and details of any pension due where applicable.

The qualifying service in respect of redundancy payments is two years continuous local government service (in accordance with the Redundancy Payments (Local Government) Modification Order. Reckonable service is limited to the last 20 years before redundancy.

Statutory redundancy payments are made according to the following scale:

- (a) one and a half week's pay\* for each year of employment during which the employee was aged 41 and over;
- (b) one week's pay\* for each year of employment during which the employee was aged 22 to 40 inclusive;
- (c) half a week's pay\* for each year of employment in which the employee was aged 21 and under.

\* A week's pay is based on contractual pay and does not include occasional overtime or additional payments.

Appendix One includes a table with the number of statutory weeks entitlement according to age and continuous service.

If prior to the expiry of the employee's notice of dismissal an individual receives an offer of employment with a related employer (in accordance with the Redundancy Payments Continuity of Employment in Local Government Modification Order 1999) to start immediately or within four weeks of the end of the previous employment, a redundancy payment cannot be made by the Council.

### **Compensation/severance payments**

The Council operate a discretionary enhanced redundancy payment scheme under the Local Government (Early Termination of Employment) (Discretionary Compensation) Regulations 2006, as compensation for the loss of employment on redundancy grounds. Details of the Councils' compensation schemes are annexed as Appendix Two.

Employees will be entitled to the discretionary compensation payment in accordance with the Compensation Policy

Redundancy and compensation payments will be made to employees within the next payroll run, provided that Payroll have been notified before the payroll deadline for that month.

### **Local Government Pension Scheme Payments**

If you are age 55 or over, your main LGPS benefits are payable immediately without any early retirement reductions if the Council makes you redundant and you have met the two years **vesting period** in the Scheme.

### **Redeployment Procedure**

Wherever possible employees will be redeployed to avoid compulsory redundancy.

The Council reserve the right in agreement with UNISON to apply a ring fence to new roles that are created as a result of any proposed restructures and offer them in the first instance to those employees at a similar job type grade/salary level within the existing structure and who have the relevant skills and experience that match the job description or person specification.

Where there is more than one employee that matches the role or a group of employees to more than one role, a selection procedure panel will take place that involves a formal interview and other recruitment selection procedures.

Where there is only one individual matched with the new position they will be slotted in.

All other vacancies arising within the Council where a suitable ring fence is not identified will be offered to employees 'at risk' of redundancy in the first instance. Such vacancies will be sent initially to the People Function who will check them against the 'at risk' register for any suitable candidates. Employees will be matched according to the essential criteria on the person specification, salary levels and preferred hours of work. Consideration must also be given to any reasonable appropriate training that will enable them to perform the duties of the role.

Any employees that meet the essential criteria will be made an offer of redeployment. Where more than one employee is matched to a vacancy a selection process will apply.

Any offer of redeployment will be made in writing and will include reference to a trial period, any training available, terms and conditions and protection arrangements if applicable.

Any employees that are redeployed into a new role will be given a 4 week trial period. This period may be extended by mutual agreement.

If the trial period is successful the employee will be sent written confirmation of any changes to terms and conditions. If the trial period is deemed unsuccessful by the manager, contractual notice will be reduced by the length of the trial period.

If an offer of redeployment is made by the Council and the employee decides during the trial period that they wish to reject the offer, they must advise the People Function in writing within the trial period.

An employee who believes that a job offer is not suitable alternative employment may claim a redundancy payment. However, this will only be paid where the Council agree that the job is unsuitable. The decision will be made by a Member of SLT, taking account of any changes to terms and conditions and the level of seniority.

### **Pay Protection**

Pay protection will be available where employment on less favourable terms is offered to an employee as an alternative to redundancy. An employee's basic pay will be protected for up to two years if the reduction in their basic pay does not exceed 17.5%.

If, by accepting alternative employment, the reduction in an employee's basic pay exceeds 17.5%, pay protection is subject to the People Business Partner or the HR Specialist and the relevant member of SLT being satisfied that there is some tangible benefit to be gained by the Council, for example, in circumstances where pay protection would be less costly than an employee's redundancy.

During the pay protection period, an employee's basic pay is protected on a 'mark time' basis. 'Mark time' means that during the period of protection, an employee's basic pay is frozen and that any increments and annual pay awards applicable to their previous job are not paid to the employee.



## **Appeals**

If an employee is aggrieved about their selection for redundancy they have the right of appeal. The appeal must be received in writing by the People Function within 10 working days of the decision being made. Refer to Council Appeals Procedure.

If the selection for redundancy was made by the Chief Executive the employee will have the right of appeal to be heard by an Appeal Committee comprising of at least one member of each of the Councils' Executive or Cabinet.

If the selection for redundancy was made by a Member of SLT other than the Executive, the employee will have a right of appeal to be heard by the Chief Executive.

All decisions made by the appeal panel are final.

**Appendix one – Table to show entitlement to statutory weeks’ redundancy based on age and continuous service**

|     |     | Years Service |     |     |     |     |      |      |      |      |      |      |      |      |      |      |      |      |      |      |
|-----|-----|---------------|-----|-----|-----|-----|------|------|------|------|------|------|------|------|------|------|------|------|------|------|
|     |     | 2             | 3   | 4   | 5   | 6   | 7    | 8    | 9    | 10   | 11   | 12   | 13   | 14   | 15   | 16   | 17   | 18   | 19   | 20   |
| Age | 18  |               |     |     |     |     |      |      |      |      |      |      |      |      |      |      |      |      |      |      |
|     | 19  |               |     |     |     |     |      |      |      |      |      |      |      |      |      |      |      |      |      |      |
|     | 20  | 1.0           | 1.0 | 1.0 | 1.0 |     |      |      |      |      |      |      |      |      |      |      |      |      |      |      |
|     | 21  | 1.0           | 1.5 | 1.5 | 1.5 | 1.5 |      |      |      |      |      |      |      |      |      |      |      |      |      |      |
|     | 22  | 1.0           | 1.5 | 2.0 | 2.0 | 2.0 | 2.0  |      |      |      |      |      |      |      |      |      |      |      |      |      |
|     | 23  | 1.5           | 2.0 | 2.5 | 3.0 | 3.0 | 3.0  | 3.0  |      |      |      |      |      |      |      |      |      |      |      |      |
|     | 24  | 2.0           | 2.5 | 3.0 | 3.5 | 4.0 | 4.0  | 4.0  | 4.0  |      |      |      |      |      |      |      |      |      |      |      |
|     | 25  | 2.0           | 3.0 | 3.5 | 4.0 | 4.5 | 5.0  | 5.0  | 5.0  | 5.0  |      |      |      |      |      |      |      |      |      |      |
|     | 26  | 2.0           | 3.0 | 4.0 | 4.5 | 5.0 | 5.5  | 6.0  | 6.0  | 6.0  | 6.0  |      |      |      |      |      |      |      |      |      |
|     | 27  | 2.0           | 3.0 | 4.0 | 5.0 | 5.5 | 6.0  | 6.5  | 7.0  | 7.0  | 7.0  | 7.0  |      |      |      |      |      |      |      |      |
|     | 28  | 2.0           | 3.0 | 4.0 | 5.0 | 6.0 | 6.5  | 7.0  | 7.5  | 8.0  | 8.0  | 8.0  | 8.0  |      |      |      |      |      |      |      |
|     | 29  | 2.0           | 3.0 | 4.0 | 5.0 | 6.0 | 7.0  | 7.5  | 8.0  | 8.5  | 9.0  | 9.0  | 9.0  | 9.0  |      |      |      |      |      |      |
|     | 30  | 2.0           | 3.0 | 4.0 | 5.0 | 6.0 | 7.0  | 8.0  | 8.5  | 9.0  | 9.5  | 10.0 | 10.0 | 10.0 | 10.0 |      |      |      |      |      |
|     | 31  | 2.0           | 3.0 | 4.0 | 5.0 | 6.0 | 7.0  | 8.0  | 9.0  | 9.5  | 10.0 | 10.5 | 11.0 | 11.0 | 11.0 | 11.0 |      |      |      |      |
|     | 32  | 2.0           | 3.0 | 4.0 | 5.0 | 6.0 | 7.0  | 8.0  | 9.0  | 10.0 | 10.5 | 11.0 | 11.5 | 12.0 | 12.0 | 12.0 | 12.0 |      |      |      |
|     | 33  | 2.0           | 3.0 | 4.0 | 5.0 | 6.0 | 7.0  | 8.0  | 9.0  | 10.0 | 11.0 | 11.5 | 12.0 | 12.5 | 13.0 | 13.0 | 13.0 | 13.0 |      |      |
|     | 34  | 2.0           | 3.0 | 4.0 | 5.0 | 6.0 | 7.0  | 8.0  | 9.0  | 10.0 | 11.0 | 12.0 | 12.5 | 13.0 | 13.5 | 14.0 | 14.0 | 14.0 | 14.0 |      |
|     | 35  | 2.0           | 3.0 | 4.0 | 5.0 | 6.0 | 7.0  | 8.0  | 9.0  | 10.0 | 11.0 | 12.0 | 13.0 | 13.5 | 14.0 | 14.5 | 15.0 | 15.0 | 15.0 | 15.0 |
|     | 36  | 2.0           | 3.0 | 4.0 | 5.0 | 6.0 | 7.0  | 8.0  | 9.0  | 10.0 | 11.0 | 12.0 | 13.0 | 14.0 | 14.5 | 15.0 | 15.5 | 16.0 | 16.0 | 16.0 |
|     | 37  | 2.0           | 3.0 | 4.0 | 5.0 | 6.0 | 7.0  | 8.0  | 9.0  | 10.0 | 11.0 | 12.0 | 13.0 | 14.0 | 15.0 | 15.5 | 16.0 | 16.5 | 17.0 | 17.0 |
| 38  | 2.0 | 3.0           | 4.0 | 5.0 | 6.0 | 7.0 | 8.0  | 9.0  | 10.0 | 11.0 | 12.0 | 13.0 | 14.0 | 15.0 | 16.0 | 16.5 | 17.0 | 17.5 | 18.0 |      |
| 39  | 2.0 | 3.0           | 4.0 | 5.0 | 6.0 | 7.0 | 8.0  | 9.0  | 10.0 | 11.0 | 12.0 | 13.0 | 14.0 | 15.0 | 16.0 | 17.0 | 17.5 | 18.0 | 18.5 |      |
| 40  | 2.0 | 3.0           | 4.0 | 5.0 | 6.0 | 7.0 | 8.0  | 9.0  | 10.0 | 11.0 | 12.0 | 13.0 | 14.0 | 15.0 | 16.0 | 17.0 | 18.0 | 18.5 | 19.0 |      |
| 41  | 2.0 | 3.0           | 4.0 | 5.0 | 6.0 | 7.0 | 8.0  | 9.0  | 10.0 | 11.0 | 12.0 | 13.0 | 14.0 | 15.0 | 16.0 | 17.0 | 18.0 | 19.0 | 19.5 |      |
| 42  | 2.5 | 3.5           | 4.5 | 5.5 | 6.5 | 7.5 | 8.5  | 9.5  | 10.5 | 11.5 | 12.5 | 13.5 | 14.5 | 15.5 | 16.5 | 17.5 | 18.5 | 19.5 | 20.5 |      |
| 43  | 3.0 | 4.0           | 5.0 | 6.0 | 7.0 | 8.0 | 9.0  | 10.0 | 11.0 | 12.0 | 13.0 | 14.0 | 15.0 | 16.0 | 17.0 | 18.0 | 19.0 | 20.0 | 21.0 |      |
|     |     | Years Service |     |     |     |     |      |      |      |      |      |      |      |      |      |      |      |      |      |      |
|     |     | 2             | 3   | 4   | 5   | 6   | 7    | 8    | 9    | 10   | 11   | 12   | 13   | 14   | 15   | 16   | 17   | 18   | 19   | 20   |
| Age | 44  | 3.0           | 4.5 | 5.5 | 6.5 | 7.5 | 8.5  | 9.5  | 10.5 | 11.5 | 12.5 | 13.5 | 14.5 | 15.5 | 16.5 | 17.5 | 18.5 | 19.5 | 20.5 | 21.5 |
|     | 45  | 3.0           | 4.5 | 6.0 | 7.0 | 8.0 | 9.0  | 10.0 | 11.0 | 12.0 | 13.0 | 14.0 | 15.0 | 16.0 | 17.0 | 18.0 | 19.0 | 20.0 | 21.0 | 22.0 |
|     | 46  | 3.0           | 4.5 | 6.0 | 7.5 | 8.5 | 9.5  | 10.5 | 11.5 | 12.5 | 13.5 | 14.5 | 15.5 | 16.5 | 17.5 | 18.5 | 19.5 | 20.5 | 21.5 | 22.5 |
|     | 47  | 3.0           | 4.5 | 6.0 | 7.5 | 9.0 | 10.0 | 11.0 | 12.0 | 13.0 | 14.0 | 15.0 | 16.0 | 17.0 | 18.0 | 19.0 | 20.0 | 21.0 | 22.0 | 23.0 |
|     | 48  | 3.0           | 4.5 | 6.0 | 7.5 | 9.0 | 10.5 | 11.5 | 12.5 | 13.5 | 14.5 | 15.5 | 16.5 | 17.5 | 18.5 | 19.5 | 20.5 | 21.5 | 22.5 | 23.5 |
|     | 49  | 3.0           | 4.5 | 6.0 | 7.5 | 9.0 | 10.5 | 12.0 | 13.0 | 14.0 | 15.0 | 16.0 | 17.0 | 18.0 | 19.0 | 20.0 | 21.0 | 22.0 | 23.0 | 24.0 |
|     | 50  | 3.0           | 4.5 | 6.0 | 7.5 | 9.0 | 10.5 | 12.0 | 13.5 | 14.5 | 15.5 | 16.5 | 17.5 | 18.5 | 19.5 | 20.5 | 21.5 | 22.5 | 23.5 | 24.5 |
|     | 51  | 3.0           | 4.5 | 6.0 | 7.5 | 9.0 | 10.5 | 12.0 | 13.5 | 15.0 | 16.0 | 17.0 | 18.0 | 19.0 | 20.0 | 21.0 | 22.0 | 23.0 | 24.0 | 25.0 |
|     | 52  | 3.0           | 4.5 | 6.0 | 7.5 | 9.0 | 10.5 | 12.0 | 13.5 | 15.0 | 16.5 | 17.5 | 18.5 | 19.5 | 20.5 | 21.5 | 22.5 | 23.5 | 24.5 | 25.5 |
|     | 53  | 3.0           | 4.5 | 6.0 | 7.5 | 9.0 | 10.5 | 12.0 | 13.5 | 15.0 | 16.5 | 18.0 | 19.0 | 20.0 | 21.0 | 22.0 | 23.0 | 24.0 | 25.0 | 26.0 |
|     | 54  | 3.0           | 4.5 | 6.0 | 7.5 | 9.0 | 10.5 | 12.0 | 13.5 | 15.0 | 16.5 | 18.0 | 19.5 | 20.5 | 21.5 | 22.5 | 23.5 | 24.5 | 25.5 | 26.5 |
|     | 55  | 3.0           | 4.5 | 6.0 | 7.5 | 9.0 | 10.5 | 12.0 | 13.5 | 15.0 | 16.5 | 18.0 | 19.5 | 21.0 | 22.0 | 23.0 | 24.0 | 25.0 | 26.0 | 27.0 |
|     | 56  | 3.0           | 4.5 | 6.0 | 7.5 | 9.0 | 10.5 | 12.0 | 13.5 | 15.0 | 16.5 | 18.0 | 19.5 | 21.0 | 22.5 | 23.5 | 24.5 | 25.5 | 26.5 | 27.5 |

|           |     |     |     |     |     |      |      |      |      |      |      |      |      |      |      |      |      |      |      |
|-----------|-----|-----|-----|-----|-----|------|------|------|------|------|------|------|------|------|------|------|------|------|------|
| <b>57</b> | 3.0 | 4.5 | 6.0 | 7.5 | 9.0 | 10.5 | 12.0 | 13.5 | 15.0 | 16.5 | 18.0 | 19.5 | 21.0 | 22.5 | 24.0 | 25.0 | 26.0 | 27.0 | 28.0 |
| <b>58</b> | 3.0 | 4.5 | 6.0 | 7.5 | 9.0 | 10.5 | 12.0 | 13.5 | 15.0 | 16.5 | 18.0 | 19.5 | 21.0 | 22.5 | 24.0 | 25.5 | 26.5 | 27.5 | 28.5 |
| <b>59</b> | 3.0 | 4.5 | 6.0 | 7.5 | 9.0 | 10.5 | 12.0 | 13.5 | 15.0 | 16.5 | 18.0 | 19.5 | 21.0 | 22.5 | 24.0 | 25.5 | 27.0 | 28.0 | 29.0 |
| <b>60</b> | 3.0 | 4.5 | 6.0 | 7.5 | 9.0 | 10.5 | 12.0 | 13.5 | 15.0 | 16.5 | 18.0 | 19.5 | 21.0 | 22.5 | 24.0 | 25.5 | 27.0 | 28.5 | 29.5 |
| <b>61</b> | 3.0 | 4.5 | 6.0 | 7.5 | 9.0 | 10.5 | 12.0 | 13.5 | 15.0 | 16.5 | 18.0 | 19.5 | 21.0 | 22.5 | 24.0 | 25.5 | 27.0 | 28.5 | 30.0 |
| <b>62</b> | 3.0 | 4.5 | 6.0 | 7.5 | 9.0 | 10.5 | 12.0 | 13.5 | 15.0 | 16.5 | 18.0 | 19.5 | 21.0 | 22.5 | 24.0 | 25.5 | 27.0 | 28.5 | 30.0 |
| <b>63</b> | 3.0 | 4.5 | 6.0 | 7.5 | 9.0 | 10.5 | 12.0 | 13.5 | 15.0 | 16.5 | 18.0 | 19.5 | 21.0 | 22.5 | 24.0 | 25.5 | 27.0 | 28.5 | 30.0 |
| <b>64</b> | 3.0 | 4.5 | 6.0 | 7.5 | 9.0 | 10.5 | 12.0 | 13.5 | 15.0 | 16.5 | 18.0 | 19.5 | 21.0 | 22.5 | 24.0 | 25.5 | 27.0 | 28.5 | 30.0 |

## Appendix E: Somerset West and Taunton Council - Compensation Policy

1. The Council operates a discretionary enhanced payment scheme as compensation for the loss of employment of redundancy grounds. The details of the Scheme are for information and may be amended from time to time at the discretion of the Council and after consultation with the Union. Please note the severance payments scheme is not legally binding.
2. Redundancy compensation will only be paid to staff with two or more years of service.
3. The Council exercises discretion under the Local Government (Early Termination of Employment) (Discretionary Compensation) Regulations 2006, to make compensatory payments to employees being made redundant based on a multiplier of **one and a half times** the number of weeks an employee would be entitled to under the statutory redundancy formula, inclusive of any statutory redundancy payment, up to a maximum of 45 weeks' pay. For the purposes of these calculations, a week's pay is defined as the employee's actual weekly pay, which is averaged over a twelve week period for employees whose earnings for basic hours (excluding overtime) varies from week to week. The maximum number of year's continuous service that can be counted for statutory redundancy payments is twenty years.
4. The Council requires that the full cost of any redundancies is recovered within a period not exceeding five years or by the normal retirement age, whichever is sooner.
5. Employees who are eligible to be paid a compensation payment on being made redundant, and who are members of the Local Government Pension Scheme, are given the option of converting their compensation payment (excluding the statutory redundancy payment) into augmented pensionable service. Augmentation is not an option where the compensation payment (excluding the statutory redundancy payment) purchases more pensionable service than the maximum allowable at age 65. If taken as a cash lump sum the first £30k is tax-free.
6. No compensation payments are made to employees who are allowed to retire early on the grounds of interests of efficiency of the service, irrespective of whether a voluntary request has been made by the employee or instigated by management.
7. The expression 'early retirement in the interests of the efficiency of the service' is difficult to define but the application of this scheme can be justified because: -
  - (a) it facilitates/encourages internal restructuring
  - (b) it allows for the retirement of an employee who is unable to match up to the changed requirements of his/her job
  - (c) The Local Government (Early Termination of Employment) (Discretionary Payments) (England and Wales) Regulations 2006 allow local authorities to use their discretion in the interests of the efficient exercise of that authority's functions.
8. If you retire in the interests of efficiency, you will be entitled to a lump-sum payment calculated using your actual week's pay and equating to the equivalent of the statutory number of weeks payable for redundancy, however you will not be entitled to receive a redundancy payment from the Council. It is not possible to augment your Pension if you retire in the interests of the efficiency of the service.
9. Employees aged fifty-five years or over who are members of the Local Government Pension Scheme will receive payment of early pension retirement benefits.



## Appendix F – Somerset West & Taunton Council Flexible Retirement Policy

1. Employees aged 55 who are members of the Local Government Pension Scheme are able to request payment of early retirement benefits whilst remaining in the Council's employment on reduced hours or a lower grade.
2. This right does not apply to employees who are in receipt of a redundancy payment and early pension benefits or who have taken early retirement in the interests of the efficiency of the service.
3. As a guide, a business case for flexible retirement where any reduction is minimal (e.g. less than 20% either in terms of reduced hours or lower grade) may be difficult to objectively justify.
4. Requests for flexible working may be instigated by employees who meet the criteria set out in 1 above at anytime but will only be able to make one request in any 12 month period.
5. An employee should, in the first instance, approach their line manager with a request for reduced hours, more flexible working patterns by putting their request in writing.
6. The manager will notify the HR/People Team and a meeting will be arranged within 21 days to discuss the request from the employee.
7. At this point the HR/People Team will request an estimate of early retirement benefits from the Peninsula Pensions which will be provided to the employee and be used to complete the Flexible Retirement Approval Request Form.
8. The meeting between the employee, manager and a member of the HR/People Team will discuss the request and business case and will only be referred for approval if it is operationally viable.
9. If the request is referred for approval this will be considered by the relevant Director and a member of HR.
10. It should be noted that employees who are retiring in this way before their normal retirement age will suffer an actuarial reduction in their benefits to reflect early payment. In exceptional compassionate circumstances the Council has the right to waive this actuarial reduction.
11. If the request is not referred for approval this will be confirmed to the employee in writing to the employee within 14 days of the meeting. The employee would have the right of appeal against this decision which should be made in writing to the People Business Partner or HR Specialist within 10 days of receipt of the reason for refusal of the request or refusal to waive the actuarial reduction on compassionate grounds where the request is approved.
12. Appeals will be heard by a Director advised by a member of the HR Team.



# Somerset West and Taunton Council

## Executive – 17 March 2021

### Corporate Performance Report, Quarter 3, 2020/21

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

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

#### 1. Executive Summary / Purpose of the Report

This paper provides an update on the council's performance for the first 9 months (April – December) of the 2020/21 financial year. The report includes information for a range of key performance indicators.

#### 2. Recommendations

Councillors are asked to consider the attached performance report.

#### 3. Risk Assessment

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

#### 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 for a number of key indicators across a range of council services.

##### 4.1 Impact of Covid-19

There has been a continued impact on the work of the Council as a direct result of the Covid-19 pandemic. The Q1 corporate performance report provided a more detailed update on the specific additional work undertaken by the council between April and July. Many of these tasks have continued and the pandemic has still had a significant impact on the council's activity and workload. In recent months the rapid moves from the second national lockdown in November 2020 through Tiers 2, 3 and 4 and into the current third national lockdown have presented significant challenges in administering things such as the business grant schemes. Further funding has also been provided by Government to support the discretionary element of the Test and Trace payments scheme. Good progress is however being made in quickly distributing grants to eligible businesses. In addition we are diverting resource to provide critical assistance to the NHS in making appointments for the Covid vaccination programme.

##### 4.2 Key Performance Indicators



The table in Appendix 1 includes the councils Key Performance Indicators and shows how the council has performed for the first 9 months of the 2020/21 financial year. The table also includes a “direction of travel” arrow to show whether performance has improved, worsened or stayed the same, since the last corporate performance report which was for the end of September.

For the majority of indicators the target has either been met or, in many cases, has been exceeded. The direction of travel shows that performance has reduced slightly for 9 of the indicators, but the majority of them are still within target. Overall there are 3 ‘Red’ and 2 ‘Amber’ indicators, which are being monitored closely. More information is provided below regarding the red and amber indicators.

For the indicators that were marked as red as the end of Q2 (Complaint and FOI response timescales), monthly figures have been included to show how performance has improved significantly over the last 3 months.

#### *Number of complaints responded to in 10 working days*

The performance indicator remains red and below target. Realistically, as the indicator is cumulative, we are likely to remain below target for the remainder of this financial year. In view of the poor performance identified earlier in the year a significant amount of work has been put into both improving response times and identifying changes and improvements to the process. This work is beginning to pay dividends and the monthly trend over the past 3 months shows clear and sustained improvement. A more detailed update is provided in Appendix 2.

#### *Number of FOI requests responded to in 20 working days*

Again this has been an area of focus in view of the poor performance identified earlier in the year. However, this indicator also needs to be considered against the backdrop of the Covid crisis and the steer from Government that local authorities could relax their response times to FOI requests in order to focus on immediate Covid related priorities. The figures for the last three months demonstrated continued improvement and for December 2020 were within target. More detail is provided in Appendix 2.

#### *Percentage of Licensing Requests processed within timescales*

Despite falling short of the target, the Licensing service have met all statutory obligations. The majority of applications not completed within the target timeframe were made in accordance with the Licensing Act 2003 and received tacit consent; this is where a licence is treated as having been granted if the objection period passes without an objection or the Licensing Authority does not determine the application within a prescribed time period. Tacit consent is something the Licensing service is wary of as it can, in some cases such as caravan site and pavement licensing, result in the granting of a licence without conditions which are required to uphold the principals and objectives of those regimes. This is not the case with applications made in accordance with the Licensing Act 2003, where conditions do apply whether that application receives tacit consent or not.

The delay in completing these Licensing Act 2003 applications was at the end of the process; issuing the licence document following the completion of all initial steps i.e. their being logged on the Licensing back office system, circulation to responsible authorities and determination following the objection period. This was part of a

deliberate prioritisation and balancing of work pressures. The backfilling of vacant roles within the team has enabled the service to catch up and clear the bulk of this backlog, with only a small amount remaining. Performance in Q4 is therefore expected to be better.

### *Business Rates & Council Tax Collection Rates*

The cumulative collection rates for both are showing as amber for the end of Q3 because both were below target. The targets shown in Appendix 1 are for the end of year position, but we also track progress against monthly targets. For the end of Q3 the targets and actuals were as detailed below:

|                | Last Year 31 Dec 19 | Actual 31 Dec 20 | Shortfall 31 Dec 20 |
|----------------|---------------------|------------------|---------------------|
| Business Rates | 82.57%              | 80.47%           | 2.11% (686k)        |
| Council Tax    | 89.14%              | 88.24%           | 0.89% (916k)        |

Realistically we are unlikely to hit the collection targets for either this year. We have remained surprisingly close to our end of month targets despite the economic impact of the Covid crisis. We have been unable to take any court action for unpaid debts this financial year. We have undertaken limited pre-court action, but this has been impacted by resourcing constraints resulting from the need to process business grants. In addition, we have quite consciously taken a more lenient approach to recovery activity this year in order to try and help both Business Rate and Council Tax payers experiencing difficulty (many for the first time) through the economic impact of the crisis.

The Government's response to Covid has also had a significant impact on the amount of Business Rates actually collectable. At the point of undertaking annual billing in February 2020 we raised a net collectable debit of £60.1m. In March 2020, in response to Covid, Government extended relief to 100% for all small, retail, hospitality and leisure businesses. This had the effect of reducing the collectable debit to £38m and makes a meaningful year-to-year comparison between collection rates difficult.

## **5. Links to Corporate Strategy**

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

## **6. Finance / Resource Implications**

The detailed financial position is available in a separate report.

### **Democratic Path:**

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

Reporting Frequency:  Once only       Ad-hoc       Quarterly  
 Twice-yearly       Annually

**List of Appendices (delete if not applicable)**

|            |  |
|------------|--|
| Appendix 1 | 2020/21 Month 9 Performance Indicators Report                |
| Appendix 2 | Further information on Complaints and Freedom of Information |

**Contact Officers**

|             |  |             |  |
|-------------|--|-------------|--|
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**SWT Performance report - end of Quarter 3.**

| Full definition  | Target     | Year to date | Direction of Travel since end of Q2 | Denominator  | Year to date | Numerator   | Year to date |
|--|------------|--------------|-------------------------------------|--|--------------|---|--------------|
| Number of complaints responded to in 10 working days   | 90         | 44%          | ↑                                   | Total number of complaints received each month                   | 878          | Number of complaints responded to within 10 working days                                    | 383          |
| Monthly figure for complaints responded to in 10 working days                                    | Oct<br>44% | Nov<br>69%   | Dec<br>79%                          |  |              |   |              |
| Number of FOI requests responded to in 20 working days   | 75         | 66%          | ↑                                   | Total number of FOI requests received each month                 | 322          | Number of FOI responded to within 20 working days   | 213          |
| Monthly figure for FOI requests responded to in 20 working days                                  | Oct<br>55% | Nov<br>72%   | Dec<br>83%                          |  |              |   |              |
| % of calls to Deane Helpine answered in < 60 seconds (in the last month)                         | 90         | 94%          | ↓                                   | Total number of calls to Deane Helpine in the month              | 234481       | Number of calls answered in under 60 seconds  | 220996       |
| Cumulative percentage of the amount of Council Tax collected*                                    | 97         | 88.24        | ↓                                   | Total amount of Council Tax to be collected by the 31st March    |              | Amount of Council Tax collected in the year so far  |              |
| Cumulative percentage of the amount of Business Rates collected*                                 | 98         | 80.47        | ↓                                   | Total amount of Business Rates to be collected by the 31st March |              | Amount of Business Rates collected in the year so far                                       |              |
| Average processing times of new Housing Benefit claims   | 25         | 17.20        | ↓                                   | Number of new Housing Benefit claims received                    | 583          | Total number of days  | 10025        |
| Average processing times for changes in circumstances for HB claims                              | 10         | 4.84         | ↔                                   | Number of new Housing Benefit Change of Circumstances received   | 11154        | Total number of days  | 54016        |
| % of reported fly tipping incidents responded to within 5 working days                           | 80         | 88%          | ↓                                   | Number of fly tipping incidents                                  | 735          | Number of fly tipping incidents responded to within 5 days                                  | 649          |
| % of service requests for street cleansing actioned within 5 working days                        | 85         | 88%          | ↓                                   | Number of service requests for street cleansing                  | 245          | Number of service requests actioned within 5 working days                                   | 216          |
| % Licensing applications processed within timescales   | 95         | 89%          | ↓                                   | Number of licensing applications processed                       | 630          | Number of licensing applications responded within timescales                                | 559          |
| % 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 completed within 13 weeks or agreed extension   | 18           |
| % of minor planning applications determined within 8 weeks or agreed extension of time           | 65         | 81%          | ↑                                   | Total number of minor planning applications received             | 243          | Total number of minor planning applications completed within 8 weeks                        | 196          |
| % of other planning applications determined within 8 weeks or an agreed extension of time.       | 80         | 88%          | ↑                                   | Total number of other planning applications received             | 587          | Total number of other planning applications completed within 8 weeks or an agreed extension | 519          |
| % of appeals received where the decision has been overturned                                     | 33         | 34%          | ↓                                   | Number of appeals received                                       | 41           | Number of appeals where the decision has been overturned                                    | 14           |

\* The current figures appear well below target, but these are cumulative totals, and projections show that year end figure will likely be only slightly below target. At the end of Q3, Council Tax is 1% lower than the same time last year, and Business Rates are 2% lower.

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

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



## Appendix 2 – Complaints and Freedom of Information

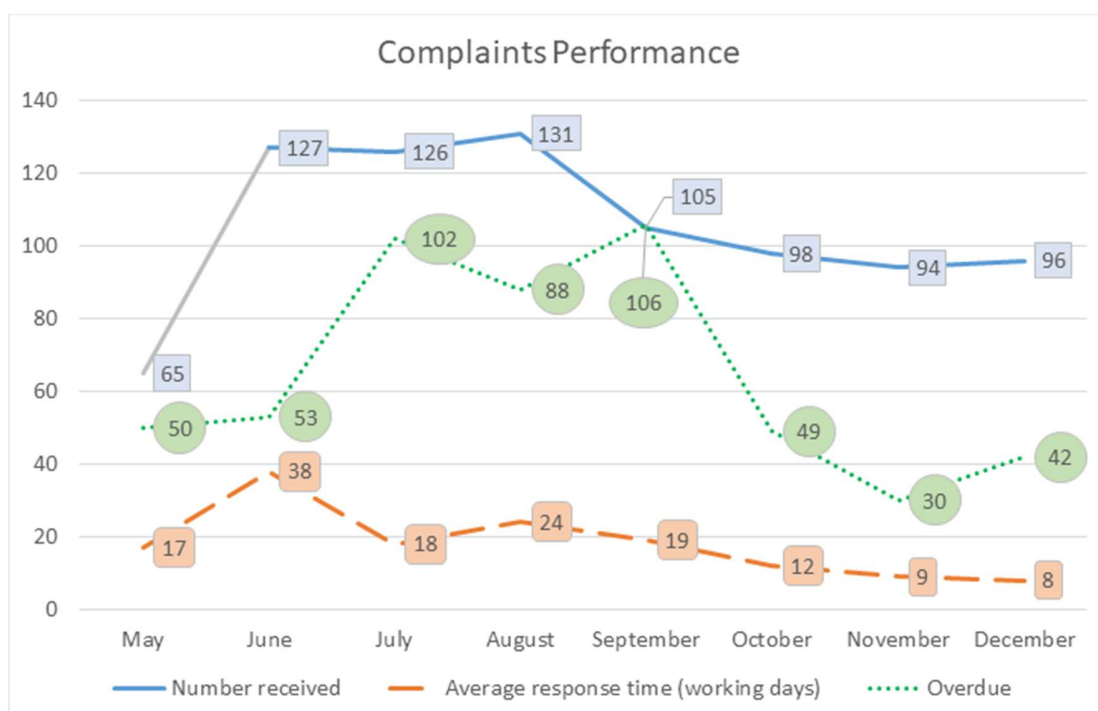
The purpose of this appendix is to provide more background information for Members in relation to the Complaints and Freedom of Information (FOI) Performance Indicators.

### 1. Complaints

- 1.1. The complaints KPI tracks the number of complaints responded to within the target response time of 10 working days. During quarters 1 and 2 we were significantly below target. Performance during quarter 3 has improved and average response times have dropped back under target.
- 1.2. The indicator is a cumulative measure so the performance in the first half of the year will impact on overall performance across the year as a whole. We saw a significant spike in the overall number of complaints in the first quarter. Realistically therefore this indicator is likely to remain red all year, because, even if we were to answer all complaints within standard from now on, we are unlikely to receive complaints in sufficient volume to make up the lost ground.

#### *Progress tracked by month*

- 1.3. Consequently we are tracking progress month-by-month across a wider range of indicators and measures. These measures provide a more detailed and rounded picture of progress.
- 1.4. A summary of these additional month-by-month measures is contained in the graph below:
  - The total number of complaints received;
  - The number overdue (i.e. not responded to within the 10 working day target); and
  - The average time taken to respond.



- 1.5. Analysis of these measures indicates a significant increase in the number of complaints in the period from May through to August. Our average response times increased during this period, which had a knock on detrimental effect on the numbers of overdue complaints.
- 1.6. We believe the increase in complaints is in part seasonal (e.g. garden waste collection issues). It also results from a significant number of complaints in connection with other waste issues resulting from the move to a new service provider during lockdown and delays delivering new bins. We have worked closely with the Waste Partnership and the new service provider to resolve these issues. The level of missed collections and complaints are now greatly reduced, the new contractor is performing within contractual requirements relating to complaints and at a level better than the previous contractor.
- 1.7. The good news is that the numbers of complaints we are receiving has declined sharply, our average processing times have continued to improve (down to 8 days at the end of December) and the numbers of overdue complaints has declined. This is reflective of the increased focus on complaints during the last three months. However, there is still much work to be done.

#### *The Complaints Review*

- 1.8. We instigated a review of the complaints process over the summer in view of the poor month 4 (quarter 1) results. This review examined all aspects of the process.
- 1.9. The review identified a number of factors, which were influencing the low performance figures including:
  - The impact of increases in volumes of complaints
  - Cultural factors & a lack of priority being given to complaints
  - Procedural problems and 'log jams'
  - Our not having a two stage process as required by the Housing Ombudsman and preferred by the Local Govt. Ombudsman
  - Software issues with the process and form used
  - A lack of clarity as to which teams do what & consequently where complaints need to be directed to in the organisation leading to delays
  - Training requirements
  - The impact of Covid upon resourcing

#### *The Improvement Plan*

- 1.10. The Complaints Review identified actions required to improve our approach to complaints and performance against target. These actions are nearing completion and include:
  - Working with services to prioritise complaints and to change the cultural attitude to complaints
  - Bringing in additional resourcing in the short term to ensure we can quickly finalise and issue responses to complaints once the data is provided by services
  - Developing a new complaints process which:
    - Enables services to respond directly to customers thereby speeding up the response time; and
    - Building in a second stage review process for customers who are unhappy with the initial response – this follows Ombudsman guidelines

- Implementing changes to the complaints software to enable and support the new process
- Providing training & guidance for the staff in services who will be responding to complaints
- These changes free-up the time of the complaints officer to focus more on analysis to identify trends and areas for improvement

1.11. We are in the process of implementing these actions in order to drive improvement. However, as outlined above, there are a significant number of issues that need to be addressed so implementing these changes will not happen overnight.

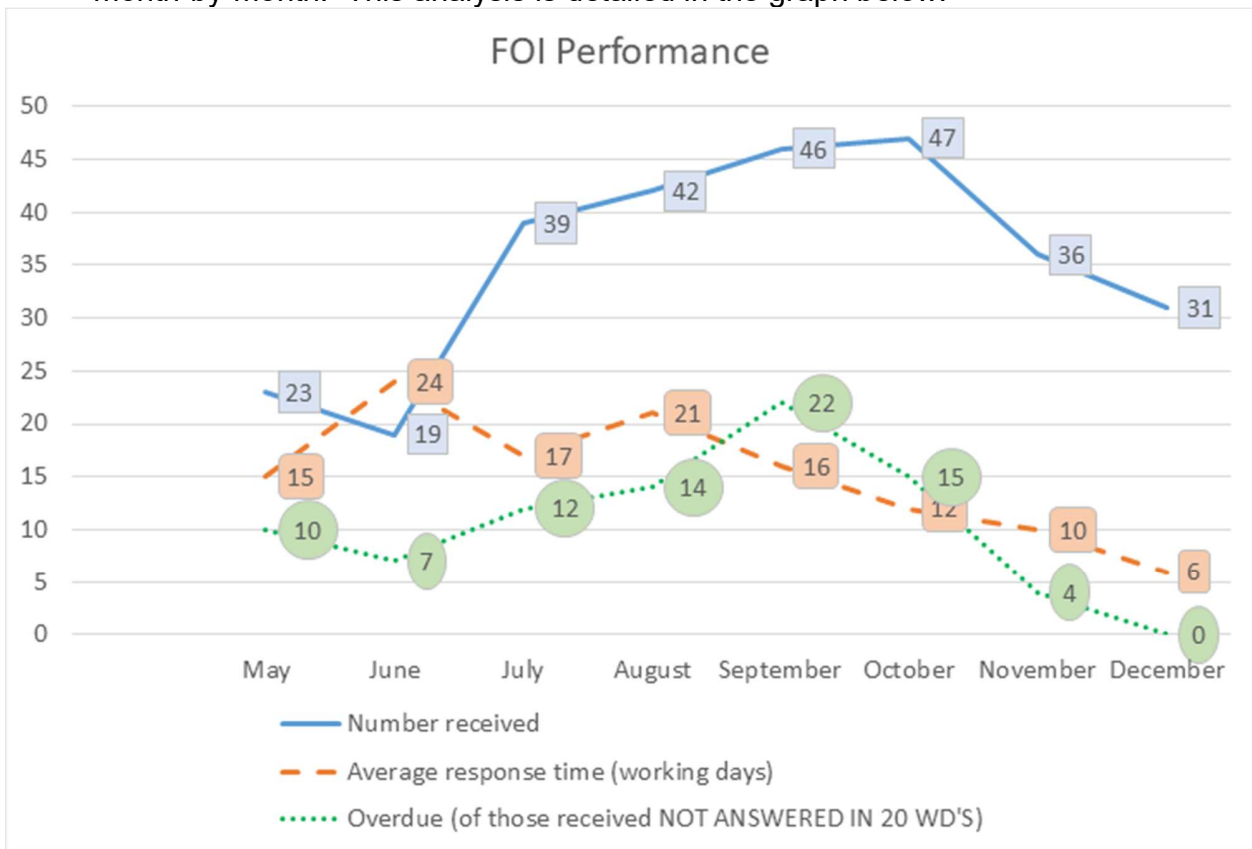
## 2. Freedom of Information Requests (FOIs)

2.1. We are required by law to respond to Freedom of Information Requests within 20 working days. For very detailed requests we are allowed a further 20 working days.

2.2. The Information Commissioner has relaxed their enforcement of the statutory timescales this year in response to Covid 19 and in recognition that the priority for local government is around assisting in the national response to the crisis.

*Progress tracked by month*

2.3. We are tracking progress against our performance in responding to FOI requests month-by-month. This analysis is detailed in the graph below:





- 2.4. This graph details the overall number of FOIs received month-by-month and maps this against the numbers overdue (i.e. outside of the 20 working day response timeline) and the average response time in days. Overall volumes per month are low in comparison to the numbers for other service requests, but individual FOIs can be complex and time consuming.
- 2.5. The data on the graph indicates that the number of requests reduced through the first national lockdown in the Spring, but picked up over the course of the Summer. Our average response times were higher throughout the Spring and Summer, which largely reflects the fact that our priorities throughout that period were on Covid response actions.
- 2.6. The numbers of cases overdue peaked in September, but have improved together with our average response times since then. Quarter 3 performance has been excellent with average response times reaching 6 days in December with no requests overdue.

*Process improvements*

- 2.7. We are keeping our FOI response times under close review and actions are being taken to improvement performance. Specifically we are:
  - Regularly contacting services to chase-up responses
  - Providing service managers with a weekly update of outstanding cases
  - Reviewing the computer software process to ensure that requests are being properly targeted
  - Developing training to be rolled out to staff responsible for responding to FOIs.

Report Number: SWT 23/21

# Somerset West and Taunton Council

## Executive – 17 March 2021

### 2020/21 Financial Monitoring as at Quarter 3 (31 December 2020)

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

Report Author: Emily Collacott (Lead Finance Business Partner & Deputy S151 Officer)

#### 1 Executive Summary

- 1.1 This report provides an update on the projected outturn financial position of the Council for the financial year 2020/21 (as at 31 December 2020).
- 1.2 The position this year is significantly affected by COVID – both in terms of large additional sums spent on issuing financial assistance to local businesses and council tax payers, and direct impact on the Council’s service costs and income. Additional COVID related financial pressures, through additional costs and income losses, are forecast to be £7.3m for the year. This is partly offset by projected £5.4m emergency grant funding from Government, but has also required the Council to reprioritise funds and support the annual budget from reserves. The net impact of COVID on the Council’s own resources is therefore projected to be £1.9m for the year. Despite this, the Council remains financially resilient and continues to forecast adequate reserve balances.
- 1.3 The current Revenue Budget forecast is summarised below:

|                         |  |
|-------------------------|--|
| General Fund Revenue    | Projected £1.466m underspend (£245k overspend relating to COVID and a net underspend of £1.711m for non-COVID) |
| Housing Revenue Account | Projected £247k underspend   |

- 1.4 Although services are now projecting fairly large underspends with the General Fund, this is largely due to timing of spend. Based on the Q3 projected year end position, budget holders have indicated proposals to carry forward £1.277m of expenditure into next year’s budget, which if approved would effectively reduce the underspend to £189k. These proposals will be finalised at the year end.

#### 2 Recommendations

- 2.1 The Executive Committee reviews and notes the Council’s forecast financial performance and projected reserves position for 2020/21 financial year as at 31 December 2020.

### **3 Risk Assessment**

- 3.1 Financial forecasts are based on known information and projections based on assumptions. As such any forecast carries an element of risk. The current forecasts included in this report are considered reasonable given the extra element of risk around COVID, and based on experience it is feasible the year end position could change. It is common for underspends to emerge during the last quarter, reflecting an optimism bias within previous forecasting.
- 3.2 Salient in year budget risks are summarised in sections 9 and 11 in this report. The Council manages financial risk in a number of 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 forecast end of year financial position for revenue and capital expenditure as at 31 December 2020 for the Council's General Fund (GF) and Housing Revenue Account (HRA).
- 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. 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 accountants, update their forecasts on a monthly basis based on currently available information and knowledge of service requirements for the remainder of the year. As with any forecast there is always a risk that some unforeseen changes could influence the position at the year-end, and a number of risks and uncertainties are highlighted within this report. However, the following forecast is considered to be reasonable based on current information.
- 4.4 Full Council approved a supplementary estimate of £657k on 15 December 2020 and delegated authority to the CEO and S151 Officer to further realign affected budgets in year. The budgets have been realigned to take into account the current predicted position in relation to COVID overspends and estimated grant income. Though a further overspend of £245k is predicted.

### **5 General Fund Revenue Budget – 2020/21 Forecast Outturn**

- 5.1 The Council is currently forecasting an overall net underspend of £1.466m (6.9% of £21m Net Budget), as summarised below. The main reasons for this shown in table 2 below.

- 5.2 The forecast remains volatile and subject to change. It includes a significant number of assumptions about demand for services and the timing of planned spend to meet service objectives. The level of uncertainty is increased this year as the full extent of the impact of COVID is not yet known. There has been an immediate impact on service costs and income, for example a significant reduction in parking income due to lock down measures throughout the year. The Government has so far provided emergency additional funding of £2.4m. Additional new burdens funding has also been received towards the administration of grants. We are also able to claim grant to partly offset the loss of income from fees and charges and a full year estimate has been included within this report.
- 5.3 As previously reported, despite the reported pressures and uncertainties summarised in this report, the Council is in a strong position financially to withstand losses this year and remain financially resilient. This financial strength has also provided opportunity to allocate reserves to support economic recovery. The scale of flexibility is however still reliant on the receipt of emergency funding, and the sector is continuing to lobby Government to ensure local authorities are adequate funded for the impact of COVID.
- 5.4 Full Council approved a supplementary estimate of £657k on 15 December 2020 and delegated authority to the CEO and S151 Officer to further realign affected budgets in year. The budgets have been realigned to take into account the current predicted position in relation to COVID overspends and estimated grant income. The total estimated spend/loss of income due to COVID is £7.254m, income from grants is estimated to be £5.352m and the Council has approved the use of £1.657m from reserves, this leaves a further estimated overspend of £245k.

Estimated Net Impact of COVID on General Fund Resources:

|   | £k     |
|---|--------|
| Net impact of additional costs and income losses                    | 7,254  |
| Less: Actual and projected additional grants income from Government | -5,352 |
| Less: Approved in-year allocations from SWTC reserves               | -1,657 |
| Further projected funding shortfall to be met from SWTC reserves    | 245    |

- 5.5 The following table presents a summary of the revenue budget and current forecast outturn for the year by directorate. The forecast variances have been presented to provide a distinction between those primarily as a consequence of COVID impact (after budgets have been realigned for in-year approvals), and those primarily related to normal operations.

**Table 1 - General Fund Revenue Outturn Summary 2020/21**

|  | Current Budget<br>£'000 | Forecast Outturn for the Year<br>£'000 | Residual Forecast Variance COVID<br>£'000 | Forecast Variance non COVID<br>£'000 | Total Forecast Variance<br>£'000 % |       |
|--|-------------------------|--|---|--------------------------------------|------------------------------------|-------|
| Development and Place                  | 1,885                   | 1,866                                  | 0   | -19                                  | -19                                | -1.0  |
| External Operations and Climate Change | 13,516                  | 12,910                                 | 245                                       | -850                                 | -605                               | -4.5  |
| Housing                                | 2,805                   | 2,506                                  | 0   | -299                                 | -299                               | -10.7 |
| Internal Operations                    | 10,725                  | 10,418                                 | 0   | -307                                 | -307                               | -2.9  |

|                                     | Current Budget<br>£'000 | Forecast Outturn for the Year<br>£'000 | Residual Forecast Variance COVID<br>£'000 | Forecast Variance non COVID<br>£'000 | Total Forecast Variance<br>£'000 % |             |
|-------------------------------------|-------------------------|--|---|--------------------------------------|------------------------------------|-------------|
| Senior Management Team              | 873                     | 819                                    | 0   | -54                                  | -54                                | -6.2        |
| <b>Net Cost of Services</b>         | <b>29,804</b>           | <b>28,519</b>                          | <b>245</b>                                | <b>-1,529</b>                        | <b>-1,284</b>                      | <b>-4.3</b> |
| COVID Grant Income                  | -5,352                  | -5,352                                 | 0   | 0                                    | 0                                  | 0           |
| Investment Property Net Income      | -947                    | -1,115                                 | 0   | -168                                 | -168                               | 17.7        |
| Interest and Investment Income      | -600                    | -976                                   | 0   | -376                                 | -376                               | 62.6        |
| Net Transfers to Earmarked Reserves | 1,272                   | 1,272                                  | 0   | 0                                    | 0                                  | 0           |
| Transfers to General Reserves       | -1,124                  | -1,124                                 | 0   | 0                                    | 0                                  | 0.0         |
| Capital and Other Adjustments       | -1,781                  | -1,419                                 | 0   | 362                                  | 362                                | -20.3       |
| <b>Net Budget</b>                   | <b>21,272</b>           | <b>19,805</b>                          | <b>245</b>                                | <b>-1,711</b>                        | <b>-1,466</b>                      | <b>-6.9</b> |
| Funding                             | -21,272                 | -21,272                                | 0   | 0                                    | 0                                  | 0.0         |
| <b>Variance</b>                     | <b>0</b>                | <b>-1,466</b>                          | <b>245</b>                                | <b>-1,711</b>                        | <b>-1,466</b>                      | <b>-6.9</b> |

5.6 The table below provides more detail on the significant non-COVID variances forecast for the year.

**Table 2 - Summary of non-COVID Related Forecast Variances for the Year**

| Budget heading               | Direct-orate | Variance<br>£'000 | Comments  |
|------------------------------|--------------|-------------------|---|
| D&P Salaries                 | D&P          | -19               | The £19.4k D&P favourable variance is mainly due to the net effect of additional staffing costs due to having to cover 2 Planning Enforcement officer posts with agency staff, offset by savings in Major Projects due to vacant positions and unbudgeted recovery of staff costs in the Economic Development department from various local agencies (for example Somerset County Council and the Steam Coast Train) who officers perform work for. |
| Leisure Partnership          | EO&CC        | -192              | Underspend on maintenance budget as work delayed due to COVID. It is proposed to ear mark reserve this to fulfil maintenance commitments during 2021-22. Please refer to table 3.   |
| Parks and Open Spaces        | EO&CC        | 495               | Income budget not altered to reflect non-renewal of external contracts.   |
| Building Control Partnership | EO&CC        | -10               | Income from gain share.   |
| Street Cleansing Partnership | EO&CC        | -10               | Budget realigned to actual costs.   |
| Parking Enforcement          | EO&CC        | -312              | Reduction in enforcement and CCTV charges (£212k). Other budgets realigned to actual costs (£47k). Underspend on maintenance budget as work delayed due to COVID (£53k). It is proposed to ear mark reserve this to fulfil maintenance commitments during 2021-22. Please refer to table 3.   |
| Waste Partnership            | EO&CC        | -34               | Budget realigned with actual costs.   |
| Park and Ride                | EO&CC        | -57               | Budget realigned with actual costs.   |
| Asset Management             | EO&CC        | -98               | Income is predicted to be higher than budgeted by circa (£220k) – this may continue to alter as we realign income to investment   |

| Budget heading                | Directorate | Variance £'000 | Comments  |
|-------------------------------|-------------|----------------|---|
|                               |             |                | properties. This has been part offset by an over spend on salaries.   |
| Planning Obligations          | EO&CC       | 37             | Reconciling legacy S106 issues.   |
| Operation Clean Sweep         | EO&CC       | -40            | Underspend on contracted costs. It is proposed to ear mark reserve this to purchase litter bins during 2021-22. Please refer to table 3.  |
| EO&CC Salaries                | EO&CC       | -220           | Various salary underspends across the Directorate due to active vacancy management and service restructures. It is proposed to ear mark £50k to meet required food hygiene inspections. Please refer to table 3.  |
| Climate Change                | EO&CC       | -500           | The Climate Change budget is likely to have a significant underspend. There are a number of reason for this and the lack of spend should not be considered as a lack of action. There have been 28 of the CNCR immediate actions within External Operations and Climate Change directorate that have been completed to date. Much of this activity has been cost neutral to the council with some of the work on EV charge points bringing a revenue to the authority, work will continue to deliver these actions whilst providing value to the council. Please refer to table 3.                        |
| Pollution Control             | EO&CC       | 24             | Private Sector Water sampling was not included within the budget therefore the costs are higher than the budget.  |
| Welfare Funerals              | EO&CC       | 56             | This forecast is based on a greater reliance on the service this year (compared with last year) and less recovery of costs from the deceased's estate.  |
| Licensing                     | EO&CC       | 40             | Budget realigned with actual income   |
| Other minor underspends       | EO&CC       | -29            | Various minor underspends across the Directorate.   |
| Revenues and Benefits         | IO          | -125           | Overall there are some pressure in the budget but the grant funding towards operational costs for this year is greater than anticipated.  |
| Rent Allowances/Rebates       | IO          | 170            | This is the position at Q3. It is a high risk area and depends on the amount of debt outstanding, assumptions regarding the amount of irrecoverable debt and the amount of overpayments made. The position could change significantly by the year end   |
| IO Salaries                   | IO          | -235           | There are various salary overspends and underspends within the Directorate which have been identified. The Deane Helpline salaries budget is not sufficient to cover the current staffing costs, whilst other services such as the Income Team, Customer Services, ICT Infrastructure Team, Internal Change, HR, Finance and the Governance Team have had various vacancies throughout the year. The staffing budget within Internal Operations overall is predicted to underspend as whole this year and any changes to the budget moving forward will be managed as part of the budget setting process. |
| Comms and Engagment operating | IO          | -50            | The majority of communications and engagement budget is for promotions and marketing (to attract residents, visitors, businesses to the area - using advertising and other communication methods) and for supporting and sponsoring   |

| Budget heading                 | Directorate | Variance £'000 | Comments  |
|--------------------------------|-------------|----------------|---|
|                                |             |                | local community initiatives. Many usual costed / sponsored activities have not taken place, due to the restrictions imposed by central Government (advising not to travel, stay home etc)   |
| Business Operations            | IO          | 43             | The postage budget has been transferred from facilities and there has been a lot of work by the Business Operations team to identify predicted spend. This is an estimate of the forecast overspend and work is still being done on this  |
| Elections                      | IO          | 114            | This is the first year of the new canvas leading to an increased spend on stationery. In addition not all the claims regarding the elections last year have been finalised and £47k may be due back from Sedgemoor which would improve the position.  |
| Learning and Development       | IO          | -70            | The amount of training undertaken has been significantly impacted by the current COVID situation. It was agreed in month 4 that this budget would offer in year savings of £70k.  |
| Internal/ External Audit/Shape | IO          | 42             | Increase in contract/fees after 20/21 budget set.   |
| Insurance                      | IO          | -93            | Effect of renegotiated contract   |
| IT                             | IO          | -110           | Various projects and work streams operating throughout the current financial year have worked towards reducing the operational ICT revenue budget, these include rationalising BT circuits, consolidation of Public Service Network and mobile phone costs. Predicted costs for the Microsoft M365 agreement in the current financial year are also less than expected as a proportion of the initial fees were paid out of the project budget. Although the ICT budget is regularly monitored, due to the merger of TDBC and WS ICT systems and associated complex costs, clarity over the final outturn for the budget has been difficult to predict until the final periods of the financial year. |
| Other Minor Variances          | IO          | 7              | Various minor overspends across the Directorate.  |
| Homelessness                   | Hsg & Comm  | -256           | The under spend has resulted from suppressed demand due to lockdown, suspension of landlord evictions and alternate provision (such as Beach Hotel and Canonsgrove) funded by additional COVID19 homeless grants. This led to a steep drop in B&B costs, alongside spend to private landlords (for rent in advance, deposits etc), as well other related spend.<br><br>This is offset in part by an over spend on staffing costs due to current management arrangements to meet the service statutory requirements.   |
| Community Safety               | Hsg & Comm  | -24            | The Community Safety budget includes the CCTV contract with SDC which includes a contribution to a sinking fund for repairs and maintenance. The sinking fund has grown large and partners have agreed a one-off rebate. This has been offset in part by one-off repairs on CCTV in the old WS area (not part of the SDC CCTV contract).  |
| Shopmobility                   | Hsg & Comm  | -23            | Legacy budgets held that are no longer needed to fund service.  |
| Other Minor Variances          | Hsg & Comm  | 4              | Other Minor variances   |

| Budget heading                      | Direct-<br>orate | Variance<br>£'000 | Comments   |
|-------------------------------------|------------------|-------------------|--|
| Senior Management Team              | SMT              | -54               | Underspend on staffing costs.  |
| Interest payable                    | Gen              | -376              | We have not had to externally borrow for everything that was budgeted for and therefore there is a saving in interest costs. This has benefitted in part by the receipt of cash through Government funding in advance of making payments e.g. for business grants and council tax hardship and early receipt of other grant funding such as New Homes Bonus. |
| Minimum Revenue Provision           | Gen              | 194               | Revised calculation for the provision for repayment of debt.   |
| Investment Property Net Income      | Gen              | -168              | Estimated income for this year is £168k more than budgeted.  |
| Capital Costs                       | Gen              | 168               | Contribution towards capital costs of investment properties  |
| <b>TOTAL – over / (-)underspend</b> |                  | <b>-1,711</b>     |  |

### General Fund Proposed Carried Forwards

5.7 Whilst reviewing the predicted outturn position the following potential carry forwards of budget have been identified, totalling £1.277m. If approved at the end of the financial year this would effectively roll forward this spending approval into next financial year, leaving a net non-COVID underspend of £434k. Netting off the residual COVID pressures of £245k that are not yet funded, this would reduce the overall net underspend to £189k.

**Table 3 – Potential Carry Forwards (To be agreed at year end)**

|                                       | Direct-<br>orate | £'000 | Comments  |
|---------------------------------------|------------------|-------|---|
| Major Contracts - Leisure Partnership | EO&CC            | 203   | To fulfill maintenance commitments during 2021-22, due to delays incurred in 2020-21 due COVID.   |
| Parking Partnership                   | EO&CC            | 53    | To fulfill maintenance commitments during 2021-22, due to delays incurred in 2020-21 due COVID.   |
| Litter Bins                           | EO&CC            | 40    | To purchase litters bin in 2021-22.   |
| Climate Changes                       | EO&CC            | 500   | The Climate Change budget is likely to have a significant underspend. There are a number of reason for this and the lack of spend should not be considered as a lack of action. There have been 28 of the CNCR immediate actions within External Operations and Climate Change directorate that have been completed to date. Much of this activity has been cost neutral to the council with some of the work on EV charge points bringing a revenue to the authority, work will continue to deliver these actions whilst providing value to the council. |
| Public Health                         | EO&CC            | 50    | To employ a contractor or agency to meet required food hygiene inspections.   |



|                                | Direct-<br>orate | £'000        | Comments   |
|--------------------------------|------------------|--------------|--|
| Council Tax Support (Benefits) | IO               | 43           | The Revenues & Benefits system, whilst being provided by a single supplier (Civica), is running on two separate platforms. This is a legacy of the Taunton Deane and West Somerset days. This causes problems and results in a large element of double-handling particularly with things such as reporting and the year-end processes where everything needs to be duplicated. We need to implement a database consolidation exercise during the coming financial year. Doing so will also make more easy the implementation of process efficiencies. There will be supplier and resourcing costs associated with the database consolidation. The carry-forward will be used to help fund those costs. |
| Income Control and Sundry Debt | IO               | 28           | We have a significant backlog of previous year arrears cases for Business Rates & Council Tax, both in terms of case numbers and value of debt outstanding. This problem has been exacerbated by the impact of the Covid crisis, which has essentially prevented us from undertaking any enforcement activity during the current financial year. Our intention during 2021/22 is to implement a project to focus on this backlog of cases. This will have an impact on resourcing and the £28k will be used to fund temporary additional resourcing.   |
| IT                             | IO               | 110          | It is requested that the current ICT underspend is carried forward in to the new financial year and for this to be repurposed for additional Microsoft Server licences (£35k) and the remaining £75k to fund a replacement to the Councils internal Intranet, which is soon to be out of support.  |
| Homelessness                   | Hsg & Comm       | 250          | COVID19 has built a backlog of unmet demand into the system and we anticipate a surge in homeless demand once landlords are able to evict again, furlough ends and the full impact of COVID19 is felt. We will also need to invest significantly in 2021/22 to meet the ambitions of the Accommodation Strategy and resolve the longer term housing needs of people accommodated through 'Everyone In.'  |
| <b>Total</b>                   |                  | <b>1,277</b> |  |

### **General Fund (GF) Reserves**

- 5.8 The opening general reserves balance as at 1 April 2020 is £4.522m.
- 5.9 Following approved/proposed transfers to and from reserves, the revised overspend and prudent contingency due to COVID and underspend due to non-COVID variances the projected General Fund reserve uncommitted balance this year is £7.831m. As part of the budget proposals to Full Council on 18 February 2021, £2.4m of current reserves are planned to be used to soften the budget gap in the next two financial years. In addition, as part of the budget report a further £2.4m is recommended to be allocated to an earmarked reserve to underwrite budget risk and volatility in 2021/22, reducing the projected uncommitted balance to £5.422m.

**Table 4 – GF General Reserve Balance**

|  | Approval           | £k            |
|--|--------------------|---------------|
| <b>Balance 1 April 2020</b>  |                    | <b>4,522</b>  |
| 2020/21 Original Budget Transfer to Reserve  | Council - 19/2/20  | 300           |
| Approved - From Earmarked Reserves review  | Exec 28/10/20      | 1,218         |
| Approved - From NHB reserve  | Council - 15/12/20 | 3,949         |
| Approved - From BR Volatility reserve  | Council - 15/12/20 | 1,000         |
| Approved - Town Centre Recovery  | Council - 29/9/20  | -500          |
| Approved - Unitary Programme Delivery Funds  | Exec - 23/9/20     | -249          |
| Approved - Climate Change Fund   | Council – 26/10/20 | -500          |
| Approved - Tree Planting   | Officer – 23/09/20 | -18           |
| Approved - 2020/21 COVID overspend   | Council – 15/12/20 | -657          |
| <b>Projected Balance after current commitments</b>   |                    | <b>9,065</b>  |
| Projected Outturn - COVID (Month 9 forecast)   |                    | -245          |
| Projected Outturn - Non-COVID (Month 9 forecast – <i>before any carry forward requests</i> ) |                    | <b>1,711</b>  |
| COVID Contingency (2020/21)  |                    | -300          |
| Proposed transfer to Budget Risk and Volatility Reserve                                      | Council – 18/02/21 | -2,400        |
| <b>Projected Balance 31 March 2021</b>   |                    | <b>7,831</b>  |
| MTFP Planned use of reserves 2021/22   |                    | <b>-1,159</b> |
| MTFP Planned use of reserves 2022/23   |                    | <b>-1,250</b> |
| Projected uncommitted balance  |                    | <b>5,422</b>  |
| Recommended Minimum Balance  |                    | <b>2,400</b>  |

- 5.10 The projected balance remains above the minimum adequate reserves requirement as assessed by the S151 Officer. It is prudent to continue to hold reserves above the minimum at this stage as risks remain higher than normal due to COVID and the Council may need additional resources to deliver service efficiency and improvement, and to implement structural change if local government unitarisation is approved by Government this year.

### **Earmarked Reserves**

- 5.11 The General Fund Earmarked Reserves brought forward balance for 2020/21 is £20.586m. The budgeted transfers to earmarked reserves in 2020/21 are £2.249m. The following transfers from reserves have been approved: return £6.167m to General Reserves (£1m from the Business Rates Volatility Reserve, £3.949m from NHB and £1.218m identified surpluses from a range of other reserves). Under emergency powers in March the Chief Executive also approved a contribution of £1m from the NHB reserve towards funding COVID pressures, and this is included within the forecast for this year.
- 5.12 It is anticipated there will be a large Business Rates S31 Grant reserve created in 2020/21 to set aside grant from Government that will be needed to mitigate the Collection Fund Deficit in the 2021/22 budget. This will include grant towards the Business Rates Holiday in 2020/21 for retail, hospitality and leisure properties (estimated £11.1m), and the 75% tax loss compensation grant (estimated £3m). Part of the deficit, excluding the

business rates holiday element, may be spread over 3 years therefore the allocation from reserves will also include an element of spreading. Final figures will be confirmed through the outturn report at the end of the current financial year.

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

**Table 5 – General Fund Earmarked Reserves**

|                                     | Balance<br>1 April<br>2020<br>£'000 | 2020/21<br>Budgeted<br>Transfers<br>£'000 | Approved<br>Return to<br>General<br>Reserves<br>£'000 | Projected<br>Transfers<br>£'000 | Projected<br>Balance<br>31 March<br>2021<br>£'000 | 21/22<br>Budgeted<br>Reserves<br>transfer<br>£000 | Projected<br>Balance<br>31 March<br>2022<br>£000 |
|-------------------------------------|-------------------------------------|---|---|---------------------------------|---|---|--|
| Business Rates Volatility           | 3,303                               | 2,031                                     | -1,000  |                                 | 4,334   | 1,595   | 5,929  |
| Business Rates S31<br>Grant         | 0                                   |   |   | 14,114                          | 14,114  | -12,117   | 1,997  |
| Budget Volatility and Risk          | 0                                   |   |   | 2,400                           | 2,400   |   | 2,400  |
| Investment Risk                     | 3,500                               | 0   |   |                                 | 3,500   |   | 3,500  |
| NHB                                 | 6,860                               | 391                                       | -3,949  |                                 | 3,302   |   | 3,302  |
| Garden Town                         | 814                                 | -65                                       |   |                                 | 749   |   | 749  |
| Asset Management                    | 687                                 |   |   |                                 | 687   |   | 687  |
| Economic Development<br>Initiatives | 1,268                               |   |   |                                 | 1,268   |   | 1,268  |
| Community Housing*                  | 569                                 |   |   |                                 | 569   |   | 569  |
| Other Smaller Balances              | 3,585                               | -108                                      | -1,218  |                                 | 2,259   |   | 2,259  |
| <b>Total</b>                        | <b>20,586</b>                       | <b>2,249</b>                              | <b>-6,167</b>   | <b>16,514</b>                   | <b>33,182</b>                                     | <b>-10,522</b>                                    | <b>22,660</b>                                    |

\*ring-fenced grant

5.14 Earmarked reserves are reviewed during the year. This is in order to confirm they align to current priorities, and to identify any surplus balances that can be redirected to mitigate in-year financial risks or be returned to general reserves.

## **6 COVID Financial Support – Business Grants**

6.1 The Government earlier this year launched a range of grant schemes to provide financial assistance to businesses with fixed property costs that have been affected by COVID. This includes grants to small businesses and to businesses in the retail, hospitality and leisure sector. The Council received grant funding of £46,626,000 on 1 April 2020 to provide us with the cash upfront to meet the costs of the scheme. In May the Government also provided additional flexibilities to introduce a local discretionary grant scheme with a total allocation of up to £2,128,250, which extended eligibility to some businesses that were outside the scope of the initial schemes such as market traders and small businesses in shared spaces that pay no business rates. These schemes closed by September 2020 and the final totals are summarised below. The cost of the local discretionary grants is covered within the initial £46m grant received.

**Table 6a – Business Grants**

|  | Number of grants issued | £          | £          |
|--|-------------------------|------------|------------|
| Grant Funding Received from Government           |                         |            | 46,626,000 |
| Small Business Grants of £10,000                 | 2,635                   | 26,350,000 |            |
| Retail Hospitality and Leisure Grants of £10,000 | 487                     | 4,870,000  |            |
| Retail Hospitality and Leisure Grants of £25,000 | 427                     | 10,675,000 |            |
| Local Discretionary Grants                       | 353                     | 2,127,500  |            |
| Total Paid Out                                   | 3,902                   |            | 44,022,500 |
| Balance To Be Returned to Government             |                         |            | 2,603,500  |
| Percentage of Funding Spent                      |                         |            | 94.4%      |

- 6.2 Following the reintroduction of national lockdown measures in November 2020 and after Christmas 2020, further grant funding has been allocated to provide additional support to local businesses. The grant totals are summarised below, and current allocations and grants paid as at 14 February 2021. For the mandatory schemes if we need to approve spending above the allocations then these will be funded by central government. Further information on the grant schemes can be found on the Councils website under the following link: <https://www.somersetwestandtaunton.gov.uk/business-rates/covid-business-support-grants/>

**Table 6b – Local Restrictions Grants (LRSGs)**

|   | Discretionary / Mandatory | Allocations £ | Number of Grants Issued | Value Issued £ |
|---|---------------------------|---------------|-------------------------|----------------|
| LRSG (Closed) Pre 1 <sup>st</sup> Dec                     | Mandatory                 | 3,517,164     | 1,503                   | 2,241,818      |
| Additional Restrictions Support Grants (ARG)              | Discretionary             | 4,480,195     | 882                     | 1,354,436      |
| Tier 2,3 & 4 Open 2 December to 4 <sup>th</sup> January   | Discretionary             | 1,271,028     | 1,119                   | 585,200        |
| Tier 2,3 & 4 Closed 2 December to 4 <sup>th</sup> January | Mandatory                 | 912,736       | 1,885                   | 533,746        |
| Christmas Support for wet led pubs                        | Mandatory                 | 89,600        | 93                      | 93,000         |
| LRSG (Closed) 5 Jan onwards                               | Mandatory                 | 5,275,746     | 1,402                   | 3,126,645      |
| One-off Support - Lockdown 5 Jan onwards                  | Mandatory                 | 10,548,000    | 1,402                   | 6,251,000      |
| Total   |                           | 26,094,469    | 8,286                   | 14,185,845     |

## **7 COVID Financial Support – Business Rates Holiday 2020/21**

- 7.1 In March 2020 the Government also announced a Business Rates Holiday for 2020/21 – expanding the previously announced 50% retail discount to 100%, and including retail, hospitality and leisure property; and adding Early Years nurseries. The Revenues team worked very quickly to apply the discounts to business rates accounts before the 1 April,

so that direct debits due on 1 April would exclude eligible property. Discounts totalling £24.5m had been awarded at that stage, and this has increased subsequently to £28.317m as at 15 February 2021 – representing approximately half of the total business rates due to be collected for the year.

**Table 7 – Business Rates Holiday 2020/21 Forecast**

|                          | Number of accounts | Rateable Values<br>£ | Total Discount<br>£ |
|--------------------------|--------------------|----------------------|---------------------|
| Expanded Retail Discount | 1,388              | 58,412,440           | 28,160,454          |
| Nurseries                | 25                 | 445,125              | 156,380             |
| Totals                   | 1,413              |                      | 28,316,834          |

- 7.2 The discount awarded clearly affects the total amount received from ratepayers, which impacts on the amount of business rates available to distribute through the Business Rates Retention system. The Government will provide additional S31 Grant to SWTC to fully compensate its 40% share of the reduction in rates income. This does result in a skew in the accounting for business rates retention funding – with S31 grant received in 2020/21 which will be needed to offset the resulting deficit in the Collection Fund (which accounts for income from rate payers but not S31 grant) in 2021/22.

## **8 COVID Financial Support – Hardship Funding**

- 8.1 As well as providing financial support to businesses, the Government has also provided grant funding of £1,382,002 as a Hardship Support fund to support households with council tax costs. Whilst this is discretionary funding the Government set out its expectation that the funding would be used to reduce council tax bills for those in receipt of Local Council Tax Support by £150 (or reduced to nil if the net bill after other discounts is less than £150). As at 10 February 2021 the total hardship discount awarded is £1.126m. There is no requirement to repay any grant not used for the £150 discount scheme, however it is considered likely the funding will be fully allocated by the end of this financial year as new claims for LCTS are made.

**Table 8 – Hardship Funding**

|   | Number of Accounts | £         |
|---|--------------------|-----------|
| Grant Funding Received from Government                |                    | 1,382,002 |
| Total hardship discounts awarded to 10 February 2021  | 8,793              | 1,282,002 |
| Balance of Funding remaining                          |                    | 100,000   |
| Percentage of Funding Spent to date                   |                    | 92.8%     |
| Allocation to Test and Trace Payments (Table 8 below) |                    | 20,000    |

## **9 COVID Financial Support – Test and Trace**

- 9.1 The Government introduced a Test and Trace scheme to support those having to isolate. As at 14 February the total amount awarded is £231,000. Information of those who are eligible to apply can be found on the Council's website under the following link:  
<https://www.somersetwestandtaunton.gov.uk/benefits/test-and-trace-support-payment/>

**Table 9 – Test and Trace Funding**

|   | Standard<br>£ | Discretionary<br>£ | Total<br>£ |
|---|---------------|--------------------|------------|
| Grant Funding Received from Government                | 121,500       | 86,000             | 207,500    |
| Grant Funding from the SCC COMF                       | 0             | 75,000             | 75,000     |
| Allocation from the Hardship Funding in Table 7 above | 0             | 20,000             | 20,000     |
| Total Funding   | 121,500       | 181,000            | 302,500    |
|   |               |                    |            |
| Total hardship discounts awarded to 14 February 2021  | 121,500       | 109,500            | 231,000    |
| Balance of Funding remaining                          | 0             | 71,500             | 71,500     |

## 10 General Fund - Risk and Uncertainty

10.1 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 2020/21 financial year is 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 a number of ways, such as insurances and maintaining reserves. This is a prudent approach and helps to mitigate unforeseen pressures.

10.2 The following general risks and uncertainties have been identified:

- a) **COVID 19:** Although work has been undertaken to identify as much as we can the impacts there could still be short, medium and long term impacts to both income and expenditure which have not yet been identified.
- b) **Fluctuation in demand for services:** We operate a number of demand-led services and the levels of demand do not always follow a recognisable trend. We therefore have to caveat the forecasts in these areas to account for fluctuations.
- c) **Forecasting Assumptions:** It is conceivable that, whilst budget holders are optimistic that they will spend all of their budget, experience shows we could see underspends of £250k-£500k by year-end caused by the cumulative effect of minor underspends in a number of service areas. There is also uncertainty around delivery of service which can vary from operational planning assumptions and impact on the timing of spend.
- d) **Year-end Adjustments:** Certain items 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.
- e) **Business Rates:** There are inherent risks and uncertainties within the Business Rates Retention system. The Council's share of business rates funding is directly

linked to the total amount of business rates due and collected in the area, which can fluctuate throughout the year and be affected by the result of Rateable Value changes e.g. as a result of Appeals.

- f) **Recruitment costs:** There is a risk of no savings within salary budgets to take into account these costs – these costs are normally covered by vacancy savings in-year.
- g) **Interest receivable:** Due to COVID the forecast have been based on the best current information that we have. Interest rates are unpredictable and there is a risk that interest rates could decrease further, and investment fund performance is susceptible to financial markets.
- h) **Asset Management:** The budgets for maintaining our assets do not hold any contingency for significant unforeseen repairs or improvement works.
- i) **Landlord Property Compliance:** A review of all compliance areas against every property for which Somerset West and Taunton Council has landlord property compliance responsibility is being undertaken. Within 2020/21 these costs are expected to be covered by earmarked reserves though if any costs above the approved budgets/earmarked reserves are identified these will be reported in future financial reports.

## 11 General Fund Capital Programme

11.1 The capital budget for 2020/21 is £101.2m. It is estimated that spend in 2020/21 will be £61.7m, with slippage into future years of £37.6m and a budget return of £1.9m. This mainly relates to the following 2 items:

- a) Watchet East Quay Development Loan to the Onion Collective - A loan approval for the Onion Collective as part of their development on the East Quay was approved by WSC in February 2019. They have not drawn down that loan to date and have indicated any request is not expected to exceed £0.5m, creating the £1m underspend against the approved budget. The development is due to complete in the summer 2021, and OC plan to finalise their funding without the need for a loan from SWTC if possible. If a loan is requested this will be subject to up to date full due diligence.
- b) Loan facility to Leisure Contractor of £1m is no longer required.

11.2 The detailed capital programme is set out in Appendix A. The table below summarises the programme per Directorate:

**Table 10 - Summary of General Fund Capital Outturn**

| Capital Expenditure   | 2020/21 Capital Budget<br>£ | Forecast Outturn<br>2020/21<br>£ | Forecast Outturn<br>2021/22<br>£ | Forecast Outturn<br>2022/23<br>£ | Forecast Outturn<br>Future<br>Years<br>£ | Variance |
|-----------------------|-----------------------------|----------------------------------|----------------------------------|----------------------------------|--|----------|
| Development and Place | 89,117,147                  | 55,331,802                       | 23,869,668                       | 925,677                          | 8,990,000                                | 0        |

|                     |                    |                   |                   |                |                  |                   |
|---------------------|--------------------|-------------------|-------------------|----------------|------------------|-------------------|
| External Operations | 5,583,141          | 1,259,217         | 2,381,039         | 0              | 0                | -1,942,885        |
| Internal Operations | 1,229,500          | 979,778           | 249,722           | 0              | 0                | 0                 |
| Housing             | 5,307,525          | 4,107,895         | 1,199,630         | 0              | 0                | 0                 |
| <b>Sub-Total</b>    | <b>101,237,313</b> | <b>61,678,692</b> | <b>27,700,059</b> | <b>925,677</b> | <b>8,990,000</b> | <b>-1,942,885</b> |

## 12 Housing Revenue Account (HRA)

- 12.1 The HRA is a ring-fenced, self-financing, account used to manage the Council's housing stock of some 5,700 properties, with the Council acting as the Landlord.
- 12.2 The Council retains all rental income to meet the costs of managing and maintaining the housing stock, as well as meeting the interest payments and repayment of capital debt.
- 12.3 The current year end forecast outturn position for the Housing Revenue Account for 2020/21 is on budget a net underspend of £247k.

**Table 11: HRA Outturn Summary**

|                     | Current Budget<br>£'000 | Forecast Outturn for the Year<br>£'000 | Forecast Variance COVID<br>£'000 | Forecast Variance non COVID<br>£'000 | Total Forecast Variance |               |
|---------------------|-------------------------|--|----------------------------------|--------------------------------------|-------------------------|---------------|
|                     |                         |  |                                  |                                      | £'000                   | %             |
| Gross Income        | -26,773                 | -26,921                                | 0                                | -148                                 | -148                    | -0.55%        |
| Service Expenditure | 15,026                  | 14,756                                 | 0                                | -270                                 | -270                    | 1.80%         |
| Other Expenditure   | 11,746                  | 11,917                                 | 0                                | 171                                  | 171                     | -1.46%        |
| <b>Total</b>        | <b>0</b>                | <b>-247</b>                            | <b>0</b>                         | <b>-247</b>                          | <b>-247</b>             | <b>-0.92%</b> |

- 12.4 The table below provides more detail on the significant variances forecast for the year:

**Table 12 - Summary of non-COVID Related Forecast Variances for the Year**

| Budget heading      | Variance<br>£'000 | Comments   |
|---------------------|-------------------|--|
| Income              | -148              | The outturn forecast is an over recovery of income of £148k. This relates in part to dwelling rents where more income is estimated to be recovered than predicted when setting the budget and providing an allowance for voids. This also relates to leaseholder service charges where the budget is set prior to the associated costs being incurred and then billed in arrears.  |
| Salaries            | -421              | The estimated total under spend of £421k on staffing costs relates to the new structure for 2020/21 which has taken time to recruit suitable candidates. Therefore some vacancy savings have materialised across the service, specifically in the performance and development team.<br>This has been offset in part by the increase in costs associated with the pay award at 2.75% compared to the estimated 2% pay award that was budget and approved by Full Council in February 2020, meaning an increase in costs to the HRA of £59k. |
| Housing Partnership | 13                | The estimated over spend on SWPSHP is due to an incorrect budget split between GF and HRA during 2020/21 budget setting process.   |



| Budget heading                      | Variance<br>£'000 | Comments  |
|-------------------------------------|-------------------|---|
| Landlord Property Compliance        | 211               | A review of all compliance areas against every property for which Somerset West and Taunton Council has landlord property compliance responsibility is being undertaken. The review has so far identified that approximately £211k of additional costs will need to be incurred this financial year over and above existing budgets.  |
| Transfer Removal Grants             | -22               | This relates to a freeze in transfer removal grants in lettings due to COVID19. This has now recommenced but is progressing slowly due to the current climate.  |
| Letting Expenditure                 | -10               | This relates to a reduction in lettings expenditure with regards to paying for adverts related to house moves which have been restricted due to COVID19.  |
| Meeting Halls                       | -25               | There has been a significant reduction in activity seen in meetings halls due to their closure during COVID19 lockdowns.  |
| Policy & Management                 | 40                | This relates to a range of variances in this cost centre for example additional costs incurred to increase communication to our tenants through the year which incurred additional printing and postage costs. We have also engaged independent financial modelling consultant to scenario plan and health check our business plan which supports our ambitious 10 year development programme.  |
| Tenant Empowerment (TSG)            | -17               | Tenant empowerment work has been reduced this year due to Covid restrictions. Meetings are now taking place online and newsletters to our tenants have restarted but we will underspend on this budget this year by c£17k.  |
| Tenants Action Group                | -39               | The Tenants Action Group have restarted their meetings online since September 2020 following Covid19 putting a stop to face to face meeting. The group are still hoping to issue youth initiative funding of £20k but other environmental improvements and training for the group has been halted due to Covid creating an underspend of c£39k. Of which a c/f request of £20k for the Youth Initiative grant as this may not be awarded in time for year end due to COVID19. |
| Depreciation                        | 348               | Following the closedown of the 2019/20 accounts a variance on the depreciation charge, which is transferred to the Major Repairs Reserve (MRR) to fund the capital programme and/or repay capital debt. Due to this being calculated at the end of the financial year the 2020/21 budgets were not adjusted for this and therefore there will be an overspend of c£348k. The budget for 2021/22 will be updated to reflect the latest estimates for this.                     |
| Interest Payable                    | -177              | The current forecast estimate is an under spend of £177k. The authority have recently taken out an additional £10m loan at 1.64% reducing the amount and cost of internal borrowing. The final outturn position will depend on the final capital funding requirement funded from internal borrowings and the rate applied.  |
| <b>TOTAL – over/ (-) underspend</b> | <b>-247</b>       |   |

### HRA - Risk and Uncertainty

12.5 Budgets and forecasts are based on known information and the best estimates of the Council's future income and expenditure activity. Income and expenditure over the financial year is estimated by budget holders and then reported through the budget

monitoring process. During this process any risks and uncertainties are identified which could impact financial projections, but for which the likelihood and/or amount are uncertain.

12.6 There are also a number of areas where the financial impact is not known until the end of the financial year such as depreciation charges and change in provision for bad debt.

12.7 The current areas of risk and uncertainty being reported include:

- a) **Repairs & Maintenance:** Overall this is a very demand led and reactive service based on the needs of the tenants. There are also a number of uncontrollable variables associated with this service such as the weather (e.g. cold winters causing burst pipes, roof leaks, etc), condition of properties when returned (e.g. void refurbishments), consumer demand on minor internal / external repairs (e.g. broken door or fence) and the type of repair work required.
- b) **RTB Receipts:** The RTB scheme is a government scheme that enables tenants to purchase their homes at a discount, subject to meeting qualifying criteria. The receipts allowed to be retained by the Council can fund up to 30% of new social housing costs and must be used within three years of receipt. To date, the Council has successfully spent all of their retained 1-4-1 receipts resulting in no returns being made to the Treasury/MHCLG.

On the 31 Dec 202 the government issued a temporary relaxation of the rules in response to the COVID situation, to give authorities until 31 December 2020 to catch up with their spending plans. This has now been extended until the 31<sup>st</sup> March 2021.

Whilst projected spend and additional purchases are being sought by the service there is a risk that the quarter 4 spend requirements will not be met and may result in funds being return to MHCLD / Treasury. This is a direct result of COVID delaying progress on new build and purchasing houses on the open market.

### **13 HRA Capital Programme**

13.1 The HRA approved Capital Programme is £113.8m. This consists of £15.9m of new schemes approved for 2020/21 plus £15.8m of slippage from prior years and £82.1m of approved supplementary budgets. The Capital Programme relates to schemes which will be completed over the next five years.

13.2 The Council is supporting this investment through the use of the Major Repairs Reserve, Capital Receipts, Revenue Funding and Borrowing.

13.3 The capital programme can be split into three distinct areas:

13.4 **Major Works:** The approved budget of £9.5m is funded by the Major Repairs Reserve and relates to spend on major works on existing dwellings such as kitchens, bathrooms, heating systems, roofs, doors and windows. New schemes approved for 2020/21 total £6m with slippage from the prior year of £3.5m. It is likely that the impact of COVID will

result in an underspend in this area within the year.

- 13.5 **Improvements:** The approved budget of £3.2m is funded by the Major Repairs Reserve and relates to spend on improvements such as disabled facilities adaptations, asbestos removal and environmental improvements. New schemes approved for 2020/21 total £2.9m with slippage from the prior year of £0.3m.
- 13.6 **Social Housing Development Programme:** The approved budget of £18.9m is for the provision of new housing through schemes such as Phases A-E for North Taunton Regeneration, Laxton Road and other buybacks to increase the Council's housing stock. Funding allocated for new schemes totals £6.9m with slippage from the prior year of £12m mainly being North Taunton and Laxton Road. Supplementary budgets of £82.1m have since been approved for a variety of new build affordable home schemes. In the current year £1.1m has been spent in buy backs.

#### 14 **HRA Earmarked Reserves**

- 14.1 The HRA Earmarked Reserves (EMR) at the beginning of 2020/21 were £1.648m (see **Table 12** below). The Social Housing Development Fund will be used as required to fund social housing development feasibility studies and usage approved through the Housing Programme Board. The remainder of the earmarked reserves have been specifically committed to be spent within the next three financial years.

**Table 13: Balance of Earmarked Reserves held at 1 April 2020**

| Description                     | Balance b/f (£'000) |
|---------------------------------|---------------------|
| HRA Employment and Skills Dev   | 102                 |
| HRA Asbestos Surveys            | 102                 |
| HRA One Teams                   | 37                  |
| Social Housing Development Fund | 1,232               |
| HRA Contribution to Change      | 175                 |
| <b>HRA Total</b>                | <b>1,648</b>        |

#### 15 **HRA General Reserves**

- 15.1 The HRA reserves at the start of the year were £2.7m. This is £901k above the minimum recommended reserve level of £1.8m.
- 15.2 **Forecast Outturn** - The current outturn position is forecast to be a net underspend of £247k. If this is the position at year end then this will be returned to general balances, increasing them to £2.948m.

**Table 14: HRA Reserve Balance**

|   | £k           |
|---|--------------|
| Balance Brought Forward 1 April 2020                  | 2,701        |
| Forecast Outturn 2020/21 (as at 31 Dec 2020)          | 247          |
| <b>Forecast Balance Carried Forward 31 March 2020</b> | <b>2,948</b> |

|                                   |       |
|-----------------------------------|-------|
|                                   | £k    |
| Minimum Balance Per Business Plan | 2,000 |

## **16 Links to Corporate Aims / Priorities**

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

## **17 Partnership Implications**

17.1 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.

## **18 Other Implications**

18.1 None for the purpose of this report.

## **19 Scrutiny Comments / Recommendations**

19.1 This report was considered by the Scrutiny Committee on 4 March. The Committee supported the report and the printed recommendations.

19.2 The main comments and questions were:

- a) Various queries on the differences between the 2021/22 budget set at Full Council in February and the 2020/21 Qtr3 budget – a written reply will be provided to the Scrutiny Committee.
- b) Clarification regarding the SMT underspend – this relates to an underspend in the SMT budget for staffing across the Council rather than for the SMT staff.
- c) Why has ICT underspent and could this be used towards Members ICT training – the budget underspend relates to various items and it has been proposed to carry this underspend forward towards the costs of M365 and replacing the Councils internal intranet, which is soon to be out of support.
- d) What training budget does the Council have – for 2021/22 the General Fund has a Learning and Development budget of £133,300.
- e) Concern regarding the risk that the Asset Management budget does not hold a contingency for significant unforeseen repairs or improvement works – the Council currently funds the majority of its maintenance from a single budget held by the asset management team and this would be used as required through the year and reprioritised and reported through the budget monitoring process. Officers at the meeting also confirmed that the council was lacking a 30 year forward maintenance plan and this made budget control more difficult, it was recognised that this was not the position we wanted to be in and had put in place officer resource to create the 30 year plan.

**Democratic Path:**

- Scrutiny – 3 March 2021
- Executive – 17 March 2021
- Full Council – no

**Reporting Frequency: Quarterly**

**List of Appendices**

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| Appendix A | Capital Programme |
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Capital Programme

Appendix A

| Description: General Fund and HRA Capital Expenditure | Total 2020/21 Capex Budget | Total Forecast Capital Outturn 2020/21 | Forecast Capital Outturn 2021/22 | Forecast Capital Outturn 2022/23 | Forecast Capital Outturn 2023/24 | Forecast Capital Outturn 2024/25 | Forecast Capital Outturn 2025/26 Onwards | Variance Minus = Favourable |
|---|----------------------------|--|----------------------------------|----------------------------------|----------------------------------|----------------------------------|--|-----------------------------|
| Development & Place                                   | 89,117,147                 | 55,331,802                             | 23,869,668                       | 925,677                          | 4,990,000                        | 4,000,000                        | 0  | 0                           |
| External Operations                                   | 5,583,141                  | 1,259,217                              | 2,381,039                        | 0                                | 0                                | 0                                | 0  | (1,942,885)                 |
| Internal Operations                                   | 1,229,500                  | 979,778                                | 249,722                          | 0                                | 0                                | 0                                | 0  | 0                           |
| Housing - General Fund                                | 5,307,525                  | 4,107,895                              | 1,199,630                        | 0                                | 0                                | 0                                | 0  | 0                           |
| Hinkley Funded projects                               | 1,285,107                  | 100,000                                | 1,185,107                        | 0                                | 0                                | 0                                | 0  | 0                           |
| S106 Funded projects                                  | 0                          | 0                                      | 0                                | 0                                | 0                                | 0                                | 0  | 0                           |
| Housing - HRA   | 113,773,790                | 8,261,947                              | 32,231,347                       | 27,276,000                       | 11,280,000                       | 9,038,000                        | 25,686,495                               | 0                           |
| <b>Total</b>  | <b>216,296,210</b>         | <b>70,040,640</b>                      | <b>61,116,513</b>                | <b>28,201,677</b>                | <b>16,270,000</b>                | <b>13,038,000</b>                | <b>25,686,495</b>                        | <b>(1,942,885)</b>          |

2020/21 Capital budget and Financing

| Description: General Fund and HRA Capital Expenditure | Total 2020/21 Capex Budget | Total Forecast Capital Outturn 2020/21 | Forecast Capital Outturn 2021/22 | Forecast Capital Outturn 2022/23 | Forecast Capital Outturn 2023/24 | Forecast Capital Outturn 2024/25 | Forecast Capital Outturn 2025/26 Onwards | Variance Minus = Favourable |
|---|----------------------------|--|----------------------------------|----------------------------------|----------------------------------|----------------------------------|--|-----------------------------|
| <b>General Fund</b>                                   |                            |  |                                  |                                  |                                  |                                  |  |                             |
| <b>Development &amp; Place: Dawn Adey</b>             |                            |  |                                  |                                  |                                  |                                  |  |                             |
| Investment Properties                                 | 50,000,000                 | 40,000,000                             | 10,000,000                       | 0                                |                                  |                                  |  | 0                           |
| Taunton Bus Station                                   | 77,068                     | 14,500                                 | 62,568                           | 0                                |                                  |                                  |  | 0                           |
| Coal Orchard Construction                             | 10,057,527                 | 7,686,642                              | 2,180,207                        | 190,677                          |                                  |                                  |  | 0                           |
| Coal Orchard Devcosts                                 | 293,097                    | 37,862                                 | 255,235                          | 0                                |                                  |                                  |  | 0                           |
| Major Transport Schemes                               | 580,000                    | 0                                      | 580,000                          | 0                                |                                  |                                  |  | 0                           |
| Emp Site Enabling Innova                              | 100,000                    | 0                                      | 100,000                          | 0                                |                                  |                                  |  | 0                           |
| Creech Castle Improvement                             | 0                          | 0                                      | 0                                | 0                                |                                  |                                  |  | 0                           |
| Superfast Broadband (Legacy TD)                       | 380,000                    | 0                                      | 380,000                          | 0                                |                                  |                                  |  | 0                           |
| Superfast Broadband (Legacy WSC)                      | 170,000                    | 0                                      | 170,000                          | 0                                |                                  |                                  |  | 0                           |
| Steam Coast Trail                                     | 102,186                    | 0                                      | 102,186                          | 0                                |                                  |                                  |  | 0                           |
| Seaward Way   | 2,056,314                  | 1,774,848                              | 281,466                          | 0                                |                                  |                                  |  | 0                           |
| Firepool Development                                  | 475,895                    | 115,895                                | 360,000                          | 0                                |                                  |                                  |  | 0                           |
| Firepool Master Planning                              | 2,989,245                  | 869,135                                | 2,120,110                        | 0                                |                                  |                                  |  | 0                           |
| Great Western Railway Development Loan                | 5,000,000                  | 0                                      | 5,000,000                        | 0                                |                                  |                                  |  | 0                           |
| J25 Improvement Scheme Contribution                   | 1,500,000                  | 1,500,000                              | 0                                | 0                                |                                  |                                  |  | 0                           |
| Flooding Alleviation                                  | 6,000,000                  | 30,000                                 | 245,000                          | 735,000                          | 4,990,000                        | 0                                |  | 0                           |
| CIL - Cycle & Pedestrian Improvements                 | 500,000                    | 0                                      | 500,000                          | 0                                |                                  |                                  |  | 0                           |
| CIL - Education Provision                             | 4,000,000                  | 0                                      | 0                                | 0                                |                                  | 4,000,000                        |  | 0                           |
| CIL - Public Transport Improvements                   | 0                          | 0                                      |                                  |                                  |                                  |                                  |  | 0                           |
| CIL - Town centre regeneration                        | 500,000                    | 0                                      | 500,000                          | 0                                |                                  |                                  |  | 0                           |
| GF C Deane House Accommodation                        | 0                          | 0                                      | 0                                | 0                                |                                  |                                  |  | (0)                         |
| Toneworks Wellington                                  | 348,420                    | 348,420                                | 0                                | 0                                |                                  |                                  |  | 0                           |
| Heritage at Risk                                      | 80,000                     | 0                                      | 80,000                           |                                  |                                  |                                  |  | 0                           |
| GF C Taunton Tech. Park                               | 0                          | 0                                      | 0                                | (1)                              | 0                                |                                  |  | 0                           |
| GF C Firepool Land Assembly                           | 0                          | (0)                                    | 0                                | 0                                |                                  |                                  |  | 0                           |
| GF C Parking & Access & Signag                        | 0                          | (0)                                    | 0                                | 0                                |                                  |                                  |  | 0                           |
| Stogursey Victory Hall                                | 637,896                    | 0                                      | 637,896                          | 0                                |                                  |                                  |  | 0                           |
| Regeneration Projects                                 | 2,954,500                  | 2,954,500                              | 0                                | 0                                |                                  |                                  |  | (0)                         |
| SCC/Wellington Station                                | 215,000                    |  | 215,000                          |                                  |                                  |                                  |  | 0                           |
| Innovation centres                                    | 100,000                    |  | 100,000                          |                                  |                                  |                                  |  | 0                           |
| <b>Total Development &amp; Place</b>                  | <b>89,117,147</b>          | <b>55,331,802</b>                      | <b>23,869,668</b>                | <b>925,677</b>                   | <b>4,990,000</b>                 | <b>4,000,000</b>                 | <b>0</b>                                 | <b>0</b>                    |
|   | 0                          | 0                                      |                                  |                                  |                                  |                                  |  | (0)                         |
| <b>External Operations: Andrew Pritchard</b>          |                            |  |                                  |                                  |                                  |                                  |  | <b>0</b>                    |
| Unparished Area Grants                                | 11,000                     | 0                                      | 0                                |                                  |                                  |                                  |  | (11,000)                    |
| General Fund Vehicles Acquisition                     | 152,000                    | 33,584                                 | 118,416                          |                                  |                                  |                                  |  | 0                           |
| Waste Containers                                      | 100,000                    | 101,496                                | 0                                |                                  |                                  |                                  |  | 1,496                       |
| Grants to Parishes Play                               | 15,000                     | 0                                      | 15,000                           |                                  |                                  |                                  |  | 0                           |
| Replacement Play Equipme                              | 64,000                     | 0                                      | 64,000                           |                                  |                                  |                                  |  | 0                           |
| SWP Waste Vehicle Loan                                | 497,618                    | 0                                      | 497,618                          |                                  |                                  |                                  |  | 0                           |
| SWP Waste Container Loan                              | 377,177                    | 0                                      | 377,177                          |                                  |                                  |                                  |  | 0                           |
| General Fund Plant                                    | 23,000                     | 0                                      | 23,000                           |                                  |                                  |                                  |  | 0                           |
| Waiting Room  | 30,000                     | 44,623                                 | 0                                |                                  |                                  |                                  |  | 14,623                      |
| Watchet East Quay Development Loan (OC)               | 1,500,000                  | 0                                      | 500,000                          |                                  |                                  |                                  |  | (1,000,000)                 |
| Cuckoo Meadow Play Area                               | 1,103                      | 0                                      | 0                                |                                  |                                  |                                  |  | (1,103)                     |
| Minehead Esplande                                     | 15,147                     | 15,147                                 | 0                                |                                  |                                  |                                  |  | 0                           |
| Leisure   | 1,000,000                  | 0                                      | 0                                |                                  |                                  |                                  |  | (1,000,000)                 |
| Watchet Splashpoint Hole                              | 804,096                    | 804,096                                | 0                                |                                  |                                  |                                  |  | 0                           |
| GF C CIL Grant  | 0                          | 53,099                                 | 0                                |                                  |                                  |                                  |  | 53,099                      |
| Wellington Air Handling Unit                          | 253,000                    | 0                                      | 253,000                          |                                  |                                  |                                  |  | 0                           |
| East Quay Wall  | 740,000                    | 207,172                                | 532,828                          |                                  |                                  |                                  |  | 0                           |
| Onion Collective Grant                                | 0                          | 0                                      | 0                                |                                  |                                  |                                  |  | 0                           |
| Blue Anchor Coast Defence Work                        | 0                          | 0                                      | 0                                |                                  |                                  |                                  |  | 0                           |
| <b>Total External Operations</b>                      | <b>5,583,141</b>           | <b>1,259,217</b>                       | <b>2,381,039</b>                 | <b>0</b>                         | <b>0</b>                         | <b>0</b>                         | <b>0</b>                                 | <b>(1,942,885)</b>          |
|   | 0                          | 0                                      |                                  |                                  |                                  |                                  |  | 0                           |

| Description: General Fund and HRA Capital Expenditure | Total 2020/21 Capex Budget | Total Forecast Capital Outturn 2020/21 | Forecast Capital Outturn 2021/22 | Forecast Capital Outturn 2022/23 | Forecast Capital Outturn 2023/24 | Forecast Capital Outturn 2024/25 | Forecast Capital Outturn 2025/26 Onwards | Variance Minus = Favourable |
|---|----------------------------|--|----------------------------------|----------------------------------|----------------------------------|----------------------------------|--|-----------------------------|
| <b>Internal Operations: Alison North</b>              |                            |  |                                  |                                  |                                  |                                  |  | <b>0</b>                    |
| Members IT Equipment                                  | 4,000                      | 0                                      | 4,000                            |                                  |                                  |                                  |  | 0                           |
| Change Programme                                      | 211,360                    | 0                                      | 211,360                          |                                  |                                  |                                  |  | 0                           |
| Community Alarms                                      | 25,000                     | 20,000                                 | 5,000                            |                                  |                                  |                                  |  | 0                           |
| IT Server Refresh                                     | 20,000                     | 0                                      | 20,000                           |                                  |                                  |                                  |  | 0                           |
| Resources for Change Programme                        | 360,000                    | 360,000                                | (0)                              |                                  |                                  |                                  |  | 0                           |
| Finance System  | 76,770                     | 76,770                                 | 0                                |                                  |                                  |                                  |  | 0                           |
| SIP   | 353,700                    | 353,700                                | 0                                |                                  |                                  |                                  |  | 0                           |
| Transformation  | 0                          | 6,847                                  | (6,847)                          |                                  |                                  |                                  |  | 0                           |
| PC Refresh Project                                    | 46,500                     | 27,027                                 | 19,473                           |                                  |                                  |                                  |  | 0                           |
| Microsoft 365 Migration                               | 132,170                    | 132,170                                | 0                                |                                  |                                  |                                  |  | 0                           |
| Open Assets Implementation                            |                            | 3,264                                  | (3,264)                          |                                  |                                  |                                  |  | 0                           |
| <b>Total Internal Operations</b>                      | <b>1,229,500</b>           | <b>979,778</b>                         | <b>249,722</b>                   | <b>0</b>                         | <b>0</b>                         | <b>0</b>                         | <b>0</b>                                 | <b>0</b>                    |
|   | 0                          |  |                                  |                                  |                                  |                                  |  | 0                           |
| <b>Housing: James Barrah</b>                          |                            |  |                                  |                                  |                                  |                                  |  | <b>0</b>                    |
| Grants to Registered Social Landlords                 | 1,545,381                  | 454,253                                | 1,091,128                        |                                  |                                  |                                  |  | 0                           |
| Gypsy Site  | 108,502                    | 0                                      | 108,502                          |                                  |                                  |                                  |  | 0                           |
| Disabled Facilities Grant (DFG)                       | 2,653,642                  | 2,653,642                              | 0                                |                                  |                                  |                                  |  | 0                           |
| North Taunton Equity Loan                             | 1,000,000                  | 1,000,000                              |                                  |                                  |                                  |                                  |  | 0                           |
|   |                            |  |                                  |                                  |                                  |                                  |  | 0                           |
| <b>Total Housing</b>                                  | <b>5,307,525</b>           | <b>4,107,895</b>                       | <b>1,199,630</b>                 | <b>0</b>                         | <b>0</b>                         | <b>0</b>                         | <b>0</b>                                 | <b>0</b>                    |
|   | 0                          |  |                                  |                                  |                                  |                                  |  | 0                           |
| <b>General Fund Total before S106</b>                 | <b>101,237,313</b>         | <b>61,678,692</b>                      | <b>27,700,058</b>                | <b>925,677</b>                   | <b>4,990,000</b>                 | <b>4,000,000</b>                 | <b>0</b>                                 | <b>(1,942,885)</b>          |
|   | 0                          | 0                                      |                                  |                                  |                                  |                                  |  | 0                           |
| <b>Hinkley S106 : Andrew Pritchard</b>                |                            |  |                                  |                                  |                                  |                                  |  | <b>0</b>                    |
| Hinkley Total   | 1,285,107                  | 100,000                                | 1,185,107                        |                                  |                                  |                                  |  | 0                           |
|   | 0                          |  |                                  |                                  |                                  |                                  |  | 0                           |
| <b>Section 106: Andrew Pritchard</b>                  |                            |  |                                  |                                  |                                  |                                  |  | <b>0</b>                    |
| S106 Total  | 0                          | 0                                      | 0                                | 0                                | 0                                | 0                                | 0  | 0                           |
|   | 0                          |  |                                  |                                  |                                  |                                  |  | 0                           |
|   |                            |  |                                  |                                  |                                  |                                  |  | 0                           |
| <b>General Fund Total</b>                             | <b>102,522,420</b>         | <b>61,778,692</b>                      | <b>28,885,165</b>                | <b>925,677</b>                   | <b>4,990,000</b>                 | <b>4,000,000</b>                 | <b>0</b>                                 | <b>(1,942,885)</b>          |
|   |                            |  |                                  |                                  |                                  |                                  |  | 0                           |
| <b>Housing Revenue Account: James Barrah</b>          |                            |  |                                  |                                  |                                  |                                  |  | <b>0</b>                    |
| Majors and Improvements                               | 12,785,300                 | 3,316,953                              | 9,468,347                        | 0                                | 0                                | 0                                | 0  | 0                           |
| Social Housing Development Schemes                    | 100,988,490                | 4,944,995                              | 22,763,000                       | 27,276,000                       | 11,280,000                       | 9,038,000                        | 25,686,495                               | 0                           |
| <b>HRA Total</b>                                      | <b>113,773,790</b>         | <b>8,261,947</b>                       | <b>32,231,347</b>                | <b>27,276,000</b>                | <b>11,280,000</b>                | <b>9,038,000</b>                 | <b>25,686,495</b>                        | <b>0</b>                    |
|   |                            |  |                                  |                                  |                                  |                                  |  | 0                           |
| <b>Grand Total</b>                                    | <b>216,296,210</b>         | <b>70,040,640</b>                      | <b>61,116,513</b>                | <b>28,201,677</b>                | <b>16,270,000</b>                | <b>13,038,000</b>                | <b>25,686,495</b>                        | <b>(1,942,885)</b>          |

*Report Number: SWT 24/21*

# **Somerset West and Taunton Council**

## **Executive – 17 March 2021**

### **Capital, Investment and Treasury Strategies 2021/22 to 2025/26**

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

**Report Author: Martin Henwood, Corporate Finance Advisor**

#### **1 Executive Summary / Purpose of the Report**

- 1.1 The purpose of this report is to inform members of the recommended strategy in relation to capital expenditure and financing, investments and treasury management activities (CIT Strategies).
- 1.2 Instead of providing three separate documents, this report provides a holistic view of the Council's capital, investment and borrowing requirements meeting the requirements of statutory guidance issued by government in January 2018, and taking cognisance of developments since November 2020.

#### **2 Recommendations**

- 2.1 The Executive recommends that Full Council approves the Capital, Investment and Treasury Management Strategies, and Minimum Revenue Provision policy.
- 2.2 Executive notes and supports the requirement for a limited review of the Constitution for completeness and consistency on responsibilities for all aspects of the CIT Strategies.

#### **3 Governance**

- 3.1 The approved capital and treasury governance arrangements are set out in the Council's Constitution. These include:
  - The Executive has delegated authority to approve the Treasury Management Strategy Statement each year (Financial Procedure Rules – 3.13.2); and
  - The Executive is responsible for recommending the Capital Strategy, the Commercial Investment Strategy, and MRP Policy to Full Council for approval (Financial Procedure Rules – 3.1.10, 3.1.11, 3.1.13 and 3.13.1).
- 3.2 It is proposed to review the Constitution in consultation with the Portfolio Holder in order to bring a consistent set of responsibilities for these strategies, which would then be considered through the Audit Governance and Standards Committee.

#### **4 Background and Full Details of the Report**



- 4.1 In line with regulatory guidance, the Council is required to produce a Capital Strategy, an Investment Strategy and a Treasury Management Strategy. These are intrinsically linked so, whilst in the past these have been presented to Members as separate reports, they have again been pulled together into a draft consolidated document this year.
- 4.2 It is recognised this is a large document now, but is helpful to enable a holistic review of the relevant data and information together with supporting narrative. The S151 Officer proposes to explore future iterations of this report to condense into a single, shorter strategy document in future. This will be discussed with our external auditor to ensure compliance to the relevant regulations is not compromised.
- 4.3 A capital programme for works within the Housing Revenue Account (HRA) is now sufficiently advanced to have been approved and updated by Council at its meeting on 18 February 2021. The impact of this is included within the CIT Strategies report.
- 4.4 There have been significant developments since November 2020:
- Central government announced changes in late November 2020 geared towards removing the use of PWLB (Public Works Loans Board) funding for commercial property acquisition; and
  - CIPFA issued consultation documents in February 2021 on the Prudential Code and the Treasury Management Code.
- 4.5 The key points of the government's PWLB changes are:
- a. To access PWLB funding, local authorities will be asked to submit a high-level description of their capital spending and financing plans for the following three years, including their expected use of the PWLB.
  - b. PWLB will ask the finance director of the LA to confirm that there is no intention to buy investment assets primarily for yield at any point in the next three years.
  - c. The government is committed to the prudential system and has no intention of routinely reviewing the purpose of individual loans.
- 4.6 The key points in the Prudential Code consultation are:
- a. Borrowing to fund commercial activities is (considered to be) outside the Prudential Framework.
  - b. Any commercial investment undertaken should be consistent with statutory provisions, proportionate to service and revenue budgets and consistent with effective treasury management practice.
  - c. Sustainability and ensuring that the capital expenditure is consistent with a local authority's corporate objectives (such as diversity and innovation) will be added to the objectives in the Prudential Code.
  - d. Introduction of new prudential indicators on affordability:
    - i. External debt to net service expenditure (NSE) ratio, and
    - ii. commercial income to net service expenditure.
  - e. The introduction of the Liability Benchmark to promote good practice and understanding of local authority's debt management in relation to capital investment.
  - f. In coming months CIPFA will publish further guidance on good practice for development of capital strategies.
- 4.7 The current intention is therefore to strengthen the Prudential Code sufficiently to deter Councils from commercial property purchases in future. However, there is a

recognition that Councils need to be able to continue to fulfil their wider responsibilities through regeneration. It is also probably recognised that Councils need to be able to roll over existing PWLB debt, as this would not necessarily release funds for commercial activities.

- 4.8 The CIT Strategies have therefore been updated for three key changes:
- To confirm agreement to the spirit of the regulatory framework in relation to commercial property. This was and is a targeted strategy to meet Council needs, not an attempt to redesign the Council as a property developer with ancillary Council activities;
  - A fourth category of investment has been added to be explicit about regeneration, plus details to support this in the Investment Strategy; and
  - To avoid risks that might arise if further changes occur that remove flexibility, the current commercial property investment strategy is scheduled for completion in 2021/22.

4.9 It has been confirmed that the Council would be able to deliver its CIT Strategies without reliance on the use of PWLB, and that this would not automatically cost more.

## 5 Links to Corporate Aims / Priorities

5.1 The Capital, Investment and Treasury Management strategies support the delivery of the Corporate Aims.

## 6 Finance / Resource Implications

6.1 Any financial / resource implications are contained within the Appendix to this covering report.

## 7 Legal Implications, Environmental Impact Implications, Safeguarding and/or Community Safety Implications, Equality and Diversity Implications, Social Value Implications, Partnership Implications, Health and Wellbeing Implications, Asset Management Implications, Data Protection Implications and Consultation Implications

7.1 None in respect of this report.

**Democratic Path:** Executive – 17 March 2021, Full Council – 30 March 2021

**Reporting Frequency:** Annually

### List of Appendices

|            |  |
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| Appendix A | Capital, Investment and Treasury Strategies 2021/22 to 2025/26 |
|------------|--|

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|-------------|--|
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# **Somerset West and Taunton Council**

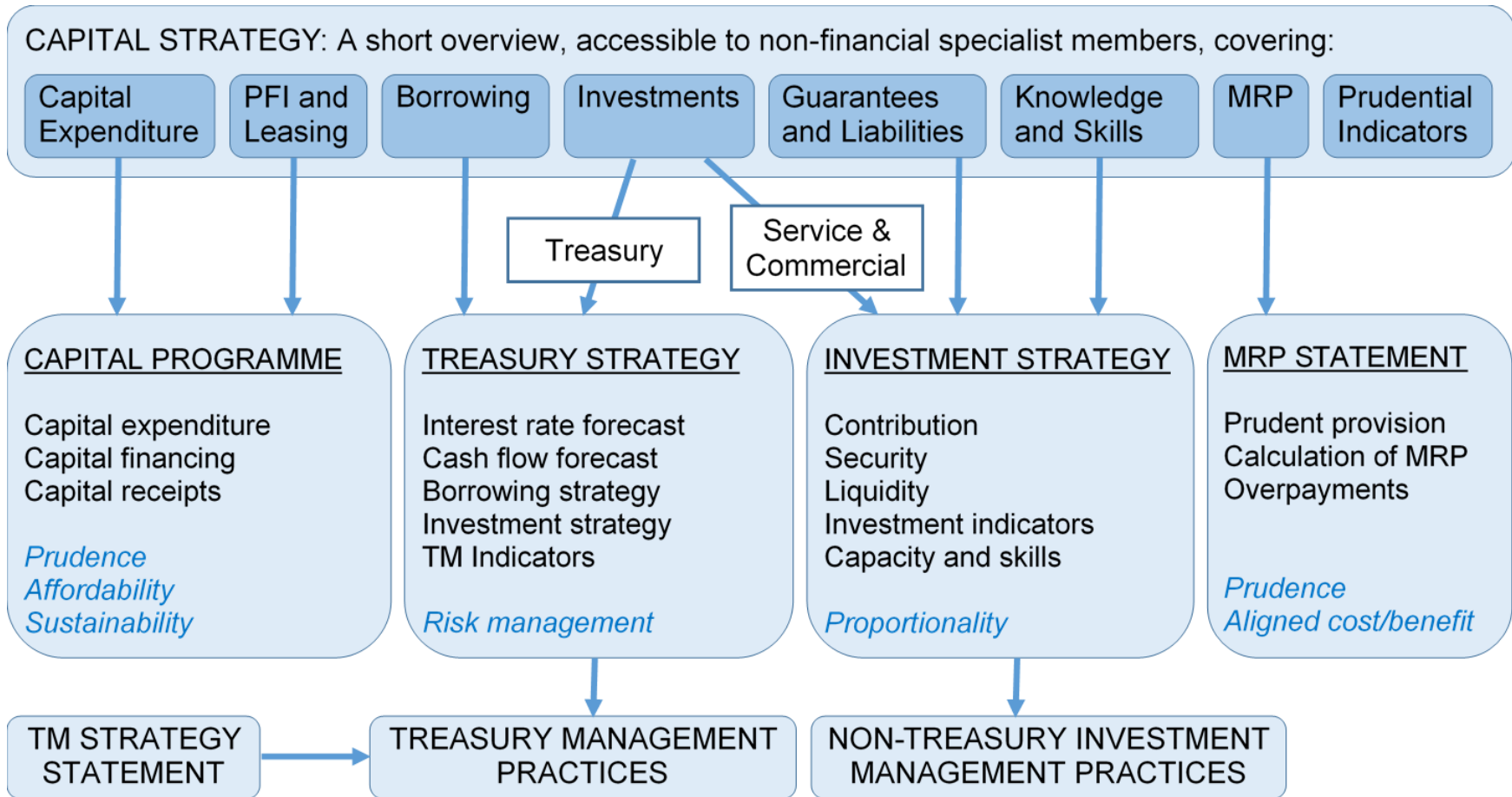
## **Capital, Investment and Treasury Strategies 2021/22 to 2025/26**

# Capital Strategy

## 1 Introduction

- 1.1 This Strategy document sets out Somerset West and Taunton Council's approach to capital investment. It provides an important framework and guiding principles that underpins its longer term capital investment plans, and forms part of the overarching corporate planning and financial strategy for the Council.
- 1.2 The Capital Strategy is part of the overarching financial governance framework, supporting strategic planning and financial strategy. It is included here together with closely related strategies in respect of investment and treasury management to provide a holistic view of capital, investment and borrowing requirements.
- 1.3 Somerset West and Taunton was created on 1 April 2019, with its assets, liabilities and functions transferred from the predecessor councils – Taunton Deane Borough Council and West Somerset District Council. Both Councils transferred a legacy borrowing requirement in respect of General Fund services which represented a small proportion of the value of capital assets transferred. In respect of Housing, TDBC transferred its Housing stock assets and associated borrowing requirement. Plans to meet the costs of the legacy borrowing requirement are embedded in both General Fund and Housing Revenue Account budgets and respective ongoing medium and long term financial plans.
- 1.4 SWT has plans that are expected to see a significant increase in capital investment both in the short term and longer term, related to housing, regeneration and commercial investment to generate income to fund local services and priority projects essential to the medium sustainability of the district. This will see growth in assets held on the balance sheet and a related growth in borrowing need. The Council actively pursues access to other sources of capital such as bids for government grant funding, and private sector investment where appropriate, and plans to utilise the majority of available New Homes Bonus income and Community Infrastructure Levy towards the Capital Programme.
- 1.5 The strategy for capital schemes, particular in respect of growth and regeneration schemes, will continue to focus on opportunities for capital investment that usually at least covers its costs within the District, and provides good potential for a sustainable, managed risk positive revenue benefit elsewhere. The details included in these Strategies and associated Tables reflect the position approved by the Council on 18 February 2021.
- 1.6 The Council also forecasts and plans to hold prudent investment balances that will meet short term cash flow requirements and provide an ongoing investment income through proportionate strategic investment in pooled funds.

1.7 The following diagram represents the Capital Strategy framework and how the capital, investment, treasury and MRP approaches interlink.



## 2 Capital Expenditure

### Capital Expenditure Estimates

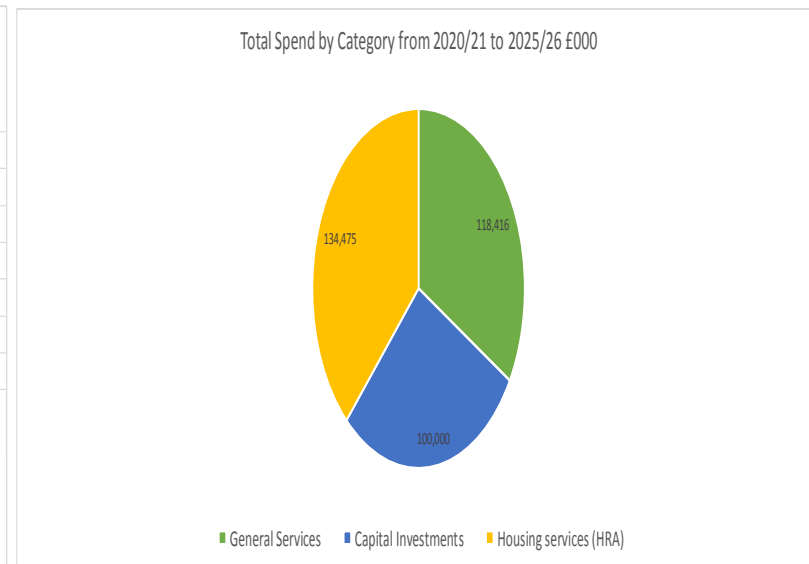
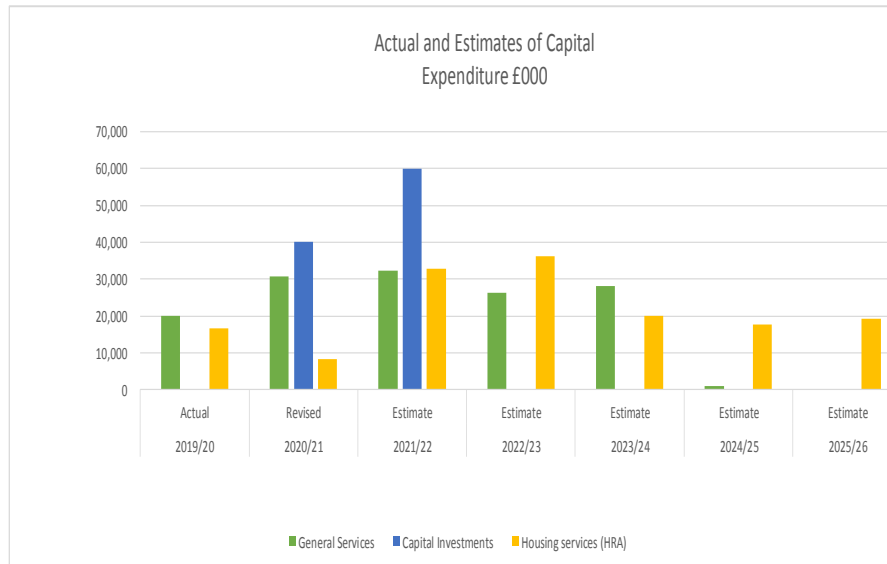
- 2.1 Capital expenditure is incurred where the Council spends money on constructing or acquiring assets such as land and buildings including housing, vehicles, plant and equipment, which will be used for more than one year, as well as larger scale maintenance works that maintain or enhance the Councils existing assets. In local government capital expenditure can also include spending on assets owned by other bodies, and loans and grants to other bodies enabling them to buy assets. The Council has some limited discretion on what counts as capital expenditure. For example assets costing below £10,000 are not capitalised and are charged as revenue expenditure in the year. This discretion is reflected in the Council's accounting policies which are set out within the Statement of Accounts each year.
- 2.2 The information included in the table below shows the Council's actual capital spend in 2019/20, together with budgets and estimates for the financial years 2020/21 onwards:

| CAPITAL PROGRAMME      | ACTUAL AND ESTIMATES OF CAPITAL EXPENDITURE |                             |                              |                              |                              |                              |                              | 2020/26<br>Totals<br>£'000 |
|------------------------|---|-----------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|----------------------------|
|                        | 2019/20<br>Actual<br>£'000                  | 2020/21<br>Revised<br>£'000 | 2021/22<br>Estimate<br>£'000 | 2022/23<br>Estimate<br>£'000 | 2023/24<br>Estimate<br>£'000 | 2024/25<br>Estimate<br>£'000 | 2025/26<br>Estimate<br>£'000 |                            |
| General Services       | 20,073                                      | 30,670                      | 32,202                       | 26,315                       | 28,230                       | 1,000                        | 0                            | 118,416                    |
| Capital Investments    | 0   | 40,000                      | 60,000                       | 0                            | 0                            | 0                            | 0                            | 100,000                    |
| Housing services (HRA) | 16,687                                      | 8,261                       | 32,733                       | 36,332                       | 20,137                       | 17,640                       | 19,373                       | 134,475                    |
| <b>Totals</b>          | <b>36,760</b>                               | <b>78,931</b>               | <b>124,935</b>               | <b>62,646</b>                | <b>48,367</b>                | <b>18,640</b>                | <b>19,373</b>                | <b>352,891</b>             |

- 2.3 The Council's capital investment focuses on the following main areas:
- Investment in new and existing operational assets and issuing capital grants to support the delivery of its services and strategic priorities. This includes schemes such as technology, regeneration and infrastructure projects, contributions to major transport and flood alleviation projects, and grants for accessibility adaptations and equipment to support independent living.
  - Investment to balance and complete the Council's commercial investment income portfolio in 2021/22, as set out in the investment strategy. This may include direct property freehold or long-leasehold acquisition, as well as shareholdings and loans to third parties and subsidiaries.

- Investment in the Council’s own housing provision by acquiring, building and improving its housing stock. This includes schemes such as the North Taunton housing regeneration programme, annual programme of additions to stock to deliver vital affordable housing in the district, and major works to maintain and improve our decent homes standards across the portfolio. This investment is funded through the Housing Revenue Account.

2.4 The Housing Revenue Account (HRA) is a ring-fenced account which ensures that council housing does not subsidise, or is itself subsidised by, Council taxpayers. HRA capital expenditure is therefore recorded separately. The following charts provide an overview of the main areas of investment.



### Capital Programme

2.5 The Capital Programme represents the Council’s commitment to continue to invest in its operational asset portfolio and wider investment to support housing, economy and place-shaping priorities. It is reviewed annually and approved through the budget setting process, taking into account the availability of capital resources and the financing cost implications on the revenue budget.



- 2.6 New capital schemes and projects are usually added to the Programme as part of the annual process. However, the Council's governance arrangements allow for new schemes and projects to be added or removed from the programme during the year subject to appropriate approvals.
- 2.7 The annual programme is developed where managers bid in September/October for projects to be considered, with an outline scheme appraisal and specific funding proposals where appropriate. Bids are collated by Finance to summarise the potential expenditure requirement and assess the capital financing options. The programme is also informed by the Council's Asset Management Strategy and Plan, as well as strategic organisational development and improvement programmes.
- 2.8 The draft programme is presented initially to the Leadership team – Senior Officers and Executive Councillors, and priority proposals are then taken forward to Scrutiny Committee for review and comment. The Executive then considered and recommended the final draft Capital Programme to Full Council, which was approved in February 2021.
- 2.9 The approved capital programme includes investment of £40.0m in 2020/21, with a further investment of £60.0m in the subsequent year 2021/22.

### **Asset Management**

- 2.10 Asset Management falls within the responsibilities of the External Operations and Climate Change Directorate. The Council also manages investment property assets through the Commercial Investment Team within the Development and Place Directorate, with access to the Council's internal specialists and appointed managing agents as appropriate.
- 2.11 The Council has a core team of qualified property professionals who advise on acquisitions, disposals and day to day management of all Council assets.
- 2.12 The refreshed Asset Management Plan for the Council's (non-Commercial Investment) Property Assets requires a review of three critical areas: service need, holding expenses and any income or revenue accruing. This process now has a clear direction with the engagement of an additional resource to Project Manage collation of cost data and a 30 year investment and divestment programme.
- 2.13 A necessary element in the review is the identification of a suitable database application which will hold audited property data and enable real time analysis and reporting, and we are engaging with internal groups and partner organisations in this respect. Once robust costs and trends are available, these will be applied to income projections and a cost-benefit analysis run to inform operational options and make recommendations.

- 2.14 During the time period of the project to collate all the inputs, in accordance with the scheme of delegations the Assets Team will continue to proactively manage the Council's property portfolio and make recommendations to the SMT, Executive, and Council both at a strategic level and as part of day to day business as usual. The Investment Properties portfolio is managed in line with the Commercial Investment Property Strategy governance arrangements with decisions on acquisition and disposal agreed via the Investment Board or Full Council if above £25m for acquisitions or above £30m for disposals.
- 2.15 The assets already within the Council's ownership are actively managed on a day to day basis in order to minimise costs and risks and to maximise any receipts. An important aspect will be the identification of expenses and receipts to specific property assets to enable non-performing investments or properties with excessive costs to be identified and considered for disposal.
- 2.16 Properties considered for acquisition within the Corporate Investment Strategy are thoroughly reviewed, financial models run and due diligence undertaken. Potential acquisitions which meet the initial criteria are then presented to the Investment Panel and Investment Board for authorisation.
- 2.17 Assets acquired as part of the Commercial Property Investment Strategy are managed internally or outsourced to local specialists, depending on the circumstances.

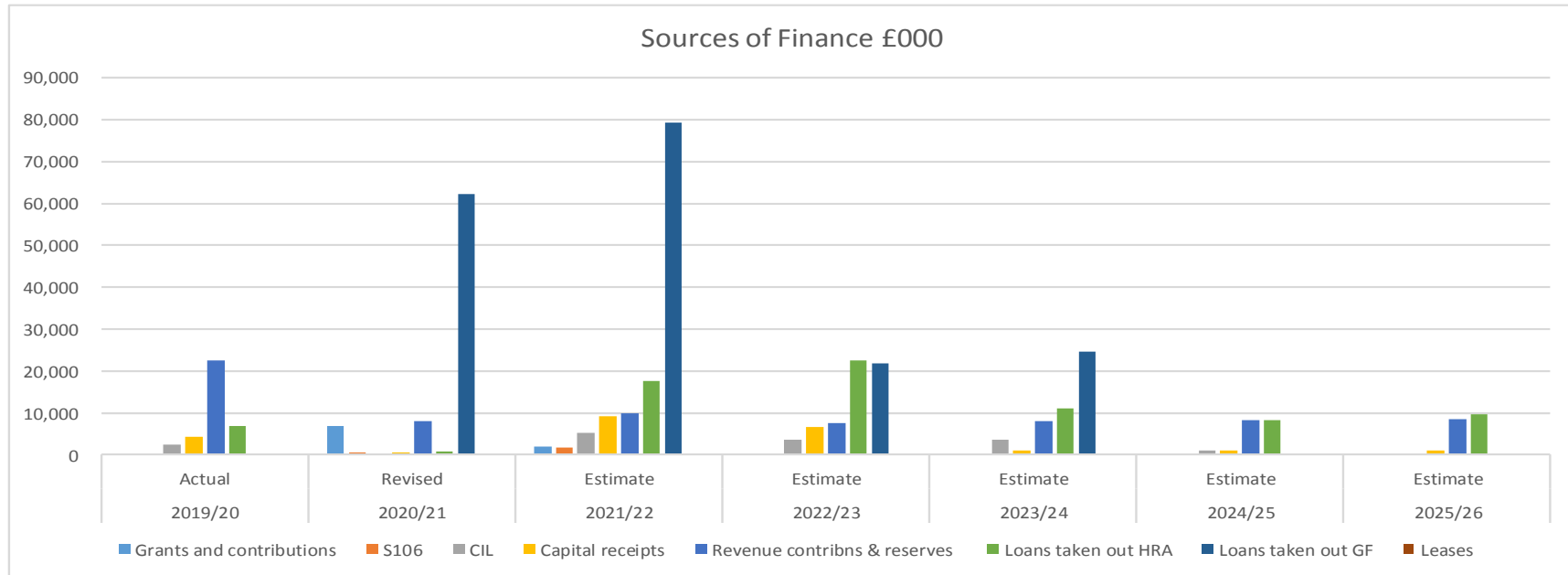
### **3 Capital Financing**

- 3.1 The Council's capital investment falls within the scope of the CIPFA Prudential Code for Capital Finance in Local Authorities (the 'Prudential Code'), to which the Council must give due regard. Under the Prudential Code the Council has discretion over the funding of capital expenditure and the freedom to determine the level of borrowing it undertakes to deliver the Capital Programme.
- 3.2 The accounting practices used follow the guidance provided in 'The Prudential Code for Capital Finance in Local Authorities: Guidance Notes for Practitioners 2018' and The Practitioners Guide to Capital Finance in Local Government 2019.
- 3.3 All capital expenditure must be financed, and there are range of potential funding sources the Council may use including its own resources or externally:
- Capital receipts from asset disposals and loan repayments;
  - Capital grants e.g. from Government or other local authorities;
  - Contributions from others e.g. Section 106 (S106) and Community Infrastructure Levy (CIL);
  - Revenue Contributions to Capital e.g. from the Revenue Budget or Revenue Reserves; and

- Debt financing e.g. borrowing, capital market bonds, leasing.

### Capital Financing Plan

3.4 The planned financing of the capital expenditure is shown below and in Table 2, as follows:



| TABLE 2                        | CAPITAL FINANCING PLAN     |                             |                              |                              |                              |                              |                              |                            |
|--------------------------------|----------------------------|-----------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|----------------------------|
|                                | 2019/20<br>Actual<br>£'000 | 2020/21<br>Revised<br>£'000 | 2021/22<br>Estimate<br>£'000 | 2022/23<br>Estimate<br>£'000 | 2023/24<br>Estimate<br>£'000 | 2024/25<br>Estimate<br>£'000 | 2025/26<br>Estimate<br>£'000 | 2020/26<br>Totals<br>£'000 |
| <b>External sources:</b>       |                            |                             |                              |                              |                              |                              |                              |                            |
| Grants and contributions       | 374                        | 6,858                       | 2,018                        | 400                          | 0                            | 0                            | 0                            | 9,275                      |
| S106                           | 282                        | 468                         | 1,638                        | 0                            | 208                          | 0                            | 0                            | 2,314                      |
| CIL                            | 2,501                      | 0                           | 5,262                        | 3,500                        | 3,500                        | 1,000                        | 0                            | 13,262                     |
| <b>    subtotal - External</b> | <b>3,157</b>               | <b>7,325</b>                | <b>8,918</b>                 | <b>3,900</b>                 | <b>3,708</b>                 | <b>1,000</b>                 | <b>0</b>                     | <b>24,851</b>              |
| <b>Internal sources:</b>       |                            |                             |                              |                              |                              |                              |                              |                            |
| Capital receipts               | 4,408                      | 590                         | 9,133                        | 6,763                        | 1,076                        | 1,002                        | 1,095                        | 19,659                     |
| Revenue contribns & reserves   | 22,420                     | 8,004                       | 9,969                        | 7,642                        | 7,942                        | 8,242                        | 8,542                        | 50,341                     |
| <b>    subtotal - Internal</b> | <b>26,828</b>              | <b>8,594</b>                | <b>19,102</b>                | <b>14,405</b>                | <b>9,018</b>                 | <b>9,244</b>                 | <b>9,637</b>                 | <b>70,001</b>              |
| <b>Debt</b>                    |                            |                             |                              |                              |                              |                              |                              |                            |
| Loans taken out HRA            | 6,775                      | 833                         | 17,684                       | 22,449                       | 11,118                       | 8,395                        | 9,736                        | 70,215                     |
| Loans taken out GF             | 0                          | 62,178                      | 79,231                       | 21,892                       | 24,522                       | 0                            | 0                            | 187,824                    |
| Loans taken out subtotal       | 6,775                      | 63,011                      | 96,915                       | 44,342                       | 35,640                       | 8,395                        | 9,736                        | 258,039                    |
| Leases                         | 0                          | 0                           | 0                            | 0                            | 0                            | 0                            | 0                            | 0                          |
| <b>    subtotal - Debt</b>     | <b>6,775</b>               | <b>63,011</b>               | <b>96,915</b>                | <b>44,342</b>                | <b>35,640</b>                | <b>8,395</b>                 | <b>9,736</b>                 | <b>258,039</b>             |
| <b>TOTAL</b>                   | <b>36,760</b>              | <b>78,931</b>               | <b>124,935</b>               | <b>62,646</b>                | <b>48,367</b>                | <b>18,640</b>                | <b>19,373</b>                | <b>352,891</b>             |

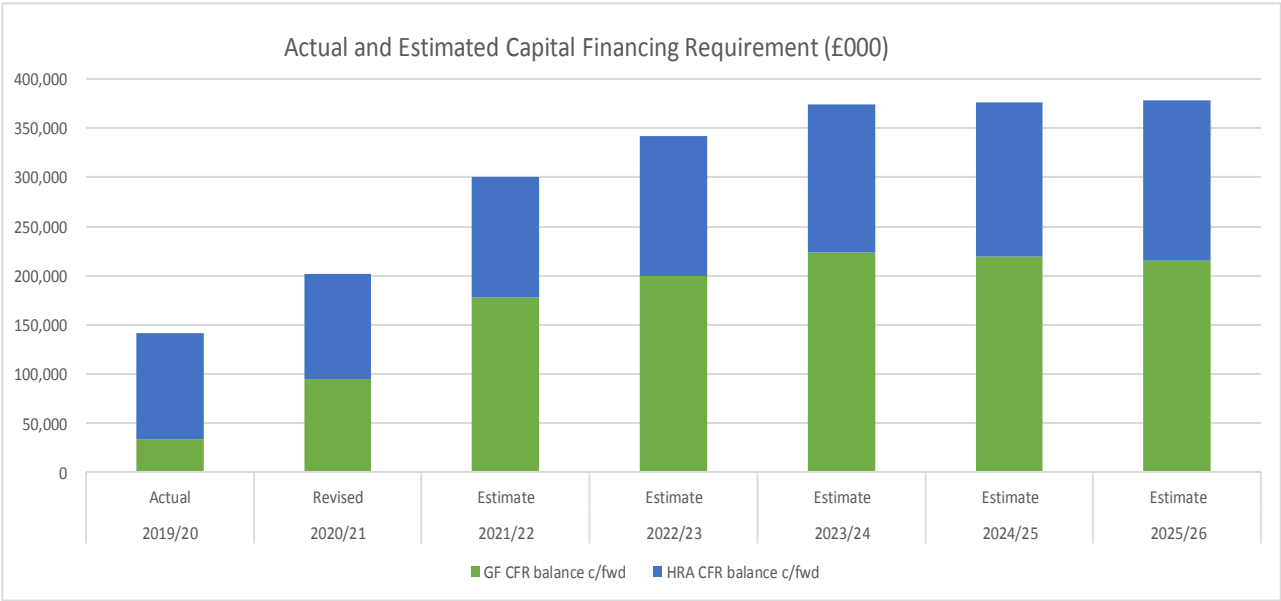
- 3.5 The allocation of resources may vary over time, for example, where additional income is achieved through asset sales or obtaining external funding. The plan is therefore dynamic, and is overseen by the Council's S151 Officer to optimise financing arrangements on an ongoing basis. The estimates will not commit the Council to particular methods of financing. The S151 Officer will determine the actual financing of capital expenditure incurred at the end of the financial year.
- 3.6 The implications of financing capital expenditure from borrowing is that the expenditure is not funded immediately but charged to the revenue budget over a number of years. The Council may defer the timing of external borrowing on a short to medium term by using temporary cash resources held in reserves and balances. This practice, which is referred to as 'internal borrowing', does not reduce the magnitude of borrowing required or the level of funds held in reserves and balances; the funds are merely being utilised in the short term until they are required for their intended purpose. The timing of external borrowing and the balance of external / internal borrowing is determined by market conditions and the Council's

cash flow position. Officers manage this position on a day to day basis in line with the overall Treasury Management Strategy.

3.7 Debt in the form of loans and leases must be repaid. This occurs over time by financing, usually from revenue, and the minimum revenue provision (MRP) or from additional voluntary revenue provision (VRP). Alternatively, capital receipts may be used to replace debt finance.

**Capital Financing Requirement**

3.8 The Council’s cumulative amount of debt finance is measured by the Capital Financing Requirement (CFR). This increases with new debt-financed capital expenditure and reduces with MRP repayments and capital receipts used to replace debt. Based on the above figures for expenditure and financing the Council’s estimated CFR is shown below and in Table 3:



| TABLE 3                        | PRUDENTIAL INDICATOR                               |                             |                              |                              |                              |                              |                              |
|--------------------------------|--|-----------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
|                                | ACTUAL AND ESTIMATED CAPITAL FINANCING REQUIREMENT |                             |                              |                              |                              |                              |                              |
|                                | 2019/20<br>Actual<br>£'000                         | 2020/21<br>Revised<br>£'000 | 2021/22<br>Estimate<br>£'000 | 2022/23<br>Estimate<br>£'000 | 2023/24<br>Estimate<br>£'000 | 2024/25<br>Estimate<br>£'000 | 2025/26<br>Estimate<br>£'000 |
| <b>General Fund</b>            |  |                             |                              |                              |                              |                              |                              |
| CFR balance b/fwd              | 20,455   | 33,944                      | 95,422                       | 177,948                      | 199,671                      | 223,577                      | 219,967                      |
| Expenditure                    | 20,073   | 70,670                      | 92,202                       | 26,315                       | 28,230                       | 1,000                        | 0                            |
| MRP/VRP                        | (799)  | (700)                       | (1,967)                      | (3,669)                      | (4,117)                      | (4,610)                      | (4,535)                      |
| Capital receipts used          | (123)  | (590)                       | (3,553)                      | (522)                        | 0                            | 0                            | 0                            |
| Grants and contributions       | (5,662)  | (7,901)                     | (4,155)                      | (400)                        | (208)                        | 0                            | 0                            |
| Accounting adj - Leases        | 0  | 0                           | 0                            | 0                            | 0                            | 0                            | 0                            |
| <b>GF CFR balance c/fwd</b>    | <b>33,944</b>                                      | <b>95,422</b>               | <b>177,948</b>               | <b>199,671</b>               | <b>223,577</b>               | <b>219,967</b>               | <b>215,431</b>               |
| <b>HRA</b>                     |  |                             |                              |                              |                              |                              |                              |
| CFR balance b/fwd              | 103,028  | 107,982                     | 106,225                      | 122,507                      | 142,510                      | 150,850                      | 156,327                      |
| Expenditure                    | 16,687   | 8,261                       | 32,733                       | 36,332                       | 20,137                       | 17,640                       | 19,373                       |
| MRP/VRP                        | (1,821)  | (1,904)                     | (1,874)                      | (2,146)                      | (2,479)                      | (2,618)                      | (2,709)                      |
| Capital receipts used          | (3,074)  | 0                           | (6,936)                      | (6,240)                      | (1,076)                      | (1,002)                      | (1,095)                      |
| Grants and contributions       | (6,838)  | (8,114)                     | (7,642)                      | (7,942)                      | (8,242)                      | (8,542)                      | (8,842)                      |
| Accounting adj - Leases        | 0  | 0                           | 0                            | 0                            | 0                            | 0                            | 0                            |
| <b>HRA CFR balance c/fwd</b>   | <b>107,982</b>                                     | <b>106,225</b>              | <b>122,507</b>               | <b>142,510</b>               | <b>150,850</b>               | <b>156,327</b>               | <b>163,053</b>               |
| <b>TOTAL CFR balance c/fwd</b> | <b>141,926</b>                                     | <b>201,648</b>              | <b>300,455</b>               | <b>342,182</b>               | <b>374,426</b>               | <b>376,294</b>               | <b>378,485</b>               |

- 3.9 The chart and Table 3 show that the Council's proposed capital strategy and capital investment plans are expected to increase the overall indebtedness position of the next 5 years. It is important to ensure such plans are affordable and the Council can meet the costs of this debt over the short and long term. This strategy considers affordability through a range of measures, for example, in respect of the Housing Revenue Account debt-financed expenditure we have introduced an

interest cover ratio (ICR) benchmark of 1.25 to ensure borrowing costs are affordable. Other measures are shown within the prudential indicators in the Treasury Management Strategy section of this report.

### **Grants and Contributions**

- 3.10 The Council will seek to access external funding towards its capital investment plans where funds are available and our schemes are within scope. Examples of grants may include Government schemes such as Housing Infrastructure Fund, Future High Streets Fund and so on. We also receive contributions from other bodies such as developers in the form of S106 planning obligations contributions and Community Infrastructure Levy (see below). It is often the case that the Council will need to put some of its own resources towards a scheme in order to attract the external funding. This can be effective in levering in funds to enable larger infrastructure investments to progress.
- 3.11 The balance of capital grants unapplied held by SWT on 31 March 2020 was £9.583m. Of this sum, £6.935m is committed to financing the current approved Capital Programme. Bids are usually a competitive process therefore expenditure is usually only built into the approved capital programme once the funding has been confirmed.

### **S106**

- 3.12 S106 contributions are agreed as contributions towards certain obligations through planning approvals. Contributions that related to district council services within SWT are paid to the Council, and are usually restricted on the nature of costs that the funds can be used for, such as public art, play areas and equipment, affordable housing provision. S106 can be used to fund both revenue and capital costs and therefore allocated to capital and revenue budgets accordingly.
- 3.13 Under the planning agreement for the development of Hinkley Point C nuclear power station, significant mitigation funds have been paid by EDF to the Council as the planning authority. These S106 funds are used to contribute to enhanced service costs and can also be used for capital projects.
- 3.14 Decisions regarding the allocation of funds may be taken by the relevant budget holder for the expenditure for amounts up to £20k, by Director/CEO and S151 Officer up to £50k and Portfolio Holder and S151 Officer above £50k. Proposals for the allocation of funds to specific projects are considered by the Planning Obligations Board, who will make recommendations to the Executive for schemes up to £250k, and by Full Council for larger schemes. The governance arrangements are currently being reviewed for the ongoing management of S106 funds.

### Community Infrastructure Levy (CIL)

- 3.15 The Council operates an approved CIL policy, with the levy payable on development in certain areas within the District. CIL is recognised as capital income and therefore provides resources to contribute to eligible infrastructure investment such as transport/roads, education, town centre regeneration and flood alleviation schemes. 15% (or 25% with an adopted Neighbourhood Plan) of CIL income is passed to town or parish councils, and 5% is allocated to fund administration costs.
- 3.16 The Policy is approved by Council and implemented by Officers. Council determines the allocation of CIL income to investment themes as part of the annual capital programme approval process. The Executive Committee or Portfolio Holder for Asset Management and Economic Development may agree specific scheme allocations for projects >£250k, or the Director of External Operations and Climate Change for projects <£250k, within the limits allocated by Council to each theme. Expenditure to be funded by CIL is only committed once CIL income has actually been received.

| TABLE 4        | Estimated CIL Retained Income                       |         |          |          |          |          |          |
|----------------|---|---------|----------|----------|----------|----------|----------|
|                | (Net of town/parish share and administration costs) |         |          |          |          |          |          |
|                | 2019/20   | 2020/21 | 2021/22  | 2022/23  | 2023/24  | 2024/25  | 2025/26  |
|                | Actual  | Revised | Estimate | Estimate | Estimate | Estimate | Estimate |
| £'000          | £'000   | £'000   | £'000    | £'000    | £'000    | £'000    | £'000    |
| Net CIL income | 2,501   | 0       | 5,262    | 3,500    | 3,500    | 1,000    | 0        |

### Capital Receipts

- 3.17 When a capital asset is no longer needed, it may be sold so that the proceeds, known as capital receipts, can be spent on new assets or to repay debt. Repayments of capital grants, loans and investments also generate capital receipts income.
- 3.18 The Council estimates it will receive £27.621m of capital receipts in the period 2020/21 to 2025/26 as set out below.



| TABLE 5                   | Capital receipts income estimates |                             |                              |                              |                              |                              |                              |
|---------------------------|-----------------------------------|-----------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
|                           | 2019/20<br>Actual<br>£'000        | 2020/21<br>Revised<br>£'000 | 2021/22<br>Estimate<br>£'000 | 2022/23<br>Estimate<br>£'000 | 2023/24<br>Estimate<br>£'000 | 2024/25<br>Estimate<br>£'000 | 2025/26<br>Estimate<br>£'000 |
| General Fund:             |                                   |                             |                              |                              |                              |                              |                              |
| Asset Disposals           | 635                               | 590                         | 3,553                        | 522                          | 0                            | 0                            | 0                            |
| Loans and Grants repaid   | 2,562                             | 882                         | 1,228                        | 1,300                        | 1,500                        | 1,300                        | 396                          |
| Other                     | 0                                 | 0                           | 0                            | 0                            | 0                            | 0                            | 0                            |
| <b>General Fund Total</b> | <b>3,197</b>                      | <b>1,472</b>                | <b>4,781</b>                 | <b>1,822</b>                 | <b>1,500</b>                 | <b>1,300</b>                 | <b>396</b>                   |
| HRA:                      |                                   |                             |                              |                              |                              |                              |                              |
| Right to buy sales        | 4,264                             | 0                           | 5,580                        | 6,240                        | 1,076                        | 1,002                        | 1,095                        |
| Other                     | 0                                 | 0                           | 1,356                        | 0                            | 0                            | 0                            | 0                            |
| <b>HRA Total</b>          | <b>4,264</b>                      | <b>0</b>                    | <b>6,936</b>                 | <b>6,240</b>                 | <b>1,076</b>                 | <b>1,002</b>                 | <b>1,095</b>                 |
| <b>Total Receipts</b>     | <b>7,461</b>                      | <b>1,472</b>                | <b>11,717</b>                | <b>8,063</b>                 | <b>2,576</b>                 | <b>2,302</b>                 | <b>1,491</b>                 |

- 3.19 The generation of capital receipts will be driven in part by the Asset Management Strategy, where the Council proposes a programme of proactive disposal of assets that are not performing to an acceptable level or are identified as surplus to requirements.

#### Flexible Use of Capital Receipts

- 3.20 Since the Spending Review 2015, the government has allowed local authorities to spend up to 100% of their capital receipts from the sale of non-housing assets on revenue costs incurred for transformation i.e. to generate ongoing revenue savings, to reduce costs and / or transform service delivery in a way that reduces costs or demand for services in future years. This flexibility ends in 2021/22.
- 3.21 TDBC and WSC previously used this scheme and as part of the new Council's updated strategy it was proposed to revise this plan to use £2.200m for the whole 6 year period to 2021/22. For the period up to 31 March 2020, £1.840m was used to fund eligible costs, and an additional £0.360m is available to be used up to March 2022 as shown below. This has been included in the Capital Programme to Council on 18 February 2021 as Resources for Change Programme.

| TABLE 6                                       | Flexible use of Capital receipts |                             |                              |                              |                              |                              |                              |
|---|----------------------------------|-----------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
|   | 2019/20<br>Actual<br>£'000       | 2020/21<br>Revised<br>£'000 | 2021/22<br>Estimate<br>£'000 | 2022/23<br>Estimate<br>£'000 | 2023/24<br>Estimate<br>£'000 | 2024/25<br>Estimate<br>£'000 | 2025/26<br>Estimate<br>£'000 |
| General Fund                                  | 180                              | 108                         | 252                          | n/a                          | n/a                          | n/a                          | n/a                          |
| HRA   | 0                                | 0                           | 0                            | n/a                          | n/a                          | n/a                          | n/a                          |
| <b>Total Flexible use of capital receipts</b> | 180                              | 108                         | 252                          | n/a                          | n/a                          | n/a                          | n/a                          |

### Revenue Contributions to Capital

- 3.22 The Council proposes to support the financing of part of the Capital Programme through direct contributions of revenue funding. Annual contributions are determined through the setting of Capital Programme priorities and affordability within the Revenue Budget. Revenue contributions are predominantly directed towards recurring annual investments, with the advantage of reducing debt financing costs. Revenue Contributions are included in the Revenue MTFP and the Capital Programme financing plan, as summarised in Table 2 above.

## 4 Treasury Management and Borrowing Strategy

- 4.1 Treasury management is concerned with keeping sufficient but not excessive cash available to meet the Council's spending needs while managing the risks involved. Surplus cash is invested until required, while a shortage of cash will be met by borrowing. The Council is typically cash rich in the short-term as revenue is earned before it is spent but cash poor in the long-term as capital expenditure is incurred before being financed. The revenue cash surpluses are offset against capital cash shortfalls to reduce overall borrowing need.
- 4.2 Due to previous spending and financing decisions within the Council's predecessor authorities, £79.1m of external borrowing was transferred to the Council on 1 April 2019. At the end of 2019/20, the total of long term borrowing was £75.6m.
- 4.3 The Council's main objectives when borrowing are to achieve a low but certain cost of finance while retaining flexibility should plans change in the future. In addition, appropriate flexibility on loan durations is planned to be maintained to reflect the potential flexible nature of planned investment in regeneration. These objectives are often conflicting and the Council,

therefore, seeks to strike a balance between cheaper short-term loans (currently available at around 0.1%-0.5%) and long term fixed rate loans where the future cost is known but higher (currently 1%-3%).

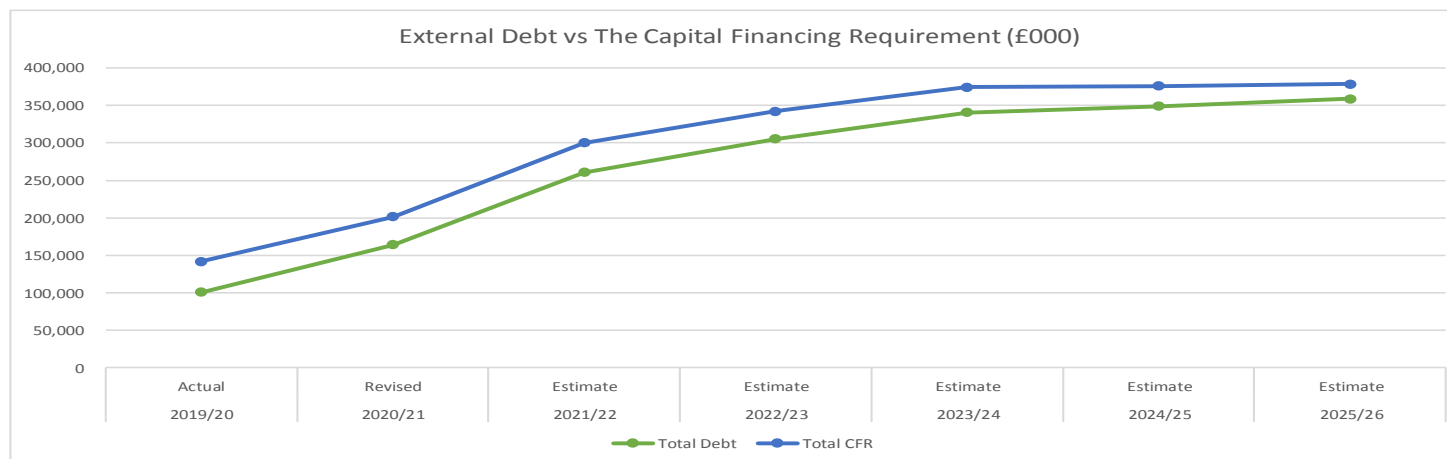
- 4.4 Council's do not borrow for specific assets and cannot use local authority assets as security. Borrowing is undertaken to meet the capital financing requirement as a whole (less any short term use of temporary cash balances).

#### **Public Works Loans Board (PWLB)**

- 4.5 A common source of borrowing for local authorities is the Treasury, through the Debt Management Office, which took over the responsibilities of the previous Public Works Loans Board (although the term PWLB is still commonly used). There are a number of advantages to using the PWLB as a source of borrowing, such as
- Funds can be accessed quickly – usually within 2-3 days of notice;
  - It is simple to arrange with limited time and effort required;
  - The Council does not require a credit rating; and
  - Borrowing is not linked to any specific asset, but can provide the resources need to meet the overall capital financing requirement.
- 4.6 In order to discourage borrowing for property assets primarily for yield, the government issued a revised procedure for accessing PWLB loans in November 2020. This reduced the cost of loans but also demanded a commitment from the borrowing Council's Chief Financial Officer that there would be no use of PWLB funds towards property assets primarily for yield for the current year and following two years. The Council therefore used shorter term, non PWLB debt to facilitate completion of a commercial development in December 2020, and honoured a negotiated commitment that was not legally binding in order to maintain the Council's reputation. On this basis the PWLB is not expected to be available to finance new capital expenditure at least until March 2023 and possibly longer depending on future capital expenditure plans.
- 4.7 Guidance from HM Treasury indicates that PWLB may still be used to refinance historic borrowing even if the Council is actively investing in property assets primarily for yield. This is likely to be a preferable treasury option, for example regarding existing HRA loans that mature over the next 10 years that will need to be refinanced to meet the current HRA Business Plan.

## Total Debt Position

- 4.8 Projected levels of the Council's total outstanding external debt are shown below, compared with the CFR (as detailed above in Table 3). Statutory guidance is that actual debt should not exceed the CFR, except in the short-term. As can be seen from the Table the Council expects to comply with this in the medium term.



| TABLE 7           | Prudential indicator - Gross debt and the CFR |                |                |                |                |                |                |
|-------------------|---|----------------|----------------|----------------|----------------|----------------|----------------|
|                   | 2019/20                                       | 2020/21        | 2021/22        | 2022/23        | 2023/24        | 2024/25        | 2025/26        |
|                   | Actual  | Revised        | Estimate       | Estimate       | Estimate       | Estimate       | Estimate       |
|                   | £'000   | £'000          | £'000          | £'000          | £'000          | £'000          | £'000          |
| General Fund debt | 25,500  | 87,678         | 166,909        | 188,802        | 213,324        | 213,324        | 213,324        |
| HRA debt          | 75,500  | 76,333         | 94,017         | 116,466        | 127,584        | 135,980        | 145,715        |
| <b>Total Debt</b> | <b>101,000</b>                                | <b>164,011</b> | <b>260,926</b> | <b>305,268</b> | <b>340,908</b> | <b>349,303</b> | <b>359,039</b> |
| General Fund CFR  | 33,944  | 95,422         | 177,948        | 199,671        | 223,577        | 219,967        | 215,431        |
| HRA CFR           | 107,982                                       | 106,225        | 122,507        | 142,510        | 150,850        | 156,327        | 163,053        |
| <b>Total CFR</b>  | <b>141,926</b>                                | <b>201,648</b> | <b>300,455</b> | <b>342,182</b> | <b>374,426</b> | <b>376,294</b> | <b>378,485</b> |

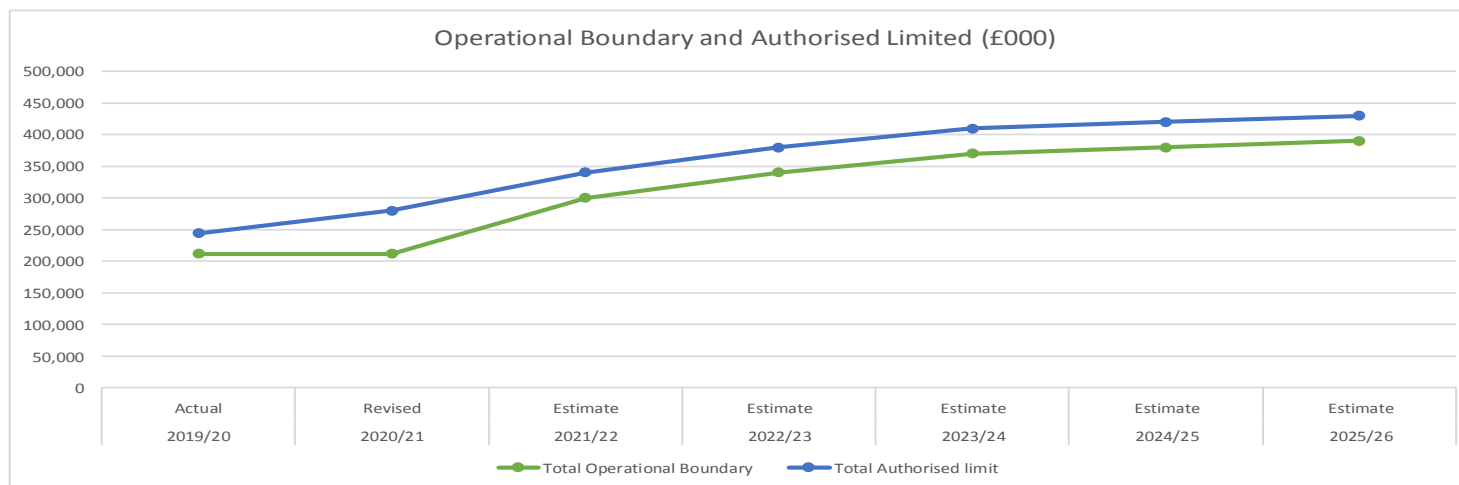
- 4.9 To compare the Council's actual borrowing against an alternative strategy, a liability benchmark has been calculated showing the lowest risk level of borrowing. This assumes that cash and investment balances are kept to a minimum level of £30.0m at each year-end. This benchmark is anticipated to be £151.8m at the start of 2021/22 and is forecast to rise to a maximum of £341.6m over the next five years.

| <b>TABLE 8</b>                 | <b>Actual borrowing and the Liability Benchmark</b> |                |                 |                 |                 |                 |                 |
|--------------------------------|---|----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
|                                | <b>2019/20</b>                                      | <b>2020/21</b> | <b>2021/22</b>  | <b>2022/23</b>  | <b>2023/24</b>  | <b>2024/25</b>  | <b>2025/26</b>  |
|                                | <b>Actual</b>                                       | <b>Revised</b> | <b>Estimate</b> | <b>Estimate</b> | <b>Estimate</b> | <b>Estimate</b> | <b>Estimate</b> |
|                                | <b>£'000</b>  | <b>£'000</b>   | <b>£'000</b>    | <b>£'000</b>    | <b>£'000</b>    | <b>£'000</b>    | <b>£'000</b>    |
| External Borrowing Outstanding | 101,000   | 164,011        | 260,926         | 305,268         | 340,908         | 349,303         | 359,039         |
| CFR                            | 141,926   | 201,648        | 300,455         | 342,182         | 374,426         | 376,294         | 378,485         |
| Less: Usable reserves          | (60,530)  | (44,570)       | (32,889)        | (31,639)        | (31,639)        | (31,639)        | (31,639)        |
| Less: Working capital          | (19,531)  | (24,300)       | (24,300)        | (24,300)        | (24,300)        | (24,300)        | (24,300)        |
| Plus: Minimum investments      | 13,026  | 19,000         | 17,000          | 17,000          | 19,000          | 19,000          | 19,000          |
| <b>Liability benchmark</b>     | <b>74,891</b>                                       | <b>151,778</b> | <b>260,266</b>  | <b>303,243</b>  | <b>337,487</b>  | <b>339,355</b>  | <b>341,546</b>  |

- 4.10 The table shows that the Council expects to borrow above its liability benchmark throughout the five year period. This is because deliberate decisions has been made to borrow additional sums, across the periods for continuing investment in housing stock, and initially for completion of the commercial investments. Further detail on the liability benchmark is included in the Treasury Management Strategy below.

#### **Affordable Borrowing Limit**

- 4.11 The Council is legally obliged to set an affordable borrowing limit (also termed the authorised limit for external debt) each year and to keep it under review. In line with statutory guidance, a lower "operational boundary" is also set as a warning level should debt approach this limit. The Operational Boundary has been calculated based on the forecast CFR plus a tolerance for variations in spending plans during the year and possible volatility in availability of internal and external resources.



| TABLE 9                                      | Authorised limit and Operational boundary for external debt |                             |                              |                              |                              |                              |                              |
|--|---|-----------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
|  | 2019/20<br>Actual<br>£'000                                  | 2020/21<br>Revised<br>£'000 | 2021/22<br>Estimate<br>£'000 | 2022/23<br>Estimate<br>£'000 | 2023/24<br>Estimate<br>£'000 | 2024/25<br>Estimate<br>£'000 | 2025/26<br>Estimate<br>£'000 |
| Operational Boundary:<br>Borrowing<br>Leases | 212,000   | 212,000                     | 300,000                      | 340,000                      | 370,000                      | 380,000                      | 390,000                      |
| <b>Total Operational Boundary</b>            | <b>212,000</b>  | <b>212,000</b>              | <b>300,000</b>               | <b>340,000</b>               | <b>370,000</b>               | <b>380,000</b>               | <b>390,000</b>               |
| Authorised limit:<br>Borrowing<br>Leases     | 244,000   | 280,000                     | 340,000                      | 380,000                      | 410,000                      | 420,000                      | 430,000                      |
| <b>Total Authorised limit</b>                | <b>244,000</b>  | <b>280,000</b>              | <b>340,000</b>               | <b>380,000</b>               | <b>410,000</b>               | <b>420,000</b>               | <b>430,000</b>               |
| <i>Note - indicative limits for:</i>         |   |                             |                              |                              |                              |                              |                              |
| General Fund                                 | 128,000   | 125,000                     | 190,000                      | 210,000                      | 230,000                      | 230,000                      | 230,000                      |
| HRA  | 116,000   | 155,000                     | 150,000                      | 170,000                      | 180,000                      | 190,000                      | 200,000                      |

- 4.12 The total borrowing limit applies to the combined borrowing requirement for the General Fund and the Housing Revenue Account. As borrowing is managed on a pooled basis for cash flow purposes the above limits relate to the whole-Council position. However, indicative splits between the GF and HRA are included as a memorandum item although not specifically required for the prudential indicator.
- 4.13 Although borrowing is expected to grow, this is regarded as affordable on the basis that the majority of the costs of debt are offset by income growth within the Council's financial strategy, either through return on investment in property – which provides a surplus after financing to fund services, through investment in regeneration schemes which also generate income, or through service loans which will be repaid.
- 4.14 Further details of existing borrowing can be found in the Treasury Management Strategy Statement.

## **5 Investment Strategy**

- 5.1 Treasury investments arise from receiving cash before it is paid out again. Investments made for service reasons or for pure financial gain are not generally considered to be part of treasury management.
- 5.2 The Council's policy on treasury investments is to prioritise security and liquidity over yield, therefore to focus on minimising risk rather than maximising returns. Cash that is likely to be spent in the near term is invested securely, for example with the government, other local authorities or selected high quality banks to minimise the risk of loss. Money that will be held for longer terms is invested more widely, including in bonds, shares and property, to balance the risk of loss against the risk of receiving returns below inflation. Both near-term and longer-term investments may be held in pooled funds, where an external fund manager makes decisions on which particular investments to buy and the Council may request its money back at short notice.
- 5.3 As part of the Council's financial strategy, the aim is to evolve the balance within the investment portfolio to improve the net income available through treasury management to fund services, whilst maintaining a prudent balance between security, liquidity and yield. The yield curve has reduced in the last 12 months to such an extent that returns through long term treasury investment are minimal. It is therefore anticipated that investment will remain in the near term, maximising security and liquidity/ flexibility. The assessment of adequate general reserves also incorporates an element of risk to investment income assumptions.

| TABLE 10              | Treasury Management Investments |                  |                   |                   |                   |                   |                   |
|-----------------------|---------------------------------|------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
|                       | 2019/20                         | 2020/21          | 2021/22           | 2022/23           | 2023/24           | 2024/25           | 2025/26           |
|                       | Actual<br>£'000                 | Revised<br>£'000 | Estimate<br>£'000 | Estimate<br>£'000 | Estimate<br>£'000 | Estimate<br>£'000 | Estimate<br>£'000 |
| Near term investments | 13,026                          | 19,000           | 17,000            | 17,000            | 19,000            | 19,000            | 19,000            |
| Long term investments | 3                               | 0                | 0                 | 0                 | 0                 | 0                 | 0                 |
| <b>Total</b>          | <b>13,029</b>                   | <b>19,000</b>    | <b>17,000</b>     | <b>17,000</b>     | <b>19,000</b>     | <b>19,000</b>     | <b>19,000</b>     |

- 5.4 Further details of existing treasury investments can be found in the Treasury Management Strategy below.
- 5.5 The effective management and control of risk are prime objectives of the Council's treasury management activities. The treasury management strategy therefore sets out various indicators and limits to constrain the risk of unexpected losses and details the extent to which financial derivatives may be used to manage treasury risks.
- 5.6 Decisions on treasury management and borrowing are made daily and are, therefore, delegated to the s151 Officer and his staff who must act in line with the Treasury Management Strategy approved by Full Council. Reports on treasury management activities are presented to the Audit Governance and Standards Committee mid-year and at year-end.

### Investment for Service Purposes

- 5.7 The Council makes investments to assist local public services, including making loans to local small businesses to promote economic growth. Examples of current loans are included in Section 3 of the Investment Strategy below.
- 5.8 In light of the public service objective, the Council is willing to take more risk than with treasury investments, however, it still plans for such investments to generate a positive investment return after all costs are covered.
- 5.9 Decisions on service investments are made by the relevant service manager in consultation with the s151 officer and must meet the criteria and limits laid down in the investment strategy. Most loans are capital expenditure and purchases will, therefore, also be approved by Committee or through delegated powers as part of the capital programme.



## Investment and Regeneration Activities

- 5.10 Local authorities have a key role in facilitating the long term regeneration and economic growth of their local areas and they may wish to hold investments to facilitate this. When determining whether to acquire, the Council needs to recognise the contribution the asset will make. The contribution could be classified as direct service delivery and/or place-making, for example economic growth, business rates growth, responding to market failure or sustainability of certain asset classifications. Further details of the Council's four regeneration schemes are contained in Section 6 of the Investment Strategy.
- 5.11 On 1 April 2020, investment properties and land valued at £6.763m were held by SWTC, which generated a gross yield of £0.525m in 2019/20. There was significant re-categorisation in 2019/20 from investment properties to other land and buildings (operational properties) which potentially distorted the net yield position.
- 5.12 The Council has agreed to complete its planned commercial investment activity in 2020/21 and 2021/22 to help mitigate the reduction in central government financial support and avoid cuts to local services. With financial return being the main objective, the Council accepts higher risk on commercial investment than with treasury investments. The priorities for the Council when acquiring property interests for investment purposes are detailed below and each property will be assessed on a case by case basis:
- **Covenant strength:** In the case of a let property, the quality of the tenant and, more importantly, their ability to pay the rent on time and in full. The Council's primary reason and objective for this strategy is financial gain. The underlying principles of a Property Investment Strategy imply, assume and default to nothing taking higher priority than financial gain. It is however worth noting that the Council, as a public body, may not wish to invest in properties where the occupiers are generally seen to be undertaking a business which is contrary to its corporate values.
  - **Lease length:** In the case of a let property, the unexpired length of the term of the lease or a tenant's break clause is of key importance in ensuring that the landlord's revenue stream is uninterrupted. The Council will take into consideration the risks associated with a tenant vacating and the potential to attract good quality replacement tenants at acceptable rental levels. Generally occupiers are moving away from 25 year leases which were more common back in the late twentieth century with 10 to 15 years or shorter now becoming more acceptable unless some form of lease break provisions are included in favour of the tenant.
  - **Rate of Return:** The rate of return from the property (for example through annual rental incomes) will need to be equivalent or better to the returns that could be earned from alternate investments, such as placing monies on

- deposit, following adjustment for risks and potential growth. The property will also need to produce an annual return in excess of the cost of borrowing.
- Risk: Rate of return is one side of the coin; risk is the other. In general, the higher the sought level of return from an investment, the higher level of risk that it carries. For example, if a property is let at an attractive rent which would create a good return, it could still be risky if the tenant does not possess good covenant strength and could default at any time.
  - Lease terms: The terms of leases vary and even those held on an “Institutionally acceptable basis” can be very different in nature particularly as such leases have developed over time. The Council is seeking to invest in modern leases with full repairing and insuring obligations on the Tenant and a full Service Charge recovery to include any management fees where applicable. This will ensure a certain income/return to the Council.
  - Growth: Property has the potential for both revenue and capital growth. The Council will take into account that potential when assessing the strength of the investment opportunity. Property values can fall as well as rise and mechanisms to minimise revenue reductions should be identified. Generally the nature of standard, institutional leases is that rent review clauses are upward only which protects landlords from any downward pressure on rental income giving some security as to the level of income.
  - Location: Should a tenant default or vacate, the location of the property is the key factor in influencing the ability to re-let and find another tenant. Location is also important when considering future redevelopment or regeneration opportunities. Ideally the Council will be able to undertake inspections and to deal with any management issues without the need to employ specialists or agents. Preference should be given to properties located within the district or functional economic area. This does not prevent investment outside of district, subject to the appropriate justification and business case and correct governance procedure. Equally, geographical diversification is an important factor in spreading portfolio risk.
  - Sector: Information as to the sector of use of the property (e.g. office, retail, industrial, leisure) will assist in deciding on the risks associated with specific properties and the mix of sectors within the portfolio. Sector diversification is an important factor in spreading portfolio risk.
  - Property age and specification: In the case of a let property, whilst the Council as an investor may be principally concerned with the characteristics of the tenant and lease, the age and specification of the property will also affect the ability of the Council to let or sell the property in the future. It must also be taken into consideration in respect of the cost of protecting the investment. An example of this would be the undertaking of repairs and refurbishment if the cost cannot be fully recovered from the tenant.

5.13 In summary the strategy for acquiring and managing the portfolio of investment property assets is therefore to:

- a. Seek property let to tenants who are of strong covenant strength and sound financial standing with at least more than five years remaining on an FRI lease;
- b. Manage risk;
- c. Optimise rental income and management costs to ensure the best return is generated, thus making a positive contribution to the MTFP;
- d. Prioritise key towns in Somerset West and Taunton where this complements the portfolio risk balance; and
- e. Identify opportunities for future growth, redevelopment or regeneration via property in commercially popular or development areas, pursuing a geographical mix within the region to spread risk.

- 5.14 Environmental, Social and Governance (ESG) considerations - the Council has declared a policy objective of no direct investment in fracking, and seeking investment that does not conflict with its climate change priority. The aim is therefore to consider the Council's principles and priorities around ethics, social value and the environment as part of the investment decision process.
- 5.15 Decisions on commercial investments are delegated by the Council to the Investment Board in line with the criteria and limits approved by Full Council in December 2019, and refreshed in December 2020. Property and most other commercial investments are also capital expenditure and purchases will therefore be reported as part of the capital programme. Performance of the investment portfolio will be reported to the Executive and also be incorporated within the overall financial monitoring reports throughout the year.
- 5.16 Further details on commercial investments and limits on their use are set out in Section 5 of the Investment Strategy.

## **6 Liabilities**

- 6.1 In addition to capital debt as detailed above the Council is committed to making future payments to cover its pension deficit, which was valued at £111.9m on 31 March 2020. This balance is due to be paid over a 20 year period, and the deficit and annual contributions are revalued every three years. It has also set aside £0.945m to cover provisions for probable costs. The Council is also at risk of having to pay for contingent liabilities but has not put aside any money because payment is contingent on, as yet, unknown events occurring which may crystallise possible amounts due.
- 6.2 Decisions on incurring new discretionary liabilities are taken by senior managers and service managers in consultation with the s151 Officer. The risk of liabilities crystallising and requiring payment is monitored by the finance team and reported to the s151 Officer.

6.3 Further details on liabilities and guarantees can be found in the 2019/20 Statement of Accounts for Somerset West and Taunton Council.

## 7 Revenue Budget Implications

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

| TABLE 11                         | Proportion of financing costs to revenue stream |                  |                   |                   |                   |                   |                   |
|----------------------------------|---|------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
|                                  | 2019/20   | 2020/21          | 2021/22           | 2022/23           | 2023/24           | 2024/25           | 2025/26           |
|                                  | Actual<br>£'000                                 | Revised<br>£'000 | Estimate<br>£'000 | Estimate<br>£'000 | Estimate<br>£'000 | Estimate<br>£'000 | Estimate<br>£'000 |
| Financing costs - General Fund   | (21)  | 39               | 1,766             | 3,335             | 3,786             | 4,272             | 4,191             |
| Proportion of net revenue stream | 0.1%  | 0.2%             | 9.4%              | 22.8%             | 26.7%             | 28.6%             | 27.4%             |

7.2 Due to the very long-term nature of capital expenditure and financing, the revenue budget implications of expenditure incurred in the next few years will extend for up to 50 years into the future. The S151 Officer is satisfied that the proposed capital programme is prudent, affordable and sustainable. The percentage of financing costs to net revenue stream increases significantly over the medium term. This is through a combination of increased capital investment – predominantly for commercial and regeneration purposes – and the expected reduction in funding primarily related to business rates and new homes bonus. Although this indicator identifies increased risk, the majority of increased financing costs are planned to be offset by income from commercial and regeneration investment. Through prudent investment, it is anticipated investment income will be less volatile and more predictable than other financing income such as business rates and government grants. This is reflected in the financial strategy and medium term financial plan. All capital investment must be sustainable in the long term through revenue support by the Council or its partners. All capital investment decisions consider the revenue implications both in terms of servicing the finance and running costs of the new assets. The impact of the revenue implications is a significant factor in determining approval of projects. The use of capital resources has been fully taken into account in the production of the Council's MTFP.

## 8 Knowledge and Skills

- 8.1 The Council employs professionally qualified and experienced staff in senior positions with responsibility for making capital expenditure, borrowing and investment decisions. For example, the Strategic Finance Advisor and s151 Officer is a qualified accountant with many years' relevant experience. There are several other professionally qualified Finance Specialists within the Council's finance function, and the Council pays towards staff to study towards relevant qualifications including AAT and CCAB/CIMA. All officers involved in the treasury and investment management function have access to relevant technical guidance and training to enable them to acquire and maintain the appropriate level of expertise, knowledge and skills to undertake the duties and responsibilities allocated to them.
- 8.2 The Council also employs qualified property specialists / surveyors to manage land and property assets, and contribute to key asset decisions.
- 8.3 Legal specialist advice is provided to the Council through the SHAPE legal partnership.
- 8.4 Where council staff do not have the knowledge and skills required, use is made of external advisers and consultants that are specialists in their field. The Council currently employs Arlingclose Limited as treasury management advisers and various property consultants as required. This approach is considered to be cost effective and ensures that the Council has access to knowledge and skills commensurate with its risk appetite.
- 8.5 Those charged with governance (Members of the Audit Governance and Standards Committee and the Executive) recognise their individual responsibility to ensure that they have the necessary skills to complete their role effectively. The Section 151 Officer will ensure that elected members tasked with treasury management responsibilities, including those responsible for scrutiny, have access to training relevant to their needs and responsibilities.

# Investment Strategy

## 1 Introduction

1.1 The Council invests funds that it holds for four broad purposes:

- i) because it has surplus cash as a result of its day-to-day activities, for example when income is received in advance of expenditure (known as **treasury management investments**),
- ii) to support local public services by lending to or buying shares in other organisations (**service investments**),
- iii) to earn investment income (known as **commercial investments** where this is the main purpose) to meet the wider needs of the Council, and
- iv) to realise key the Council's key objective to become a Garden Town, by stimulating change that would be unlikely if left solely to market activity (**regeneration investments**).

1.2 This investment strategy meets the spirit of the requirements of statutory guidance issued by the government in January 2018, and focuses on the second, third, and fourth of these categories.

## 2 Treasury Management Investments

2.1 The Council typically receives its income in cash (e.g. from taxes and grants) before it pays for its expenditure in cash (e.g. through payroll and invoices). It also holds reserves for future expenditure and collects local taxes on behalf of other local authorities and central government. These activities, plus the timing of borrowing decisions, lead to a cash surplus which is invested in accordance with guidance from the Chartered Institute of Public Finance and Accountancy (CIPFA). The balance of treasury management investments is expected to fluctuate between £34m and £97m during the 2021/22 financial year.

2.2 The contribution that these investments make to the objectives of the Council is to support effective treasury management activities.

2.3 Full details of the Council's policies and its plan for 2021/22 for treasury management investments are covered in the treasury management strategy later in this document.

### 3 Service Investments – Loans

- 3.1 The Council lends money to local businesses, local charities, other local authority partnerships, and local residents to support local public services and priorities, and stimulate local economic growth. Currently the Council has loans invested with:
- Somerset County Cricket Club – delivering the new Pavilion and bringing international cricket to Somerset.
  - Great Western Hotel (YMCA) – regenerating a derelict building, and creating employment and training
  - Hestercombe House and Gardens – enabling loan for development feasibility work
  - Somerset Waste Partnership – for waste vehicles, with added benefit of keeping waste contract costs down
  - Residents – housing related mortgages
  - Centre for Outdoor Activity and Community Hub (COACH) – purpose built community centre including a café, conference suite, changing rooms, boat store and home to 5 community sports clubs
- 3.2 The Council also has agreements in place to provide loans if required to the Onion Collective CIC for the Watchet East Quay redevelopment scheme, and to Great Western Railway for improvements to Taunton Station. The Council has also included provision in its Capital Programme to provide further loan finance to the Somerset Waste Partnership for new vehicles, depot works and bins / boxes to deliver Recycle More under the new waste contract.
- 3.3 The main risk when making service loans is that the borrower will be unable to repay the principal lent and/or the interest due. In order to minimise this risk and ensure that total exposure to service loans remains proportionate to the size of the Council, upper limits on the outstanding loans to each category of borrower have been set as follows:

| <b>TABLE 12</b>       | <b>Loans for Service Purposes</b> |                  |                    |                 |
|-----------------------|-----------------------------------|------------------|--------------------|-----------------|
|                       | <b>Actual as at 31 March 2020</b> |                  |                    | <b>2021/22</b>  |
|                       | <b>Balance</b>                    | <b>Loss</b>      | <b>Net figure</b>  | <b>Approved</b> |
|                       | <b>Owing</b>                      | <b>Allowance</b> | <b>in accounts</b> | <b>Limit</b>    |
|                       | <b>£'000</b>                      | <b>£'000</b>     | <b>£'000</b>       | <b>£'000</b>    |
| Category of borrower: |                                   |                  |                    |                 |
| Businesses            | 6,423                             | (34)             | 6,389              | 7,000           |
| Charity / Community   | 33                                | (1)              | 32                 | 2,000           |
| Local Authorities     | 0                                 | 0                | 0                  | 6,800           |
| Residents             | 185                               | 0                | 185                | 1,200           |
| <b>Total</b>          | <b>6,641</b>                      | <b>-35</b>       | <b>6,606</b>       | <b>17,000</b>   |

- 3.4 Accounting standards require the Council to set aside a loss allowance for loans, reflecting the likelihood of non-payment. The figures for loans in the Councils statement of accounts will be shown net of this loss allowance. However, the Council makes every reasonable effort to collect the full sum lent and has appropriate credit control arrangements in place to recover overdue repayments.
- 3.5 The Council assesses the risk of loss before entering into and whilst holding service loans by working up a robust business case and applying due diligence to all requests for service loans, and proportionate monitoring of credit risk of borrowers. For example, with loans to key businesses the Council's finance specialist team (qualified accountants) will review financial statements and service officers will maintain communication with the borrower in order that emerging risks are identified promptly. The Council will use credit rating information where available, and will use external specialist advisors if appropriate.
- 3.6 It is anticipated that the Council will complete its commercial investments programme during 2021/22. The focus will then shift to evolving the regeneration programme by establishing a subsidiary group structure to secure delivery, maximising funding opportunities and managing risk through a wider skill set by creating potential to involve all sectors – private, public and third.



## 4 Service Investments – Shares

- 4.1 The Council does not currently hold any direct investment in the shares of subsidiaries, its suppliers or local businesses. As part of the Council’s commercialisation agenda, the Council may explore opportunities to establish wholly-owned or partly-owned trading companies. In any such case, appropriate business cases, due diligence, risk assessment and governance proposals will be developed for consideration of Full Council. In addition, relevant provisions would be added to the Investment Strategy including the expected contribution to the Council’s strategies and priorities, and the security and liquidity of investments.

## 5 Commercial Investments – Property

- 5.1 The Council invests in a diverse investment property portfolio both locally and nationally with the intention of generating surplus income that will be spent on local public services delivered within the district. This is an essential response to significant reductions in government funding over recent years and further reductions expected in future, in order to meet service delivery objectives and the place making role of the Council, and avoid service cuts. The council plans to increase its investment by up to £100m by the end of 2021/22.
- 5.2 The Council holds a number of assets that were initially acquired for service purposes such as benefitting the local economy but have since been reclassified as investment properties. These are now established and the main purpose for holding the assets is for rental income. The following table summarises the investment properties held by the Council on 1 April 2020 and purchased since then.

| <b>TABLE 13</b>                                    | <b>Properties held for<br/>investment purposes<br/>£'000</b> |
|--|--|
| <b>Properties in accounts as at 1 April 2020</b>   |  |
| Land used for Scrap Yard, Priory Way, Taunton      | 546  |
| The Arcade (Formerly The Carousel or K's)          | 314  |
| Roughmoor Enterprise Centre (Employment Workspace) | 1,405  |
| Blackdown Business Park, Wellington (4 Units)      | 1,308  |
| Mecca Bingo, Corporation Street, Taunton           | 1,614  |
| All Others (values <£250k)                         | 1,577  |
| <b>Subtotal</b>                                    | <b>6,764</b>   |

| <b>TABLE 13</b>                               | <b>Properties held for<br/>investment purposes<br/>£'000</b> |
|---|--|
| <b>Disposals During 2020/21</b>               |  |
| Land used for Scrap Yard, Priory Way, Taunton | -546   |
| <b>Properties added during 2020/21</b>        |  |
| Aztec West, Bristol                           | 9,100  |
| Wickes Extra, Birmingham                      | 9,810  |
| B&Q Ayr                                       | 6,600  |
| The Range, Halifax                            | 5,445  |
| <b>Total all properties</b>                   | <b>37,173</b>  |

- 5.3 In accordance with government guidance, the Council considers a property investment to be secure if its accounting valuation is at or higher than its purchase cost including taxes and transaction costs. The Council also recognises that asset values may increase and decrease over time due to market volatility, and takes a long term perspective with the assumption that capital values are likely to hold or grow over the life of the asset.
- 5.4 Where value in accounts is at or above purchase cost:
- 5.5 A fair value assessment of the Council's investment property portfolio has been made within the past twelve months, and the underlying assets provide security for capital investment. Should the 2020/21 year end accounts preparation and audit process value these properties below their purchase cost, then an updated investment strategy will be presented to full council detailing the impact of the loss on the security of investments and any revenue consequences arising therefrom.
- 5.6 The Council assesses the risk of loss before entering into and whilst holding property investments by undertaking appropriate due diligence including full valuation surveys and operating an asset management plan. The Council also considers strength of local market conditions to give confidence on future re-letting and also considers possible alternative uses if appropriate, and actively monitors the portfolio to ensure tenant obligations for maintaining assets are fulfilled.
- 5.7 Compared with other investment types, property is relatively difficult to sell and convert to cash at short notice, and can take a considerable period to sell in certain market conditions. To ensure that the invested funds can be accessed when they are needed, for example to repay capital borrowed, the Council actively manages cash flow through its treasury management arrangements and plans to under-borrow against its CFR so that it can temporarily borrow at short notice if required.

## 6 Regeneration Schemes

- 6.1 The Council has a vision for a Garden Town. The Garden Town is symbolic of Taunton's ambitions to flourish. As the county town for Somerset and an important centre of growth for the South West, we want to lead by reputation. We are developing our plans for the town, and involving our communities is at the heart of our approach. Our principles are clear and will help shape the approach to creating a healthy, vibrant and attractive place to live and work." This vision is currently being realised through the regeneration schemes outlined below.
- 6.2 There is a common risk for all regeneration activity relating to the actual and potential presence of phosphates in the Somerset Levels. The Environment Agency has identified that current amounts indicate contamination and there needs to be mitigation going forward. The nature of the problem and mitigation needed are likely to cause elapsed time beyond the originally anticipated timetables, plus added costs. It is too early to identify either time or cost impact at present.

### **Seaward Way, Minehead**

- 6.3 The scheme was approved by WSC Full Council in November 2017 following a number of years exploring options for the site, including retail, commercial and residential. There are issues with flooding and drainage that make the scheme relatively expensive, particularly the common infrastructure necessary to mitigate these issues, and the engineering necessary in the ground to raise levels and provide retaining structures to the residential development where required. This resulted in a lengthy planning approval process, which was granted for both light industrial and residential elements of the project.
- 6.4 The light industrial portion consisting of 2 units were completed in December 2020/January 2021 and the tenants are in the process of taking occupation. The development of the residential portion is in the early stages of development.

### **Coal Orchard Re-Development** (expected completion date June 2021)

- 6.5 The Coal Orchard is a mixed use commercial and residential scheme based on a brown field site with river frontage in the heart of Taunton town centre, immediately adjacent to the Brewhouse Theatre and former Coal Orchard car park.. All the land for this development is owned by the Council.
- 6.6 Somerset West and Taunton are bringing this project forward as a regeneration site, that if we didn't develop as a local authority would most likely not be developed commercially. This is in part due to the planning restrictions that limit density and height, but also the significant public realm contribution required to link up existing pedestrian and cycle ways, opening up the river frontage and create a new sense of place.

## **Firepool Re-Development**

- 6.7 In March 2020 Council approved a £2.235m budget to develop the Firepool Masterplan. The Masterplan delivers the grand boulevard and other high quality public realm linking Train Station to the river and then on into the Town Centre. It also provides a highly sustainable solution that will be as close to zero carbon as practicable. The masterplan promotes the site for a leisure based destination scheme on the largest development Block, closest to the Town Centre, together with housing and a hotel.
- 6.8 The intention is that this supports the Town Centre by encouraging new and longer visits to the Town. It is a significant improvement in the retail and office led legacy Outline approval secured by the previous developer (St Modwen). This is a regeneration site that may also offer income earning opportunities.

### **Other regeneration sites**

- 6.9 There are other sites the Council is considering and drafting proposals for.

## **7 Financial Guarantees**

- 7.1 Although not strictly counted as investments, since no money has exchanged hands yet, financial guarantees carry similar risks to the Council and are included here for completeness.
- 7.2 The following guarantees were transferred to the Council from TDBC and WSC on 1 April 2019:
- South West Audit Partnership Limited Pension Liability £0.268m (as at 31 March 2019)
  - Somerset Waste Partnership Pension Liability (minimal)

## **8 Proportionality**

- 8.1 The Council currently has a low dependency on investment property income, but with increased investment the Council plans to become dependent on income generating investment activity to achieve a balanced revenue budget. Table 14 below shows the extent to which the expenditure planned to meet the service delivery objectives and place making role of the Council is dependent on achieving the expected net income from investments over the lifecycle of the Medium Term Financial Plan. Should it fail to achieve the expected net income, the Council's contingency plans for continuing to provide these services including holding adequate funds in an earmarked Investment Risk Reserve as well as carrying adequate

General Reserves. Budget estimates are also set using prudent assumptions about net income from the portfolio including an allowance for voids / non-collection.

| TABLE 14                  | Proportionality of Investments |                             |                              |                              |                              |                              |                              |
|---------------------------|--------------------------------|-----------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
|                           | 2019/20<br>Actual<br>£'000     | 2020/21<br>Revised<br>£'000 | 2021/22<br>Estimate<br>£'000 | 2022/23<br>Estimate<br>£'000 | 2023/24<br>Estimate<br>£'000 | 2024/25<br>Estimate<br>£'000 | 2025/26<br>Estimate<br>£'000 |
| Gross Service expenditure | 87,309                         | 87,140                      | 91,144                       | 92,818                       | 93,170                       | 93,782                       | 94,683                       |
| Investment income         | (525)                          | (867)                       | (5,232)                      | (6,680)                      | (7,100)                      | (7,100)                      | (7,100)                      |
| Proportion                | 0.6%                           | 1.0%                        | 5.7%                         | 7.2%                         | 7.6%                         | 7.6%                         | 7.5%                         |

8.2 Investment income shown in the above table is the gross income included in the budget estimates, disregarding asset management and capital financing costs. The rising proportion % shows an increased reliance on income from investment to fund services as other funding sources such as business rates and government grants diminish.

## 9 Borrowing In Advance of Need

9.1 Government guidance is that local authorities must not borrow more than or in advance of their needs purely in order to profit from the investment of the extra sums borrowed. The Council has chosen not to follow this guidance in the short term only in respect of the near term planned investment in property which is a fundamental plank of the financial strategy. Although disregarding the Government Guidance for a short period, the strategy is regarded as prudent because we have strong governance and due diligence in place to minimise risk and the investment is asset-backed. The overriding need for income to fund services is regarded as essential in order to meet ongoing needs of residents, given the large scale reductions, and increased uncertainty and volatility, in grant funding from Government and business rates. Increasing and diversifying income is also a key part of the Council's financial strategy in this context as we cannot rely on Government funding. It is intended that this previously identified and approved activity will be completed during 2021/22, balancing the risk and spread of the portfolio whilst maintaining a proportionate total level of investment. The financial strategy also plans to reduce debt related to the portfolio by an annual provision for debt repayment, potential use of revenue surpluses to finance investment, and in the long term through utilising capital growth in the Fund.

## **10 Capacity, Skills and Culture**

- 10.1 Officers involved in the investment making decision process are governed by internal procedures and processes and external statutory guidance in the form of the CIPFA Treasury Management Code and MHCLG Investment guidance. Internally limits are set in the annual Treasury Management Strategy Statement and the overriding Treasury Management Practices. The Council team dealing with investment assessments and management are professionally qualified and experienced in their field of property, finance and legal, with access to training as required. Specialist advice will also be bought in for non-traditional property investments as required.
- 10.2 Members on the Investment Board are responsible for the commercial and finance portfolios, and will have access to relevant commercial property training for example as provided by the LGA or CIPFA as well as being advised by professional specialists.
- 10.3 The Commercial Investment function will lead on business case development and engagement with the market, including negotiations for acquisitions and disposals, operating within parameters set by Council within the approved commercial strategy. The team is guided by the Assistant Director - Finance (S151 Officer) and other finance specialists on the prudential framework and guidance within which the Council operates.
- 10.4 The Council recognises that the governance arrangements for building and managing a commercial investment property portfolio needs to be agile, and appropriately resourced to enable opportunities to be assessed and investment decisions to be made quickly. Appropriate time is also allowed before completion to enable full due diligence and legal agreements to be finalised. Full Council is responsible for agreeing the strategy and total fund value, with delegated authority given to the Investment Board to approve individual transactions within the portfolio. The Board consists of the Leader and two Portfolio Holders, the Chief Executive, and S151 Officer, and two Members from the non-ruling group may attend but without voting rights. The Board is advised by an Investment Panel that reviews projects and recommends for approval, with individual opportunities assessed by a Project Group consisting of key specialists.

## **11 Investment Indicators**

- 11.1 The Council has set the following quantitative indicators to allow elected measures and the public to assess the Council's total risk exposure as a result of its investment decisions.

### Total investment exposure:

11.2 This indicator shows the Council's total exposure to potential investment losses. It includes amounts the Council is contractually committed to lend but have yet to draw down and guarantees the Council has issued.

| TABLE 15                                | Total Investment Exposure  |                             |                              |                              |                              |                              |                              |
|---|----------------------------|-----------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
|   | 2019/20<br>Actual<br>£'000 | 2020/21<br>Revised<br>£'000 | 2021/22<br>Estimate<br>£'000 | 2022/23<br>Estimate<br>£'000 | 2023/24<br>Estimate<br>£'000 | 2024/25<br>Estimate<br>£'000 | 2025/26<br>Estimate<br>£'000 |
| <i>All values at year end</i>           |                            |                             |                              |                              |                              |                              |                              |
| Treasury Management Investments:        |                            |                             |                              |                              |                              |                              |                              |
| Strategic Funds                         | 8,000                      | 14,000                      | 14,000                       | 14,000                       | 14,000                       | 14,000                       | 14,000                       |
| Other                                   | 5,026                      | 5,000                       | 3,000                        | 3,000                        | 5,000                        | 5,000                        | 5,000                        |
| Service investments - property          | 6,606                      | 5,724                       | 4,496                        | 3,196                        | 1,696                        | 396                          | 0                            |
| Commercial property investments         | 6,763                      | 40,000                      | 99,200                       | 97,200                       | 95,200                       | 93,200                       | 91,200                       |
| <b>Total investments</b>                | <b>26,395</b>              | <b>64,724</b>               | <b>120,696</b>               | <b>117,396</b>               | <b>115,896</b>               | <b>112,596</b>               | <b>110,200</b>               |
| Commitments to lend                     | 7,500                      | 7,875                       | 3,200                        | 1,200                        | 1,200                        | 1,200                        | 1,200                        |
| Guarantees on pension liabilities       | 268                        | 268                         | 268                          | 268                          | 268                          | 268                          | 268                          |
| <b>Total commitments and guarantees</b> | <b>7,768</b>               | <b>8,143</b>                | <b>3,468</b>                 | <b>1,468</b>                 | <b>1,468</b>                 | <b>1,468</b>                 | <b>1,468</b>                 |
| <b>Total Exposure</b>                   | <b>34,163</b>              | <b>72,867</b>               | <b>124,164</b>               | <b>118,864</b>               | <b>117,364</b>               | <b>114,064</b>               | <b>111,668</b>               |

### How investments are funded:

11.3 Government guidance is that these indicators should include how investments are funded. Since the Council does not normally associate particular assets with particular liabilities, it is difficult to comply with this guidance. However, the following investments could be described as being funded by borrowing. The remainder of the Council's investments are funded by usable reserves and income received just prior to need.

| TABLE 16                          | Investments funded by borrowing |                             |                              |                              |                              |                              |                              |
|-----------------------------------|---------------------------------|-----------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
|                                   | 2019/20<br>Actual<br>£'000      | 2020/21<br>Revised<br>£'000 | 2021/22<br>Estimate<br>£'000 | 2022/23<br>Estimate<br>£'000 | 2023/24<br>Estimate<br>£'000 | 2024/25<br>Estimate<br>£'000 | 2025/26<br>Estimate<br>£'000 |
| Service investments - loans       | 6,606                           | 5,724                       | 4,496                        | 3,196                        | 1,696                        | 396                          | 0                            |
| Commercial investments - property | 6,763                           | 40,000                      | 99,200                       | 97,200                       | 95,200                       | 93,200                       | 91,200                       |
| Commitments to lend               | 7,500                           | 7,875                       | 3,200                        | 1,200                        | 1,200                        | 1,200                        | 1,200                        |
| <b>Total funded by borrowing</b>  | <b>20,869</b>                   | <b>53,599</b>               | <b>106,896</b>               | <b>101,596</b>               | <b>98,096</b>                | <b>94,796</b>                | <b>92,400</b>                |

**Rate of return received:**

- 11.4 The Council seeks to achieve a commensurate rate of return in line with this investment objectives and risk appetite. For service loans, the rate of return will be set with the aim of covering financing costs (or opportunity costs) plus a premium for risk. Arrangement. The target return on investment properties is commercially sensitive and therefore not disclosed, however the Council expects to offset its acquisition, financing and management costs and provide a net income to fund local services.

**Other investment indicators:**

- 11.5 The Government's investment guidance suggests authorities should consider a range of other quantitative indicators to show risks and opportunities in respect of investment and borrowing. The Council will therefore develop appropriate indicators and present these as part of the mid-year report.



# Treasury Management Strategy

## 1 Introduction

- 1.1 Treasury management is the management of the Council's cash flows, borrowing and investments and the associated risks. The Council has borrowed and invested substantial sums of money and is, therefore, exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of financial risk are, therefore, central to the Council's prudent financial management.
- 1.2 Treasury risk management at the Council is conducted within the framework of the Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice 2017 Edition (the CIPFA Code) which requires the Council to approve a treasury management strategy before the start of each financial year. This report fulfils the Council's legal obligation under the Local Government Act 2003 to have regard to the CIPFA Code.
- 1.3 Investments held for service purposes and for commercial income generation are considered in the Investment Strategy above.

## 2 External Context

- 2.1 The treasury strategy appropriately considers the wider economic picture. The Council's treasury advisor, Arlingclose, has provided a summary commentary on this wider context and their own interest rate forecasts, and is provided in Appendix A.

## 3 Local Context

- 3.1 On 31 December 2020, the Council held £112.5m of borrowing, (£85.5m long term and £27.0m short term) and £32.5m of treasury investments. These balances are summarised in Table 17 below.

| TABLE 17                                   | Existing investment and debt portfolio position |                      |                               |
|--|---|----------------------|-------------------------------|
|  | 2020/21<br>31-Dec-20<br>£'000                   | Average<br>Rate<br>% | 2019/20<br>31-Mar-20<br>£'000 |
| External borrowing                         |   |                      |                               |
| PWLB                                       | (82,500)  | 2.79                 | (76,000)                      |
| Barclays                                   | (3,000)   | 4.25                 | (3,000)                       |
| Other local authorities / UK public bodies | (27,000)  | 0.60                 | (22,000)                      |
| <b>Total External borrowing</b>            | <b>(112,500)</b>                                | 2.32                 | <b>(101,000)</b>              |
| Treasury investments:                      |   |                      |                               |
| Banks and building societies (unsecured)   | 822   | 0.00                 | 2,384                         |
| Covered bonds (secured)                    | -   |                      | 2,092                         |
| Government incl local authorities          | 7,085   | 0.00                 | 4,840                         |
| Fixed Term deposits                        | -   |                      | 0                             |
| Money Market Funds                         | 9,050   | 0.01                 | 7,768                         |
| Corporate Funds & multi asset investments  | 15,512  | 3.54                 | 16,632                        |
| Certificates of deposit                    | -   |                      | 0                             |
| <b>Total Treasury Investments</b>          | <b>32,469</b>                                   | <b>1.77</b>          | <b>33,717</b>                 |
| <b>Net Debt</b>                            | <b>(80,031)</b>                                 |                      | <b>(67,283)</b>               |

3.2 Forecast changes in these sums are shown in the balance sheet analysis in Table 18 below.

| TABLE 18  | Balance Sheet Summary and Forecast |                             |                              |                              |                              |                              |                              |
|---|------------------------------------|-----------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
|   | 2019/20<br>Actual<br>£'000         | 2020/21<br>Revised<br>£'000 | 2021/22<br>Estimate<br>£'000 | 2022/23<br>Estimate<br>£'000 | 2023/24<br>Estimate<br>£'000 | 2024/25<br>Estimate<br>£'000 | 2025/26<br>Estimate<br>£'000 |
| Capital Financing Requirement (CFR)               |                                    |                             |                              |                              |                              |                              |                              |
| General Fund                                      | 33,944                             | 55,422                      | 77,948                       | 99,671                       | 123,577                      | 119,967                      | 115,431                      |
| HRA   | 107,982                            | 106,225                     | 122,507                      | 142,510                      | 150,850                      | 156,327                      | 163,053                      |
| Investments                                       | 0                                  | 40,000                      | 100,000                      | 100,000                      | 100,000                      | 100,000                      | 100,000                      |
| <b>Total CFR</b>                                  | <b>141,926</b>                     | <b>201,648</b>              | <b>300,455</b>               | <b>342,182</b>               | <b>374,426</b>               | <b>376,294</b>               | <b>378,485</b>               |
| Less: External Borrowing                          | (101,000)                          | (164,011)                   | (260,926)                    | (305,268)                    | (340,908)                    | (349,303)                    | (359,039)                    |
| Less: Other debt liabilities (leases)             | 0                                  | 0                           | 0                            | 0                            | 0                            | 0                            | 0                            |
| Internal Borrowing                                | 40,926                             | 37,637                      | 39,529                       | 36,914                       | 33,518                       | 26,990                       | 19,446                       |
| Less: Usable reseves                              | (60,530)                           | (44,570)                    | (32,889)                     | (31,639)                     | (31,639)                     | (31,639)                     | (31,639)                     |
| Working capital (surplus) / deficit               | (19,531)                           | (24,300)                    | (24,300)                     | (24,300)                     | (24,300)                     | (24,300)                     | (24,300)                     |
| <b>Total Treasury (Investments)/new borrowing</b> | <b>(39,135)</b>                    | <b>(31,233)</b>             | <b>(17,660)</b>              | <b>(19,025)</b>              | <b>(22,421)</b>              | <b>(28,949)</b>              | <b>(36,493)</b>              |

3.3 The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while usable reserves and working capital are the underlying resources available for investments. The Council's current strategy is to maintain borrowing and investments below their underlying levels, sometimes known as internal borrowing.

3.4 The Council has an increasing CFR due to the capital programme including anticipated investment property acquisition. The trend of increased expenditure and forecast borrowing indicates it could have scope to invest up to £36.5m over the forecast period.

3.5 CIPFA's Prudential Code for Capital Finance in Local Authorities recommends that the Council's total debt should be lower than its highest forecast CFR over the next three years. Table 18 shows that the Council expects to comply with this recommendation over the medium term.

**Liability benchmark:**

3.6 To compare the Council's actual borrowing against an alternative strategy, a liability benchmark has been calculated showing the lowest risk level of borrowing. This assumes the same forecasts as table 19 above, but that cash and investment balances are kept to a minimum level of £17m to £19m at each year-end to maintain sufficient liquidity but minimise credit risk.

| TABLE 19                            | Liability Benchmark        |                             |                              |                              |                              |                              |                              |
|-------------------------------------|----------------------------|-----------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
|                                     | 2019/20<br>Actual<br>£'000 | 2020/21<br>Revised<br>£'000 | 2021/22<br>Estimate<br>£'000 | 2022/23<br>Estimate<br>£'000 | 2023/24<br>Estimate<br>£'000 | 2024/25<br>Estimate<br>£'000 | 2025/26<br>Estimate<br>£'000 |
| Total CFR                           | 141,926                    | 201,648                     | 300,455                      | 342,182                      | 374,426                      | 376,294                      | 378,485                      |
| Less External borrowing             | (101,000)                  | (164,011)                   | (260,926)                    | (305,268)                    | (340,908)                    | (349,303)                    | (359,039)                    |
| Less: Usable reseves                | (60,530)                   | (44,570)                    | (32,889)                     | (31,639)                     | (31,639)                     | (31,639)                     | (31,639)                     |
| Working capital (surplus) / deficit | (19,531)                   | (24,300)                    | (24,300)                     | (24,300)                     | (24,300)                     | (24,300)                     | (24,300)                     |
| Plus: Minimum investments           | 13,026                     | 19,000                      | 17,000                       | 17,000                       | 19,000                       | 19,000                       | 19,000                       |
| <b>Liability Benchmark</b>          | <b>(26,109)</b>            | <b>(12,233)</b>             | <b>(660)</b>                 | <b>(2,025)</b>               | <b>(3,421)</b>               | <b>(9,949)</b>               | <b>(17,493)</b>              |

**4 Borrowing Strategy**

4.1 The Council currently holds £112.5m of loans (including short term) as at 31 December 2020, compared to £101.0m on 1 April 2020, as part of its strategy for funding previous years' capital programmes (Table 17). The balance sheet forecast in Table 18 shows that the Council expects to borrow up to £97.0m in 2021/22. The Council may also borrow additional sums to pre-fund future years' requirements, providing this does not exceed the authorised limit for borrowing of £340.0m in 2022/23.

4.2 The Council's chief objective when borrowing money is to strike an appropriately low risk balance between securing low interest costs and achieving certainty of those costs over the period for which funds are required. The flexibility to renegotiate loans should the Council's long-term plans change is a secondary objective.

- 4.3 Given the significant cuts to public expenditure and in particular local government funding, the Council's borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio. With short-term interest rates currently much lower than long-term rates, it is likely to be more cost effective in the short term to either use internal resources, or to borrow short term loans instead.
- 4.4 By doing so, the Council is able to reduce net borrowing costs (despite foregone investment income) and reduce overall treasury risk. The benefits of internal and short-term borrowing will be monitored regularly against the potential for incurring additional costs by deferring borrowing into future years when long-term borrowing rates are forecast to rise modestly. Arlingclose will assist the Council with this 'cost of carry' and breakeven analysis. Its output may determine whether the Council borrows additional sums at long-term fixed rates in 2021/22 with a view to keeping future interest costs low, even if this causes additional cost in the short-term.
- 4.5 The Council (and its predecessors) has previously raised the majority of its long-term borrowing from the PWLB but the government increased PWLB rates by 1% in October 2019 making it a relatively expensive option. It subsequently did an about turn in November/December 2020, reducing PWLB rates but also introducing new parameters around use of these funds. The Council consequently began and continued exploration in 2020 of alternative options to borrow any long-term loans from other sources including banks, pensions and local authorities, and will investigate the possibility of issuing bonds and similar instruments, in order to lower interest costs and reduce over-reliance on one source of funding in line with the CIPFA Code. It is likely the Council will seek to refinance existing loans needed for treasury purposes from the PWLB (such as HRA PWLB loans) as these mature over the medium term, however additional long-term borrowing will be sought from other sources whilst the PWLB restrictions remain in place. Short term borrowing from other local authorities will be prioritised whilst interest rate forecasts remain low, which is expected to be the case over the medium term.
- 4.6 Alternatively, the Council may arrange forward starting loans, where the interest rate is fixed in advance, but the cash is received in later years. This would enable certainty of cost to be achieved without suffering a cost of carry in the intervening period (although forward loan interest rates will usually factor in an allowance for interest rate risk during the intervening period).
- 4.7 Additionally, the Council may borrow further short term loans to cover unplanned cash flow shortages.
- 4.8 The borrowing strategy seeks to manage the overall borrowing cash requirements for the Council and does not look to assign individual debt facilities to individual capital items. The approach and duration of debt will however is planned to follow the needs based on capital investment requirements. For example:

- Investment Properties: In order to maintain flexibility to reduce debt in relation to investment properties, the approach will look to utilise a blend of cash (internal borrowing) and short term debt whilst rates remain low, together with potential longer term facilities over 5-15 years. This will seek to avoid carrying debt unnecessarily and reduce investment related borrowing through MRP and capital growth.
- Regeneration: A range of financing options will support planned investment in regeneration. This may for example be through a combination of shorter term and longer term investment directly or through a Council-owned company structure, and borrowing will be planned based on the nature of financial investment undertaken by the Council
- Housing: Loans for the HRA are accounted for in a separate 'pool' to general fund loans. The planned approach is to refinance existing PLWB loans in line with the HRA business plan requirements. Additional borrowing may need to be sought from other sources, which will be planned to meet the expected debt requirements within the Business Plan.

4.9 The approved sources of long-term and short-term borrowing are:

- Public Works Loan Board (PWLB) and any successor body
- Any institution approved for investments (see below)
- Any other bank or building society authorised to operate in the UK
- Any other UK public sector body
- UK public and private pension funds (except Somerset County Pension Fund)
- Capital market bond investors
- UK Municipal Bonds Agency plc and other special purpose companies created to enable local authority bond issues

4.10 Other sources of debt finance: In addition, capital finance may be raised by the following methods that are not borrowing, but may be classed as other debt liabilities:

- Leasing
- Hire purchase
- Sale and leaseback

4.11 Municipal Bonds Agency: UK Municipal Bonds Agency plc was established in 2014 by the Local Government Association as an alternative to the PWLB. It plans to issue bonds on the capital markets and lend the proceeds to local authorities. This will be a more complicated source of finance than the PWLB for two reasons: borrowing authorities will be required to provide bond investors with a guarantee to refund their investment in the event that the agency is unable to for any reason;

and there will be a lead time of several months between committing to borrow and knowing the interest rate payable. Any decision to borrow from the Agency will therefore be the subject of a separate report to full Council.

- 4.12 Short-term and variable rate loans: These loans leave the Authority exposed to the risk of short-term interest rate rises and are therefore subject to the interest rate exposure limits in the treasury management indicators below. Financial derivatives may be used to manage this interest rate risk (see section below).
- 4.13 Debt rescheduling: The PWLB allows authorities to repay loans before maturity and either pay a premium or receive a discount according to a set formula based on current interest rates. Other lenders may also be prepared to negotiate premature redemption terms. The Council may take advantage of this and replace some loans with new loans, or repay loans without replacement, where this is expected to lead to an overall cost saving or a reduction in risk.

## **5 Treasury Investment Strategy**

- 5.1 The Council holds significant invested funds, representing income received in advance of expenditure plus balances and reserves held. In the first six months of 2020/21 to 30<sup>th</sup> September 2020, the Council's investment balance ranged between £34.0m and £97.3m, and similar levels are expected to be maintained in the forthcoming year.
- 5.2 The CIPFA Code requires the Council to invest its funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. The Council's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income. Where balances are expected to be invested for more than one year, the Council will aim to achieve a total return that is equal or higher than the prevailing rate of inflation, in order to maintain the spending power of the sum invested.
- 5.3 As the UK enters into another very uncertain year in 2021/22, there is a small chance that the Bank of England could set its Bank Rate at or below zero, which is likely to feed through to negative interest rates on all low risk, short-term investment options. This situation already exists in many other European countries. In this event, security will be measured as receiving the contractually agreed amount at maturity, even though this may be less than the amount originally invested.
- 5.4 Given the increasing risk and very low returns from short-term unsecured bank investments, the Council aims to further diversify into more secure and/or higher yielding asset classes during 2020/21. This is especially the case for the estimated £20.0m that is available for longer-term investment. A proportion of the Council's surplus cash is currently invested in short-term unsecured bank deposits, money market funds and other local authorities. This diversification will represent a

continuation of the new strategy adopted in earlier years, with an enhanced opportunity to utilise strategic investment pooled funds as the resources of the two predecessor Councils are combined.

5.5 Under the IFRS 9 standard, the accounting for certain investments depends on the Council’s ‘business model’ for managing them. The Council aims to achieve value for money from its internally managed treasury investments by a business model of collecting the contractual cash flows and, therefore, where other criteria are also met, these investments will continue to be accounted for at amortised cost.

**Approved Counterparties**

5.6 The Council may invest its surplus funds with any of the counterparty types in table 20 below, subject to the cash limits (per counterparty) and the time limits shown.

| Sector                                   | Counterparty Limit |           |
|--|--------------------|-----------|
|  | Time limit         | Amount    |
| The UK Government                        | 50 years           | Unlimited |
| Local Authorities & other gov't entities | 5 years            | £7million |
| Secured investments *                    | 5 years            | £7million |
| Banks (unsecured) *                      | 13 months          | £7million |
| Building Societies (unsecured) *         | 13 months          | £7million |
| Registered Providers (unsecured) *       | 5 years            | £7million |
| Money Market funds *                     | n/a                | £7million |
| Strategic Pooled funds                   | n/a                | £7million |
| Real estate investment trusts            | n/a                | £7million |
| Other investments *                      | 5 Years            | £5million |

5.7 **Credit rating:** (\*) Treasury investments in the sectors marked with an asterisk will only be made with entities whose lowest published long-term credit rating is no lower than A-. Where available, the credit rating relevant to the specific investment or class of investment is used, otherwise the counterparty credit rating is used. However, investment decisions are never made solely based on credit ratings, and all other relevant factors including external advice will be taken into account.



- 5.8 **Government:** Loans, bonds and bills issued or guaranteed by national governments, regional and local authorities and multilateral development banks. These investments are not subject to bail-in, and there is generally a lower risk of insolvency, although they are not zero risk. Investments with the UK Central Government may be made in unlimited amounts for up to 50 years.
- 5.9 **Secured investments:** Investments secured on the borrower's assets, which limits the potential losses in the event of insolvency. The amount and quality of the security will be a key factor in the investment decision. Covered bonds and reverse repurchase agreements with banks and building societies are exempt from bail-in. Where there is no investment specific credit rating, but the collateral upon which the investment is secured has a credit rating, the higher of the collateral credit rating and the counterparty credit rating will be used. The combined secured and unsecured investments with any one counterparty will not exceed the cash limit for secured investments.
- 5.10 **Banks unsecured:** Accounts, deposits, certificates of deposit and senior unsecured bonds with banks and building societies, other than multilateral development banks. These investments are subject to the risk of credit loss via a bail-in should the regulator determine that the bank is failing or likely to fail. See below for arrangements relating to operational bank accounts.
- 5.11 **Registered providers (unsecured):** Loans and bonds issued by, guaranteed by or secured on the assets of registered providers of social housing and registered social landlords, formerly known as housing associations. These bodies are tightly regulated by the Regulator of Social Housing (in England), the Scottish Housing Regulator, the Welsh Government and the Department for Communities (in Northern Ireland). As providers of public services, they retain the likelihood of receiving government support if needed.
- 5.12 **Money market funds:** Pooled funds that offer same-day or short notice liquidity and very low or no price volatility by investing in short-term money markets. They have the advantage over bank accounts of providing wide diversification of investment risks, coupled with the services of a professional fund manager in return for a small fee. Although no sector limit applies to money market funds, the Authority will take care to diversify its liquid investments over a variety of providers to ensure access to cash at all times.
- 5.13 **Strategic Pooled funds:** Bond, equity and property funds that offer enhanced returns over the longer term but are more volatile in the short term. These allow the Authority to diversify into asset classes other than cash without the need to own and manage the underlying investments. Because these funds have no defined maturity date, but are available for withdrawal after a notice period, their performance and continued suitability in meeting the Authority's investment objectives will be monitored regularly.

- 5.14 **Real estate investment trusts:** Shares in companies that invest mainly in real estate and pay the majority of their rental income to investors in a similar manner to pooled property funds. As with property funds, REITs offer enhanced returns over the longer term, but are more volatile especially as the share price reflects changing demand for the shares as well as changes in the value of the underlying properties.
- 5.15 **Other investments:** This category covers treasury investments not listed above, for example unsecured corporate bonds and company loans. Non-bank companies cannot be bailed-in but can become insolvent placing the Authority's investment at risk.
- 5.16 **Operational bank accounts:** The Council may incur operational exposures, for example through current accounts, collection accounts and merchant acquiring services, to any UK bank with credit ratings no lower than BBB- and with assets greater than £25 billion. These are not classed as investments, but are still subject to the risk of a bank bail-in, and balances will therefore be kept below £500,000 per bank. The Bank of England has stated that in the event of failure, banks with assets greater than £25 billion are more likely to be bailed-in than made insolvent, increasing the chance of the Council maintaining operational continuity.
- 5.17 **Risk assessment and credit ratings:** Credit ratings are obtained and monitored by the Council's treasury advisers, who will notify changes in ratings as they occur. Where an entity has its credit rating downgraded so that it fails to meet the approved investment criteria then:
- no new investments will be made
  - any existing investments that can be recalled or sold at no cost will be, and
  - full consideration will be given to the recall or sale of all other existing investments with the affected counterparty
- 5.18 Where a credit rating agency announces that a credit rating is on review for possible downgrade (also known as "rating watch negative" or "credit watch negative") so that it may fall below the approved rating criteria, then only investments that can be withdrawn on the next working day will be made with that organisation until the outcome of the review is announced. This policy will not apply to negative outlooks, which indicate a long-term direction of travel rather than an imminent change of rating.
- 5.19 **Other information on the security of investments:** The Council understands that credit ratings are good, but not perfect, predictors of investment default. Full regard will therefore be given to other available information on the credit quality of the organisations in which it invests, including credit default swap prices, financial statements, information on potential government support, reports in the quality financial press and analysis and advice from the Council's treasury management

adviser. No investments will be made with an organisation if there are substantive doubts about its credit quality, even though it may otherwise meet the above criteria.

- 5.20 When deteriorating financial market conditions affect the creditworthiness of all organisations, as happened in 2008 and 2020, this is not generally reflected in credit ratings, but can be seen in other market measures. In these circumstances, the Council will restrict its investments to those organisations of higher credit quality and reduce the maximum duration of its investments to maintain the required level of security. The extent of these restrictions will be in line with prevailing financial market conditions. If these restrictions mean that insufficient commercial organisations of high credit quality are available to invest the Council's cash balances, then the surplus will be deposited with the UK Government via the Debt Management Office or invested in government treasury bills for example, or with other local authorities. This will cause a reduction in the level of investment income earned but will protect the principal sum invested.

### **Investment Limits**

- 5.21 The Council's revenue reserves available to cover investment losses are forecast to be £28m on 31 March 2021. In order that no more than 25% of available reserves will be put at risk in the case of a single default, the maximum that will be lent to any one organisation (other than the UK Government) will be £7m. A group of banks under the same ownership will be treated as a single organisation for limit purposes. Limits will also be placed on fund managers, investments in brokers' nominee accounts, foreign countries and industry sectors as below. Investments in pooled funds and multilateral development banks do not count against the limit for any single foreign country, since the risk is diversified over many countries.

| <b>TABLE 21</b>   | <b>Investment Limits</b> |
|---|--------------------------|
|   | <b>Cash limit</b>        |
| UK Central government                                     | unlimited                |
| Any other single organisation                             | £7m each                 |
| Any group of organisations under the same ownership       | £7m per group            |
| Any group of pooled funds under the same management       | £21m per manager         |
| Negotiable instruments held in a broker's nominee account | £21m per broker          |
| Foreign countries   | £7m per country          |
| Registered providers and registered social landlords      | £21 in total             |
| Unsecured investments with building societies             | £7m in total             |
| Loans to unrated corporates                               | £7m in total             |
| Money market funds  | £42m in total            |
| Real estate investment trusts                             | £21m in total            |

- 5.22 **Liquidity management:** The Council uses an in-house spreadsheet based cash flow forecasting model to determine the maximum period for which funds may prudently be committed. The forecast is compiled on a prudent basis to minimise the risk of the Council being forced to borrow on unfavourable terms to meet its financial commitments. Limits on long-term investments are set by reference to the Council's medium-term financial plan and cash flow forecast.

## 6 Treasury Management Indicators

- 6.1 The Council measures and manages its exposures to treasury management risks using the following indicators.

### Security

- 6.2 The Council has adopted a voluntary measure of its exposure to credit risk by monitoring the value-weighted average credit rating of its investment portfolio. This is calculated by applying a score to each investment (AAA=1, AA+=2, etc.) and taking the arithmetic average, weighted by the size of each investment. Unrated investments are assigned a score based on their perceived risk.

| <b>Credit risk indicator</b>    | <b>Target</b> |
|---------------------------------|---------------|
| Portfolio average credit rating | A-            |

## Liquidity

- 6.3 The Council has adopted a voluntary measure of its exposure to liquidity risk by monitoring the amount of cash available to meet unexpected payments within a rolling three month period, without additional borrowing.

| Liquidity risk indicator             | Target |
|--------------------------------------|--------|
| Total cash available within 3 months | £20m   |

## Interest Rate Exposures

- 6.4 This indicator is set to control the Council's exposure to interest rate risk. The impact of a change in interest rates is calculated on the assumption that maturing loans and investments will be replaced at current rates. The upper limits on the one-year revenue impact of a 1% rise or fall in interest rates will be:

| Interest rate risk indicator   | Limit   |
|--|---------|
| Upper limit on one-year revenue impact of a 1% <i>rise</i> in interest rates | £50,000 |
| Upper limit on one-year revenue impact of a 1% <i>fall</i> in interest rates | £50,000 |

## Maturity Structure of Borrowing

- 6.5 This indicator is set to control the Council's exposure to refinancing risk. The limits set for each category within this indicator is wide since the indicator is only to cover the risk of replacement loans being unavailable, not interest rate risk. Time periods start on the first day of each financial year. The maturity date of borrowing is the earliest date on which the lender can demand repayment. The upper and lower limits on the maturity structure of borrowing will be:

| Refinancing rate risk indicator | Upper limit | Lower limit |
|---------------------------------|-------------|-------------|
| Under 12 months                 | 100%        | 0%          |
| 12 months and within 24 months  | 100%        | 0%          |
| 24 months and within 5 years    | 100%        | 0%          |
| 5 years and within 10 years     | 100%        | 0%          |
| 10 years and above              | 100%        | 0%          |

## Principal Sums Invested For Periods Longer Than a Year

- 6.6 The purpose of this indicator is to control the Council's exposure to the risk of incurring losses by seeking early repayment of its investments. The limits on the long-term principal sum invested to final maturities beyond the period end will be:

| Price risk indicator                        | 2021/22 | 2022/23 | 2023/24 |
|---|---------|---------|---------|
| Limit on principal invested beyond year end | £30m    | £25m    | £25m    |

## 7 Related Matters

- 7.1 **Financial Derivatives:** Local authorities have previously made use of financial derivatives embedded into loans and investments both to reduce interest rate risk (e.g. interest rate collars and forward deals) and to reduce costs or increase income at the expense of greater risk (e.g. LOBO loans and callable deposits). The general power of competence in Section 1 of the Localism Act 2011 removes much of the uncertainty over local authorities' use of standalone financial derivatives (i.e. those that are not embedded into a loan or investment).
- 7.2 The Council will only use standalone financial derivatives (such as swaps, forwards, futures and options) where they can be clearly demonstrated to reduce the overall level of the financial risks that the Council is exposed to. Additional risks presented, such as credit exposure to derivative counterparties, will be taken into account when determining the overall level of risk. Embedded derivatives, including those present in pooled funds and forward starting transactions, will not be subject to this policy, although the risks they present will be managed in line with the overall treasury risk management strategy.
- 7.3 Financial derivative transactions may be arranged with any organisation that meets the approved investment criteria. The current value of any amount due from a derivative counterparty will count against the counterparty credit limit and the relevant foreign country limit.
- 7.4 In line with the CIPFA Code, the Council will seek external advice and will consider that advice before entering into financial derivatives to ensure that it fully understands the implications.
- 7.5 Housing Revenue Account: On 1 April 2012, the Council's predecessor (TDBC) notionally split each of its existing long-term loans into General Fund and HRA pools. In the future, new long-term loans borrowed will be assigned in their entirety to one pool or the other. Interest payable and other costs/income arising from long-term loans (e.g. premiums and discounts on early redemption) will be charged/credited to the respective revenue account. Differences between the value of the HRA loans pool and the HRA's underlying need to borrow (adjusted for HRA balance sheet resources available for investment) will result in a notional cash balance which may be positive or negative. This balance will be measured each month and

interest transferred between the General Fund and HRA at the Council’s average interest rate on investments, adjusted for credit risk.

7.6 Markets in Financial Instruments Directive: The Authority has opted up to professional client status with its providers of financial services, including advisers, banks, brokers and fund managers, allowing it access to a greater range of services but without the greater regulatory protections afforded to individuals and small companies. Given the size and range of the Council’s treasury management activities, the S151 Officer believes this to be the most appropriate status.

**8 Financial Implications**

8.1 The budget for treasury investment income and debt interest in 2021/22 is summarised as follows:

| TABLE 22     | Interest income and costs -<br>Budget estimates |              |              |
|--------------|---|--------------|--------------|
|              | 2021/22   | 2021/22      | 2021/22      |
|              | Investment                                      | Interest     | Net (income) |
|              | Income  | cost         | or cost      |
|              | £'000   | £'000        | £'000        |
| General Fund | (515)   | 313          | (202)        |
| HRA          | 0   | 2,669        | 2,669        |
| <b>Total</b> | <b>(515)</b>                                    | <b>2,982</b> | <b>2,467</b> |

8.2 If actual levels of investments and borrowing, or actual interest rates differ from those forecast, performance against budget will be correspondingly different. Significant variances will be identified in budget monitoring reports to the Senior Management Team and the Executive.

**9 Other Options Considered**

9.1 The CIPFA Code does not prescribe any particular treasury management strategy for local authorities to adopt. The S151 Officer, having consulted the Portfolio Holder for Corporate Resources, believes that the above strategy represents an appropriate balance between risk management and cost effectiveness. Some alternative strategies, with their financial and risk management implications, are listed below.

| Alternative   | Impact on income and expenditure   | Impact on risk management   |
|---|--|---|
| Invest in a narrower range of counterparties and/or for shorter times | Interest income will be lower  | Lower chance of losses from credit related defaults, but any such losses may be greater   |
| Invest in a wider range of counterparties and/or for longer times     | Interest income will be higher   | Increased risk of losses from credit related defaults, but any such losses may be smaller   |
| Borrow additional sums at long-term fixed interest rates              | Debt interest costs will rise; this is unlikely to be offset by higher investment income | Higher investment balance leading to a higher impact in the event of a default; however long-term interest costs may be more certain            |
| Borrow short-term or variable loans instead of long-term fixed rates  | Debt interest costs will initially be lower  | Increases in debt interest costs will be broadly offset by rising investment income in the medium term, but long-term costs may be less certain |
| Reduce level of borrowing   | Saving on debt interest is likely to exceed lost investment income                       | Reduced investment balance leading to a lower impact in the event of a default; however long-term interest costs may be less certain            |



### External Context Economic background:

The impact on the UK from coronavirus, lockdown measures, the rollout of vaccines, as well as the new trading arrangements with the European Union (EU), will remain major influences on the Authority's treasury management strategy for 2021/22.

The Bank of England (BoE) maintained Bank Rate at 0.10% in December 2020 and Quantitative Easing programme at £895 billion having extended it by £150 billion in the previous month. The Monetary Policy Committee (MPC) voted unanimously for both, but no mention was made of the potential future use of negative interest rates. In the November Monetary Policy Report (MPR) forecasts, the Bank expects the UK economy to shrink -2% in Q4 2020 before growing by 7.25% in 2021, lower than the previous forecast of 9%. The BoE also forecasts the economy will now take until Q1 2022 to reach its pre-pandemic level rather than the end of 2021 as previously forecast. By the time of the December MPC announcement, a COVID-19 vaccine was approved for use, which the Bank noted would reduce some of the downside risks to the economic outlook outlined in the November MPR.

UK Consumer Price Inflation (CPI) for November 2020 registered 0.3% year on year, down from 0.7% in the previous month. Core inflation, which excludes the more volatile components, fell to 1.1% from 1.5%. The most recent labour market data for the three months to October 2020 showed the unemployment rate rose to 4.9% while the employment rate fell to 75.2%. Both measures are expected to deteriorate further due to the ongoing impact of coronavirus on the jobs market, particularly when the various government job retention schemes start to be unwound in 2021, with the BoE forecasting unemployment will peak at 7.75% in Q2 2021. In October, the headline 3-month average annual growth rate for wages were 2.7% for total pay and 2.8% for regular pay. In real terms, after adjusting for inflation, total pay growth was up by 1.9% while regular pay was up 2.1%.

GDP growth rebounded by 16.0% in Q3 2020 having fallen by -18.8% in the second quarter, with the annual rate rising to -8.6% from -20.8%. All sectors rose quarter-on-quarter, with dramatic gains in construction (41.2%), followed by services and production (both 14.7%). Monthly GDP estimates have shown the economic recovery slowing and remains well below its pre-pandemic peak. Looking ahead, the BoE's November MPR forecasts economic growth will rise in 2021 with GDP reaching 11% in Q4 2021, 3.1% in Q4 2022 and 1.6% in Q4 2023.

GDP growth in the euro zone rebounded by 12.7% in Q3 2020 after contracting by -3.7% and -11.8% in the first and second quarters, respectively. Headline inflation, however, remains extremely weak, registering -0.3% year-on-year in November, the fourth successive month of deflation. Core inflation registered 0.2% y/y, well below the European Central Bank's (ECB) target of 'below, but

close to 2%'. The ECB is expected to continue holding its main interest rate of 0% and deposit facility rate of -0.5% for some time but expanded its monetary stimulus in December 2020, increasing the size of its asset purchase scheme to €1.85 trillion and extended it until March 2022.

The US economy contracted at an annualised rate of 31.4% in Q2 2020 and then rebounded by 33.4% in Q3. The Federal Reserve maintained the Fed Funds rate at between 0% and 0.25% and announced a change to its inflation targeting regime to a more flexible form of average targeting. The Fed also provided strong indications that interest rates are unlikely to change from current levels over the next three years.

Former vice-president Joe Biden won the 2020 US presidential election. Mr Biden is making tackling coronavirus his immediate priority and will also be reversing several executive orders signed by his predecessor and take the US back into the Paris climate accord and the World Health Organization.

**Credit outlook:** After spiking in late March as coronavirus became a global pandemic and then rising again in October/November, credit default swap (CDS) prices for the larger UK banks have steadily fallen back to almost pre-pandemic levels. Although uncertainty around COVID-19 related loan defaults lead to banks provisioning billions for potential losses in the first half of 2020, drastically reducing profits, reported impairments for Q3 were much reduced in some institutions. However, general bank profitability in 2020 and 2021 may be significantly lower than in previous years.

The credit ratings for many UK institutions were downgraded on the back of downgrades to the sovereign rating. Credit conditions more generally though in banks and building societies have tended to be relatively benign, despite the impact of the pandemic. Looking forward, the potential for bank losses to be greater than expected when government and central bank support starts to be removed remains a risk, suggesting a cautious approach to bank deposits in 2021/22 remains advisable.

#### **Interest rate forecast:**

The Authority's treasury management adviser Arlingclose is forecasting that BoE Bank Rate will remain at 0.1% until at least the first quarter of 2024. The risks to this forecast are judged to be to the downside as the BoE and UK government continue to react to the coronavirus pandemic and the new EU trading arrangements. The BoE extended its asset purchase programme to £895 billion in November while keeping Bank Rate on hold and maintained this position in December. However, further interest rate cuts to zero, or possibly negative, cannot yet be ruled out but this is not part of the Arlingclose central forecast.

Gilt yields are expected to remain very low in the medium-term while short-term yields are likely remain below or at zero until such time as the BoE expressly rules out the chance of negative interest rates or growth/inflation prospects improve. The central case is for 10-year and 20-year to rise to around 0.60% and 0.90% respectively over the time horizon. The risks around the gilt yield forecasts

are judged to be broadly balanced between upside and downside risks, but there will almost certainly be short-term volatility due to economic and political uncertainty and events.

A more detailed economic and interest rate forecast provided by Arlingclose is attached below.

### **Arlingclose Economic & Interest Rate Forecast – December 2020**

#### **Underlying assumptions:**

- The medium-term global economic outlook has improved with the distribution of vaccines, but the recent upsurge in coronavirus cases has worsened economic prospects over the short term.
- Restrictive measures and further lockdowns are likely to continue in the UK and Europe until the majority of the population is vaccinated by the second half of 2021. The recovery period will be strong thereafter, but potentially longer than previously envisaged.
- Signs of a slowing UK economic recovery were already evident in UK monthly GDP and PMI data, even before the second lockdown and Tier 4 restrictions. Employment is falling despite an extension to support packages.
- The need to support economic recoveries and use up spare capacity will result in central banks maintaining low interest rates for the medium term.
- Brexit will weigh on UK activity. The combined effect of Brexit and the after-effects of the pandemic will dampen growth relative to peers, maintain spare capacity and limit domestically generated inflation. The Bank of England will therefore maintain loose monetary conditions for the foreseeable future.
- Longer-term yields will also remain depressed, anchored by low central bank policy rates, expectations for potentially even lower rates and insipid longer-term inflation expectations. There is a chance yields may follow a slightly different path in the medium term, depending on investor perceptions of growth and inflation, or the deployment of vaccines.

#### **Forecast:**

- Arlingclose expects Bank Rate to remain at the current 0.10% level.
- Our central case for Bank Rate is no change, but further cuts to zero, or perhaps even into negative territory, cannot be completely ruled out.
- Gilt yields will remain low in the medium term. Shorter term gilt yields are currently negative and will remain around zero or below until either the Bank expressly rules out negative Bank Rate or growth/inflation prospects improve.

- Downside risks remain, and indeed appear heightened, in the near term, as the government reacts to the escalation in infection rates and the Brexit transition period ends.

|                                | Mar-21 | Jun-21 | Sep-21 | Dec-21 | Mar-22 | Jun-22 | Sep-22 | Dec-22 | Mar-23 | Jun-23 | Sep-23 | Dec-23 | Mar-24 |
|--------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| <b>Official Bank Rate</b>      |        |        |        |        |        |        |        |        |        |        |        |        |        |
| Upside risk                    | 0.00   | 0.00   | 0.15   | 0.15   | 0.15   | 0.15   | 0.30   | 0.30   | 0.30   | 0.30   | 0.30   | 0.30   | 0.30   |
| Artingclose Central Case       | 0.10   | 0.10   | 0.10   | 0.10   | 0.10   | 0.10   | 0.10   | 0.10   | 0.10   | 0.10   | 0.10   | 0.10   | 0.10   |
| Downside risk                  | 0.30   | 0.40   | 0.50   | 0.50   | 0.50   | 0.50   | 0.50   | 0.50   | 0.50   | 0.50   | 0.50   | 0.50   | 0.50   |
| <b>3-month money market r.</b> |        |        |        |        |        |        |        |        |        |        |        |        |        |
| Upside risk                    | 0.05   | 0.05   | 0.10   | 0.10   | 0.15   | 0.20   | 0.30   | 0.30   | 0.30   | 0.30   | 0.30   | 0.30   | 0.30   |
| Artingclose Central Case       | 0.10   | 0.10   | 0.15   | 0.15   | 0.20   | 0.20   | 0.20   | 0.20   | 0.20   | 0.20   | 0.20   | 0.20   | 0.20   |
| Downside risk                  | 0.30   | 0.40   | 0.50   | 0.50   | 0.50   | 0.50   | 0.50   | 0.50   | 0.50   | 0.50   | 0.50   | 0.50   | 0.50   |
| <b>1yr money market rate</b>   |        |        |        |        |        |        |        |        |        |        |        |        |        |
| Upside risk                    | 0.05   | 0.05   | 0.10   | 0.10   | 0.15   | 0.20   | 0.40   | 0.40   | 0.40   | 0.40   | 0.40   | 0.40   | 0.40   |
| Artingclose Central Case       | 0.15   | 0.15   | 0.25   | 0.25   | 0.30   | 0.30   | 0.30   | 0.30   | 0.30   | 0.30   | 0.30   | 0.30   | 0.30   |
| Downside risk                  | 0.15   | 0.15   | 0.15   | 0.15   | 0.15   | 0.15   | 0.15   | 0.15   | 0.15   | 0.15   | 0.15   | 0.15   | 0.15   |
| <b>5yr gilt yield</b>          |        |        |        |        |        |        |        |        |        |        |        |        |        |
| Upside risk                    | 0.40   | 0.40   | 0.45   | 0.45   | 0.50   | 0.50   | 0.55   | 0.60   | 0.60   | 0.65   | 0.65   | 0.70   | 0.70   |
| Artingclose Central Case       | 0.00   | 0.00   | 0.05   | 0.10   | 0.15   | 0.20   | 0.20   | 0.20   | 0.25   | 0.25   | 0.25   | 0.25   | 0.25   |
| Downside risk                  | 0.40   | 0.45   | 0.50   | 0.55   | 0.60   | 0.60   | 0.60   | 0.60   | 0.60   | 0.60   | 0.60   | 0.60   | 0.60   |
| <b>10yr gilt yield</b>         |        |        |        |        |        |        |        |        |        |        |        |        |        |
| Upside risk                    | 0.30   | 0.35   | 0.40   | 0.45   | 0.50   | 0.50   | 0.55   | 0.60   | 0.60   | 0.65   | 0.65   | 0.70   | 0.70   |
| Artingclose Central Case       | 0.25   | 0.30   | 0.35   | 0.35   | 0.40   | 0.40   | 0.45   | 0.45   | 0.50   | 0.55   | 0.55   | 0.55   | 0.60   |
| Downside risk                  | 0.50   | 0.50   | 0.55   | 0.55   | 0.55   | 0.55   | 0.55   | 0.55   | 0.55   | 0.55   | 0.55   | 0.55   | 0.55   |
| <b>20yr gilt yield</b>         |        |        |        |        |        |        |        |        |        |        |        |        |        |
| Upside risk                    | 0.40   | 0.40   | 0.45   | 0.45   | 0.50   | 0.50   | 0.55   | 0.60   | 0.60   | 0.65   | 0.65   | 0.70   | 0.70   |
| Artingclose Central Case       | 0.70   | 0.70   | 0.75   | 0.75   | 0.75   | 0.80   | 0.80   | 0.85   | 0.85   | 0.85   | 0.85   | 0.90   | 0.90   |
| Downside risk                  | 0.30   | 0.30   | 0.35   | 0.35   | 0.35   | 0.40   | 0.40   | 0.40   | 0.40   | 0.40   | 0.40   | 0.40   | 0.40   |
| <b>50yr gilt yield</b>         |        |        |        |        |        |        |        |        |        |        |        |        |        |
| Upside risk                    | 0.40   | 0.40   | 0.45   | 0.45   | 0.50   | 0.50   | 0.55   | 0.60   | 0.60   | 0.65   | 0.65   | 0.70   | 0.70   |
| Artingclose Central Case       | 0.60   | 0.60   | 0.65   | 0.65   | 0.65   | 0.70   | 0.70   | 0.75   | 0.75   | 0.75   | 0.75   | 0.80   | 0.80   |
| Downside risk                  | 0.30   | 0.30   | 0.35   | 0.35   | 0.35   | 0.40   | 0.40   | 0.40   | 0.40   | 0.40   | 0.40   | 0.40   | 0.40   |

**PWLB Certainty Rate (Maturity Loans) = Gilt yield + 0.80%**

**PWLB Infrastructure Rate (Maturity Loans) = Gilt yield + 0.60%**

# Minimum Revenue Provision (MRP) Statement

## 1 Policy Statement

- 1.1 Where the Council finances capital expenditure by debt, it must put aside resources to repay that debt in later years. The amount charged to the revenue budget for the repayment of debt is known as Minimum Revenue Provision (MRP), although there has been no statutory minimum since 2008. The Local Government Act 2003 requires the Council to have regard to the Ministry of Housing, Communities and Local Government's Guidance on Minimum Revenue Provision (the MHCLG Guidance) most recently issued in 2018.
- 1.2 The broad aim of the MHCLG Guidance is to ensure that capital expenditure is financed over a period that is either reasonably commensurate with that over which the capital expenditure provides benefits, or, in the case of borrowing supported by Government Revenue Support Grant, reasonably commensurate with the period implicit in the determination of that grant.
- 1.3 The MHCLG Guidance requires the Council to approve an Annual MRP Statement each year and recommends a number of options for calculating a prudent amount of MRP. The following statement incorporates options recommended in the Guidance as well as locally determined prudent methods.
- 1.4 The predecessor Councils (TDBC and WSC) both adopted an MRP calculation method which spread the total Capital Financing Requirement over the weighted average useful life of each Council's asset base on a straight line basis. The calculation took into consideration the materiality of each asset and its recorded remaining useful life. The weighted average was then applied to the class of asset then applied across the whole fixed asset base. That gave a robust basis to support the asset life applied to MRP calculations and be appropriate for audit scrutiny.
- 1.5 Following the creation of the Somerset West and Taunton Council on 1 April 2019, it is proposed to apply the same methodology for the opening balance General Fund CFR using the combined weighted average useful life of the consolidated asset base transferred to SWTC on 1 April. This is considered a prudent approach to charging for the legacy CFR transferred to SWTC from its predecessor Councils.
- 1.6 For capital expenditure incurred since 1 April 2021, the proposed methods for calculating MRP are as follows:

- For Property Plant and Equipment (PPE) assets, MRP will be calculated over the weighted average useful life of each Council's asset base at the start of each financial year on a straight line basis.
- For assets acquired by leases or the Private Finance, MRP will be determined as being equal to the element of the rent or charge that goes to write down the balance sheet liability.
- For capital grants and contributions to third parties MRP will be calculated on a straight-line basis over 25 years from the 1 April following the year in which the grants or contributions are incurred.
- For capital expenditure loans to third parties that are repaid in annual or more frequent instalments of principal, the Council will make nil MRP, but will instead apply the capital receipts arising from the principal repayments to reduce the capital financing requirement in respect of those loans. In years where there is no principal repayment, MRP will be charged in accordance with the MRP policy for the assets funded by the loan, including where appropriate, delaying MRP until the year after the assets become operational. While this is not one of the options in the MHCLG Guidance, it is thought to be a prudent approach since it ensures that the capital expenditure incurred in the loan is fully funded over the life of the assets.
- For Investment Properties, MRP will be calculated over 50 years, or over the professionally assessed useful life of the asset if lower than 50 years. MRP may be calculated using either annuity or straight-line basis as determined by the s151 Officer.
- For Housing Revenue Account capital expenditure, MRP will be charged on a straight-line over 60 years.

- 1.7 For capital expenditure loans to third parties that are repaid in annual or more frequent instalments of principal, the Council will make nil MRP, but will instead apply the capital receipts arising from principal repayments to reduce the capital financing requirement instead. In years where there is no principal repayment, MRP will be charged in accordance with the MRP policy for the assets funded by the loan
- 1.8 MRP is charged based on the opening balance CFR carried forward from the previous year. Therefore Capital expenditure incurred during 2021/22 will not be subject to a MRP charge until 2022/23.

## 2 Capital Financing Requirement and MRP Estimates

- 2.1 Based on the Council's latest estimate of its capital financing requirement (CFR) on 31 March 2021, the budget estimate for MRP has been set as follows:

| <b>Capital Financing Requirement (CFR) and<br/>Minimum Revenue Provision (MRP)</b> | <b>31-Mar-21<br/>CFR<br/>Revised<br/>£'000</b> | <b>2021/22<br/>MRP<br/>Estimate<br/>£'000</b> |
|--|--|---|
| General Fund   | 95,422   | (1,967)                                       |
| HRA  | 106,225  | (1,874)                                       |
| <b>Total</b>   | <b>201,648</b>                                 | <b>(3,842)</b>                                |

## 3 MRP Overpayments

- 3.1 Overpayments: In earlier years, the Council has made no voluntary overpayments of MRP that are available to reduce the revenue charges in later years. It is not planned to make an overpayment in 2020/21 or 2021/22, however the s151 Officer may determine such an overpayment during the year and report this through the Outturn Report. end

Report Number: SWT 25/21

# Somerset West and Taunton Council

## Executive – 17 March 2021

### Procurement Strategy

This matter is the responsibility of Executive Councillor Ross Henley

Report Author: Paul Fitzgerald, Assistant Director Finance and S151 Officer

#### **1 Executive Summary / Purpose of the Report**

- 1.1 The report seeks approval of a new Procurement Strategy for Somerset West and Taunton Council (SWTC).
- 1.2 This strategy sets out our vision for procurement and our priorities for the next 3 years to 2024, incorporating the latest government procurement legislation and initiatives, and the Council's priorities, aims and objectives. It is a statement of the procurement commitments of the Council, setting out our approach to acquiring goods, services and works for the Council which is compliant with applicable rules and regulations, and secures value for money.
- 1.3 The strategy is important for communicating with suppliers as well as members and officers involved in purchasing and managing contracts. Inappropriate procurements could result in legal challenge, financial and reputational damage, and failure to achieve value for money.
- 1.4 The primary purpose of the strategy is to ensure compliance, thus mitigating risk, and delivering value. The strategy also seeks to complement key Council priorities such as social value, climate change and supporting the local economy.
- 1.5 Approval of the Strategy also addresses an action included within the Procurement internal audit report issued in October 2020.

#### **2 Recommendations**

- 2.1 The Executive approves the Procurement Strategy.

#### **3 Risk Assessment**

- 3.1 Procurement is currently identified on the Corporate Risk Register. The creation and approval of a new Procurement Strategy for SWTC is regarded as one of the key components to mitigate risk.



- 3.2 The most significant risks are failure to achieve value for money, and non-compliant procurement activity which could lead to legal challenge and potentially significant financial and reputational damage, as well as problems delivering services and projects. This risk was emphasised in the internal audit report issued in October 2020, following the planned review of the Council's procurement arrangements. Completion of the Strategy is included as a recommendation within the report.
- 3.3 As well as formally approving and adopting a new strategy, the procurement team plans to minimise risk through the development of guidance and training for relevant officers and members involved on obtaining goods, services and works. This will be rolled out in the coming months.

#### **4 Background and Full details of the Report**

- 4.1 The reports seeks Executive approval for a new Procurement Strategy for SWTC.
- 4.2 Effective procurement is extremely important for the Council, and the wider public sector in general. It is well reported that funding for local government has reduced significantly over the past decade. For SWTC this challenge is exacerbated further over the next 2-3 years with anticipated further major reductions in funding in particular from business rates and new homes bonus. The Council also has ambitious investment plans in delivering key priorities with significant enhanced expenditure in housing, regeneration and environmental initiatives, in addition to ongoing operational services. This is clearly demonstrated in the budget reports for the General Fund and Housing Revenue Account to Full Council on 18 February 2021.
- 4.3 One of the key drivers for the Procurement Strategy, and supporting business practices, is to ensure compliance with relevant rules and regulations. This is a key component for minimising risk, where losses and reputational damage could be significant.
- 4.4 The other primary driver is having a clear approach to delivering value for money in the acquisition of goods, services and works. Effective competition and supply chain management will help to achieve this, enabling the Council's limited resources to deliver value for customers and tax payers.
- 4.5 The Strategy also provides an important opportunity to further the Council's wider objectives. This includes social value through potential support to the local economy, local community, and environmental priorities such as climate change. We will seek to find the right balance between these priorities and relentless cost control, without compromising compliance.

#### **5 Links to Corporate Strategy**

- 5.1 Procurement activity cuts across all Council priorities and services, and therefore contributes the majority of themes and objectives in the Corporate Strategy. In particular the Procurement Strategy contributes to delivering the following Corporate Strategy themes and objectives:
- 5.2 A Transparent and Customer Focused Council: Deliver excellence in the way the Council conducts its business.
- 5.3 An Enterprising Council: Meet the challenge of Government completely withdrawing the

Council's grant funding.

- 5.4 Our Environment and Economy: Work towards making our District carbon neutral by 2030; Shape and protect our built and natural environment; Encourage wealth creation and economic growth throughout the district; Provide and maintain green open spaces and parks, enhanced public spaces, as well as additional opportunities to safely walk or cycle; Facilitate the development of the commercial parts of the Firepool site in Taunton;
- 5.5 Homes and Communities: Increase the number of affordable and social homes in our urban towns, rural and coastal communities; including those built by the Council; Facilitate the development of the residential blocks at Firepool, Taunton, in order to deliver new homes and public open spaces.

## **6 Finance / Resource Implications**

- 6.1 There are no specific financial implications included in this report. However the delivery of the procurement strategy is fundamental to securing value for money and avoiding risk of costs / losses through non-compliant procurement activity, and supports the Council's financial strategy and budget.

## **7 Legal Implications**

- 7.1 Public procurement is a highly regulated environment governed by legislation and policies set by the UK government, nationally through statute and case law and locally by the Council's Constitution, and other Council plans and policies. These are set out in Appendix 1 of the Strategy.

## **8 Climate and Sustainability Implications**

- 8.1 The Procurement Strategy sets out how it will contribute to delivering social value – including environmental wellbeing. In addition, section 11 of the Strategy addresses our planned approach to sustainable procurement, seeking to support, wherever commercially and economically viable, the Council's vision and determination for the District to be Carbon Neutral by 2030.

## **9 Equality and Diversity Implications (if any – delete if not applicable)**

- 9.1 Section 13 of the Strategy sets out our approach to ethical procurement, including equality objectives.

## **10 Social Value Implications**

- 10.1 Section 10 and Appendix 2 of the Strategy sets out our approach to considering social value factors through procurement.

## **11 Data Protection Implications**

- 11.1 Whilst no direct implications in this report, data protection compliance is relevant to procurement activity and contracts. These are covered in the Strategy in section 8 and Appendix 1.

**Democratic Path:**

- **Scrutiny / Audit Governance and Standards Committees – No**
- **Executive – Yes (17 March 2021)**
- **Full Council – No**

**Reporting Frequency: Once only**

**List of Appendices (background papers to the report)**

Appendix A - Draft Procurement Strategy 2021-2024

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# Procurement Strategy

2021 – 2024

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## 1 Introduction

- 1.1 The importance of effective procurement has never been greater for local government. The demand for public services is increasing, while resources are drastically reducing. The pressure to find greater efficiencies and improve productivity is driving councils to look for different ways to deliver better outcomes for local people.
- 1.2 This strategy sets out our vision for procurement and our priorities for the next 3 years to 2024, incorporating the latest government procurement legislation and initiatives, and the Council's priorities, aims and objectives. It is a statement of the procurement commitments of the Council.
- 1.3 We aim to provide quality services that are responsive to the needs of our community and deliver optimum value for money. It is also important that the strategy reflects both our compliance obligations and our procurement aspirations.
- 1.4 Over the next two to three years we estimate the Council will spend in the region of **£163m** on goods, services and works across our general fund and housing services. This is a significant investment of public funds and we clearly have a responsibility to make sure this spending represents value for money.

Projected Revenue and Capital Expenditure on goods, services and works:

| Directorate           | Forecast<br>2021/22<br>£m | Forecast<br>2022/23<br>£m | Forecast<br>2023/24<br>£m | Total<br>£m |
|-----------------------|---------------------------|---------------------------|---------------------------|-------------|
| Housing & Communities | 47.2                      | 32.9                      | 25.2                      | 105.3       |
| Development & Place   | 1.3                       | 0.9                       | 0.6                       | 2.8         |
| External Operations   | 16.0                      | 14.3                      | 13.6                      | 43.9        |
| Internal Operations   | 4.0                       | 3.8                       | 3.5                       | 11.3        |
| Totals                | 68.5                      | 51.9                      | 42.9                      | 163.3       |

- 1.5 A strategy by itself will not lead to effective procurement; it is the commitment of our members, senior managers and staff carrying out procurement activity which is key to its success.

## 2 What Is Procurement?

- 2.1 Procurement is the process of acquiring goods, services and works, covering both acquisition from suppliers and in-house providers. The process spans the whole cycle from identification of needs through to the end of a contract or the end of the useful life of an asset. It involves options appraisal and the critical 'make or buy' decision which may result in the provision of services in-house or through other supply arrangements.

## 3 Why Is Procurement Important?

- 3.1 The impact of procurement is far greater than just the definition of a 'process' and our vision, aims and objectives set out in this strategy detail the contribution that effective procurement arrangements can make to a range of socio-economic agendas. These include a successful local economy, a thriving voluntary sector, community empowerment, environmental and ethical issues, and value for money.
- 3.2 Good procurement is essential to ensure good public services, from buying works,

goods and services that work as they are supposed to, to achieving savings that can be reinvested in front-line services.

- 3.3 Local Government spends over £60billion a year procuring a wide range of works, goods and services, from everyday items such as pens and paper, to major construction projects such as schools and hospitals. All those who, as taxpayers and housing rent payers, use and fund public services have the right to expect government to meet the highest professional standards when it procures on their behalf.

## **4 Our Vision For Procurement**

- 4.1 Our vision for procurement over the term of this strategy is to demonstrate value for money through the effective procurement of goods, services and works on a whole life basis in terms of generating benefits to the community and Council, whilst minimising impacts to the environment.

## **5 Strategic Procurement Aims**

- 5.1 Our strategic procurement aims are summarised as follows:

### **Showing Leadership**

A more strategic approach to procurement should be at the heart of thinking for our councillors and decisions makers because procurement is not merely about ensuring compliance. There is an ever-growing need to engage with service leads and procurement teams on high value, high risk procurements to drive innovation, generate savings and identify opportunities for income generation.

### **Behaving Commercially**

We need to improve public sector commissioning and procurement to increase the effectiveness and efficiency of government. This means improving the skills of our leaders and managers, both members and officers, so their teams can design service provision, influence external parties, and shape and manage markets to get the best outcomes. This can be done by creating commercial opportunities, managing contracts and supplier relationships and risk management.

### **Delivering the Corporate Strategy and Service Priorities**

It is important that we ensure procurement activity supports the delivery of the Council's strategic and operational priorities, with relentless focus on value for money and financial performance, as well as wider strategic aims.

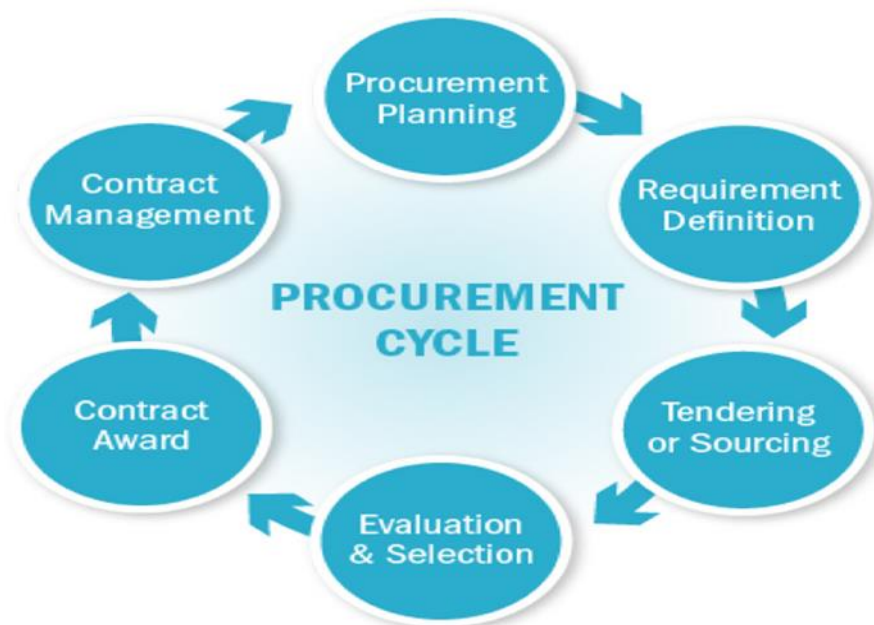
### **Achieving Community Benefits**

We can use procurement to achieve wider financial and non-financial outcomes, including improving the local economy, wellbeing of individuals and communities, social value and improved environment.

- 5.2 Success of this strategy will depend on the implementation and effectiveness of the following key principles and actions:

- Political and management endorsement and support;
- Council-wide recognition of the importance of the role of procurement in delivering improvement and efficiency;
- Improved commercial awareness of those involved in procurement activities;
- Improved forward planning by service areas;
- Adequate resourcing and prioritisation of projects;
- Adequate support from key internal functions throughout the procurement cycle;
- Continued development of procurement capacity and capability within services, and encouragement of continuous improvement;
- Identification, allocation and continuous management of risk;
- Management of performance shortfalls and adequate tools to tackle poor performance;
- Continuity of knowledge throughout the procurement phases and the delivery of regular and effective training.

## 6 The Procurement Cycle and Process



- 6.1 Effective procurement forms a continuous cycle of action and improvement, from identification of needs through to review of delivery and achievement of outcomes and includes procurement and contract management activity. The stages are inter-dependent – each stage builds on the previous ones. The outcome for the procurement exercise may not be known at the outset and this may result in a grant being awarded, provision remaining in-house or a fully tendered procurement.
- 6.2 This strategy is aimed at promoting effective procurement across all services and should be read in conjunction with our Contract Procedure Rules and Financial Procedure Rules. During 2021 we will develop procurement guidance and training to support services and the procurement team with the implementation of our procurement approach. All procurement activity is operated in a legal and professional manner with the highest standards of integrity, transparency, openness, accountability and fairness.
- 6.3 There are several types of procurement procedures we can currently use, these are



described below:

- **Open Procedure** – any supplier may submit a bid for an advertised opportunity.
- **Restricted Procedure** – any supplier may express an interest to participate in this procedure, but only those suppliers who pass a pre-selections process may submit bids
- **Competitive negotiated procedure** – any supplier may express an interest to participate but only those who pass a pre-selection process may submit an initial bid and then to negotiate.
- **Competitive dialogue** – any supplier may express an interest to participate but only those who pass a pre-selection process may enter into dialogue over possible solutions to a requirement (following the dialogue stage a minimum of 3 bids must be invited).
- **Framework Agreements** - a framework agreement is a particular type of contract where a council or buying organisation establishes an arrangement where a number of suppliers are accepted as competent to deliver the service and the framework specifies the terms for awarding specific contracts as required. Contracts obtained from a framework are called call-offs and the framework specifies the terms of call-offs, such as awarding directly to a single supplier or through a mini-competition with all suppliers. The restrictions on framework agreements are that they cannot exceed four years and the terms of a contract cannot be varied substantially from what is set out in the framework. Only authorities clearly identified as part of the framework can award contracts, though the contracts awarded can last longer than the framework itself.
- **Dynamic Purchasing System (DPS)** – a DPS is like a framework agreement, but it allows new suppliers to be added as potential suppliers over the duration of the arrangement and there is no limit on its application.

6.4 In the Government Green paper 'Transforming Public Procurement' published December 2020 there are proposals to reduce the number of procedures from the current seven to three which are detailed below:

- **The Competitive Flexible Procedure:** which would be consistent with the general principles of procurement, minimal detailed rules, advertised at the start and at award (consistent with the more comprehensive transparency proposals), permitting buying teams greater flexibility to design an appropriate process including opportunities to negotiate and innovate.
- **The Open Procedure:** which would retain the existing process for more routine, 'off the shelf' purchases.
- **The Limited tendering procedure:** Similar to the competitive procedure without publication, gateway criteria to its use to be retained (urgency etc.) but to introduce a new 'crisis' criteria (see below); introducing mandatory contract award notice (consistent with greater transparency requirements)

6.5 The Procurement Strategy will need to be reviewed and updated as new legislative

requirements such as the above are introduced.

- 6.6 The Council's procurement activity covers a range goods, services and works. Services have a mix of specific and aligned requirements for the procurement of Goods, Services and Works contracts. Each requiring an amount of specialist commercial and procurement knowledge to ensure procurement exercises are prepared and executed compliant with local and national rules regulations and governance.
- 6.7 We will consider the costs of procurement when designing processes and considering the most appropriate procurement approach. The Council recognises the importance of electronic procurement (eProcurement) in delivering lower transaction costs, and we will optimise this approach whilst ensuring supplier groups (e.g. the voluntary sector) are not disadvantaged.
- 6.8 Purchasing cards will be used where and if appropriate, in line with the Purchasing Card Policy, to reduce transaction costs particularly for high volume, low value and ad-hoc purchases.

## 7 Legislation

- 7.1 Public procurement is a highly regulated environment governed by legislation and policies set by the UK government, nationally through statute and case law and locally by the Council's Constitution, and other Council plans and policies. These are set out in Appendix 1.

## 8 Governance, Structure and Responsibilities

- 8.1 The National Procurement Strategy recommends that local authorities demonstrate political and senior officer leadership of procurement. Summarised below are the roles and responsibilities for the Council.

| <b>Key Area – Engaging Senior Managers</b>  |  |   |  |  |
|---|--|---|--|--|
| Refers to the corporate management team valuing and benefiting from procurement and commercial at all stages of decision-making, including early advice on major projects.  |  |   |  |  |
| <b>Importance:</b> Good procurement and commercial (wherever possible, provided in-house or shared between councils) can have a decisive impact on the outcome of a project, particularly one involving innovation. It is important that senior managers engage with the procurement and commercial issues from the earliest stages of the project. |  |   |  |  |
| <b>Minimum</b>  | <b>Developing</b>  | <b>Mature</b>   | <b>Leader</b>  | <b>Innovator</b>   |
| Senior management regard procurement and commercial issues as purely operational matters.   | The council is exploring the best approach to obtaining procurement and commercial input into decision-making. | Senior managers engaged with procurement and commercial issues, routinely taking advice at key decision points. | Council demonstrating better results from early procurement and commercial advice on projects. | Council procurement and commercial advice valued by leaders of combined authority/group of council's projects or in connection with an innovative project. |

(Source: National Procurement strategy)

- 8.2 Outlined below are the roles and responsibilities for procurement within Somerset West and Taunton Council.

## **Members' roles in procurement**

- 8.3 Members are responsible for overseeing procurement activity and direct involvement in procurements that are key decisions as set out in the Constitution.
- The Executive is responsible for approving the Council's Procurement Strategy.
  - Audit Governance and Standards Committee is responsible for monitoring compliance with the Contract Procedure Rules, holding leadership and management to account.
  - Procurement activity requiring more detailed member involvement includes:
    - Making key decisions in the procurement process for major projects.
    - Where a new service or a substantially varied service is being considered.
    - High public interest.
    - Significant reputational or financial risk.
    - Significant risk of failing to meet legislative requirements.

## **Senior Management Team**

- 8.4 The Chief Executive and Directors are responsible for:
- Management of the strategy and to review progress against the implementation of the actions.
  - Strategic leadership and governance of procurement.
  - Ensuring the Procurement Strategy aligns with corporate objectives.
  - Overseeing the arrangements for procurement and to ensure they are operating effectively.
  - Ensuring value for money and risk management are considered as part of any procurement activity.
  - Ensuring equality and sustainability are considered at each stage of the procurement process.

## **Operational Managers and Other Relevant Staff**

- 8.5 Operational managers, project managers, purchasing and procuring officers, and their support staff are responsible for:
- Each relevant operational manager is responsible for ensuring that the staff in their areas have the right level of skills to deliver effective procurement, and will also monitor all procurement activity in their services.
  - For specific, high risk, complex and higher value contracts, project teams are formed to ensure that technical, legal and commercial issues are considered, using the project management framework.
  - It is the responsibility of the Contract / Project manager to identify and develop business requirements and ensure adequate budget is in place or obtained in line with Financial Procedure Rules.
  - Staff involved directly with the purchase of goods, services and works must ensure they comply with this strategy, the Public Procurement Regulations 2015, and the Council's Contract Procedure Rules and Financial Procedure Rules.
  - Conducting relationships with suppliers and the Council in an ethical and appropriate manner to ensure they promote their employer in a positive way.
  - Obtaining appropriate approval to proceed with a procurement exercise, ensuring adequate approved budget provision is in place.

- Preparing and developing the scope and specification of the purchasing requirement, working with procurement team for advice and guidance where necessary, to ensure the scope and specification is not written to favour any one business or group of companies.
- It is incumbent on the council to ensure all contracts clearly state the roles and responsibilities of both the Council and Supplier imposed on them by the General Data Protection Regulation 2016 and the Data Protection Act 2018 in relation to the basis on which we process the personal data we collect

### **Procurement Team**

8.6 The duties of the procurement team are to maintain procurement guidance in line with best practice, and to monitor procurement activity across the Council, including:

- Coordinating this procurement strategy on behalf of the Council, and leading on the implementation of the procurement aims.
- Providing assistance and advice to contract owners in the control and management of contracts.
- Development and maintenance of procurement documentation and web pages to publicise procurement plans, information and advice to potential suppliers and staff; to comply with transparency requirements.
- Development modern and efficient procurement processes to deliver savings in transactional processes.
- Providing assistance to contract owners in the planning and co-ordination of improvement of current contracts, business continuity, exit strategies and post contract appraisals and reviews.
- Ensuring the procurement process eliminates the potential for fraud and favouritism towards any supplier.
- Supplier analysis to identify supplier base, spend per supplier, spend per service / activity.
- Coordinate and monitor the Council Contracts Register and Procurement Pipeline to allow improved advanced planning for procurement and contract management activity.
- Organising training for staff, to include specific procurement training, induction and Contract Procedure Rules, and use of the procurement portal and related processes.

## **9 Value for Money (VFM)**

9.1 Value for money does not mean the lowest cost. There are many aspects to achieving VFM through the procurement process; mainly to select a procurement model that is proportionate to the value and risk of individual contracts.

9.2 It also requires a proportionate approach to the evaluation of cost and quality; where the costs can be broadly predetermined there will be a higher weighting towards quality.

9.3 VFM is not just about price, there are a wide range of other considerations that may be taken into account when assessing VFM, including for example, quality relevant and appropriate to the specifics of the contract; social value in terms of community experience and outcomes and whole life value.

## **10 Social Value**

- 10.1 The Public Services (Social Value) Act 2012 requires us to consider how the services we procure might improve the economic, social and environmental well-being of the area. It is defined as improving economic, social and environmental wellbeing from public sector contracts over and above the delivery of the services directly required at no extra cost. Used properly, additional social value can be beneficial to both suppliers and councils and represent a joint effort to exploit maximum value from procurement.
- 10.2 Our Social Value in Procurement Policy Statement is attached at Appendix 2 and sets out our approach to ensure that all resources are used wisely and that we protect and enhance the economy and environment whilst ensuring the efficient use of resources and delivery of value for money.

## **11 Sustainable Procurement**

- 11.1 Sustainability is an important consideration when making procurement decisions. It ensures that we consider the environmental impact of procurement decisions.
- 11.2 We are committed to making our spending decisions in a way that delivers both value for money on a whole life cycle basis, and achieving wider economic, social and environmental benefits. The Council's sustainable procurement policy structure will support and enable progress towards the Council's vision for the District to be Carbon Neutral by 2030.
- 11.3 We are committed to achieving these aims and we will:
- Promote and embed best practice for sustainable procurement across all service areas
  - Where appropriate, require our suppliers and contractors to reduce the impact of goods, works and services by considering whole life costs; and the carbon impacts associated with goods works and services.
  - Require information from potential suppliers on how they will help us to progress our environmental objectives as part of the delivery of a contract.
  - Regularly review consumption of goods and services, especially those that have specific impact on the environment, and take measures to prioritise alternative recycled methods and materials that are non-polluting and environmentally friendly.
  - Ensure that, where appropriate and allowable, sustainability criteria are part of the supplier evaluation process and are used in the award of contracts.
  - Utilise where necessary the Building Research Establishment Environmental Assessment Method (BREEAM) as appropriate to deliver sustainable construction, refurbishment and maintenance projects, whilst considering viability and affordability.
  - Fulfil obligations under the Biodiversity duty as part of our Corporate Biodiversity requirements.

## **12 Supporting the Local Economy**

- 12.1 We recognise that there are significant advantages of engaging with small local businesses, for both the Council and the local economy. We are committed to using

procurement processes that ensure such businesses, trades and suppliers – including Small or Medium-size Enterprises (SME's) and Micro Enterprises (ME's) – have at least equal if not enhanced access to council procurement opportunities.

- 12.2 All procurement activity will aim to benefit the local economy and employment opportunities for local residents wherever possible and allowed to. We will encourage local businesses to actively participate in our procurement opportunities. The procurement team will through local events such as Meet the Buyers meetings where we can assist local SME's and Sole Traders with any queries and issues they may have regarding our tendering process to help simplify them where possible.

### **13 Ethical Procurement**

- 13.1 Ethical procurement considers the impact of environmental, economic and social factors along with price and quality. We must be aware and look out for signs of unacceptable practices in the supply chain such as modern slavery, fraud and corruption.

- 13.2 The Council has an opportunity to influence the equality agenda with suppliers through its procurement processes. The Council will actively engage with the requirements of the Corporate Equalities Action Plan. The Council is committed to ensuring that major suppliers and contractors share our equality and diversity vision and values, and work to implement these. To achieve this, the Council will:

- Ensure our appointed contractors share, and help deliver, our equality objectives;
- Provide templates, guidance and training on equalities for procurement staff;
- Develop ways to monitor the equality performance of our key suppliers and provide assistance where required.

- 13.3 The Council will ensure through its procurement processes that all its suppliers comply fully with the Modern Slavery Act 2015 wherever it applies. Further to this we will:

- Challenge any abnormally low-cost tenders to ensure they do not rely upon any potential contractor practising modern slavery.
- Highlight to our suppliers that contracted workers are free to join a trade union and are not to be treated unfairly for belonging to one.
- Publicise our whistle-blowing system for staff to blow the whistle on any suspected examples of modern slavery.
- Require our contractors to adopt a whistle-blowing policy which enables their staff to blow the whistle on any suspected examples of modern slavery.
- Regularly review our contracted spending to identify any potential issues with modern slavery.
- Highlight to our suppliers any risks identified concerning modern slavery and refer them to the relevant agencies to be addressed.
- Refer for investigation via the National Crime Agency's national referral mechanism any of our contractors identified as a cause for concern regarding modern slavery.

- 13.4 Any supplier awarded a contract who later is found to be or has been in breach of the Modern Slavery Act 2015 may have their contract terminated.

- 13.5 The Council will ensure that appropriate contracts include provisions for crime and disorder reduction and that procurement arrangements do not have an adverse impact on community safety issues.
- 13.6 The Council will ensure that effective health and safety mechanisms are in place through our procurement practice and our suppliers.
- 13.7 The Council will ensure compliance with the code of practice on handling workforce matters in contracts.

## **14 Management of Risk**

- 14.1 Risk management is an integral part of a procurement process and must be considered at the planning stage of any procurement process. We will identify the risks associated with all major procurement activity and the contingencies for service disruption in each project and how these are to be mitigated and managed.
- 14.2 For any high financial value, high risk or high profile procurement and which also involves significant risk including staff transfer; or significant potential for reputational or financial risks we will utilise the project management methodology throughout a projects life to ensure it delivers the project objectives and outcomes. Risks and issues register(s) relating to the procurement will be set up and regularly monitored by the project team.

## **15 Managing Contracts and Supplier Relationships**

- 15.1 Contract and relationship management refers to the effective management and control of all contracts from their planning inception until their completion by the appointed contractor(s). It covers the supported policies, procedures and systems needed to undertake it, together with broader issues from the identification and minimisation of risk, successful and timely delivery of outcomes and performance, effective control of cost and variations, and the maintenance of clear communications and operational relationships with contractors.
- 15.2 Buyers and contract managers are responsible for, and will be proactive in relation to, managing contracts and performance in order to ensure that positive output and outcomes are maximised, cost variations are minimised and any issues in relation to the delivery of the contract are appropriately addressed at the earliest opportunity.

## **16 Business Continuity**

- 16.1 Business continuity is the process of preparing for and responding to a disaster, event or situation that could have a serious impact on the delivery of services. For high risk procurements the suppliers will be required to submit a business continuity plan as part of the tender submission. All key suppliers will be required as part of contract management to provide an annual update of their business continuity plans. This is the responsibility of contract managers, and will be monitored for compliance by the Procurement Team.

## **17 Measuring Performance**

- 17.1 During 2021 we will develop key performance measures to enable effective monitoring of the strategy and procurement practices. This may include:

- Procurement savings targets, to be developed in support of the financial strategy
- Value for money benchmarking
- Compliance with policy and procedures such as PO compliance, number/proportion of exemptions and waivers, compliance with approval delegations, bypassing contract tendering thresholds.

### Version Control

| Version | Date          | Purpose      | Changes | Originated | Authorised      |
|---------|---------------|--------------|---------|------------|-----------------|
| 1       | February 2021 | New document |         | PES        | SMT<br>3/3/2021 |
|         |               |              |         |            |                 |



## Legislation, Council policy and procedure rules relating to procurement

Public procurement is a highly regulated environment governed by legislation and policies set by the UK government, nationally through statute and case law and locally by the Council's Constitution, and other Council plans and policies. These are listed below:

### UK Procurement Directives and Public Contract Regulations (PCR) 2015

The Brexit transition period concluded on 1 January 2021. This means the UK is no longer a member of the EU, and is now a member of the World Trade Organisation's (WTO) Government Procurement Agreement (GPA)

- From 1 January 2021, the new e-tender service 'Find a Tender' replaced the Official Journal of the European Union in the UK for above threshold tenders.
- The existing UK government portals – Contracts Finder, Public Contracts Scotland, Sell2Wales and eTendersNI – will remain in operation and will be unchanged.
- Initially there was no immediate changes to procurement policies, however the government has the power to introduce new or temporary procurement legislation

The Public Contracts Regulations 2015 came into force in February 2015. Failure to adhere to The Public Contracts Regulations 2015 can result in the Council becoming subject to Court action or enforcement action, with potentially significant financial and reputational damage.

<https://www.legislation.gov.uk/ukxi/2015/102/contents/made>

### Local Government Transparency Code 2015

The Transparency Code requires the Council to publish details of every invitation to tender for contracts with a value that exceeds £5,000. We must also publish details of any contracts, commissioned activity, purchase order, framework agreement or any other legally enforceable agreement with a value that exceeds £5,000.

<https://www.legislation.gov.uk/ukxi/2015/102/contents/made>

### The Public Services (Social Value) Act 2012

This act places a duty on local authorities, at the 'pre-procurement' phase of procuring services to consider how and what is being procured might improve the economic, social and environmental well-being in their community; and how they might secure that improvement in the procurement process itself as long as such action is relevant to what is being procured, and is considered to be proportionate. This applies to all public services contracts with only an element of goods or works. It does not apply to public works contracts or public supply (goods) contracts.

<https://www.gov.uk/government/publications/social-value-act-information-and-resources/social-value-act-information-and-resources>

## **Community Right to Challenge (Localism) Act 2012**

This act enables “relevant bodies”, for example voluntary and community groups, employees or Parish Councils, to challenge to take over local services that they think they can run differently or better. The right enables a relevant body to submit an expression of interest (EOI) to a relevant authority to provide or assist in providing a relevant service.

<https://www.gov.uk/government/publications/community-right-to-challenge-statutory-guidance>

## **Freedom of Information Act 2000**

This act provides people with the right to access to information held by public bodies. This with the government’s transparency agenda has consequences for those contracting with the partners where the financial details of contracts awarded may be made public.

<https://www.legislation.gov.uk/ukpga/2000/36/contents>

## **Data Protection Legislation**

The General Data Protection Regulation 2016 and the Data Protection Act 2018 sets out the basis on which we process the personal data we collect. Any contract must clearly set out the roles and responsibilities of the council and the contractor, and require the contractor to comply with Data Protection legislation and indemnify the council against any claim.

<https://www.legislation.gov.uk/ukpga/2018/12/contents/enacted>

## **Contract Procedure Rules, Financial Procedure Rules and Scheme of Delegation**

As part of its corporate governance arrangements the Council must ensure that there are adequate controls, procedures and standard documentation in place to satisfy the need to meet probity, propriety and transparency tests. The Contract Procedure Rules, Financial Procedure Rules and Scheme of Delegation fulfil this requirement and they are part of the approved Constitution. They must be observed by both Members and Officers within the procurement process.

<https://democracy.somersetwestandtaunton.gov.uk/ieListDocuments.aspx?CId=331&MIId=2523&Ver=4>

## **Other Council plans and policies**

The Council’s procurement framework is aligned to the commitments made in other Council plans and policies:

Corporate Strategy and Annual Plan  
Carbon Neutrality and Climate Resilience Strategy and Action Plan  
Risk Management strategy  
Financial Strategy  
Capital Strategy

## Social Value in Procurement Policy Statement

### Introduction

As revitalisation and growth takes place we will support and encourage local procurement activity, to help small businesses and social enterprises to access larger customers and encourage large organisations in the public and private sectors to develop local supply chains. As well as helping business survival and growth this activity will provide employment opportunities for local people, thus supporting inclusion. We will encourage social value to be incorporated into local procurement activity, with the inclusion of local authority contracts and spend.

This policy outlines the approach that will be taken in order to ensure that all resources are used wisely, that we protect and enhance the environment whilst ensuring the efficient use of resources and delivery of value for money.

There is no 'one size fits all' model for achieving social value, it is an area where we are learning about how best to achieve and evidence it. This policy will continue to be informed by national developments and our own learning.

### What is Social Value?

The Public Services (Social Value) Act 2012 requires us to consider how the services we procure might improve the economic, social and environmental well-being of the area. It is defined as improving economic, social and environmental wellbeing from public sector contracts over and above the delivery of the services directly required at no extra cost. Used properly, additional social value can be beneficial to both suppliers and councils and represent a joint effort to exploit maximum value from procurement.

### Definitions of Economic, Social and Environmental Outcomes

**Economic outcomes:** providing contributions to the local economy and economic growth that supports social outcomes. Retaining, re-circulating and leveraging funds in local areas – a wider contribution to skills, tackling unemployment and maintaining employment.

**Social outcomes:** contributing to a vibrant and healthy community. Community based actions. Equality, diversity, cohesion and inclusion – local relationships, partnerships and people.

**Environmental outcomes:** relate to protecting, promoting and enhancing the environment. Supporting local activities to improve the environment.

### Aims of the Policy

We aim to ensure that our expenditure is utilised in ways that most benefit our local communities. We will:

- Encourage a diverse base of suppliers: Promoting supplier diversity; including the participation of SME's and 3rd sector organisations, and local suppliers in general.
- Promoting fair employment practices: Ensuring workforce equality and diversity in supply chains.

- Meeting targeted and recruitment and training needs: Offering a range of apprenticeships, training and skills development opportunities as well as employment opportunities.
- Community Benefits: Maximising opportunities for local organisations to participate in our supply chains and encouraging suppliers to make a social contribution to the local area.
- Ethical sourcing practices: Ensuring compliance with UK, EU and international standards, promoting fair trade and fair pricing policies, tackling corruption and compliance with the Modern Slavery Act.
- Promoting greater environmental sustainability: Minimising waste and pollution, supporting carbon reduction initiatives, include Carbon Neutral District 2030 and Single Use Plastic, furthering energy efficiency and other sustainability programmes.
- Improving council economic sustainability: Engaging businesses in delivery of additional social value will have a range of direct and indirect economic benefits to the Council. This includes improving viability of SMEs in the district, providing additional support to third party providers to ensure better community benefits, and resulting in the eventual reduction in costs to the Council of providing services.
- Encouraging participation: Engaging and encouraging user and employee involvement in service design and delivery.



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

Agenda Item 13

Document is Restricted

